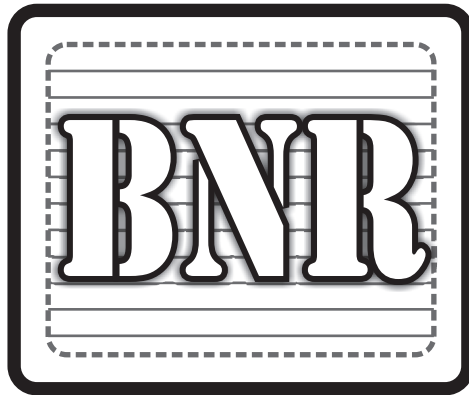


# B.N. Rathi Securities Limited



28th Annual Report  
2013-2014



**CORPORATE INFORMATION**

**1. BOARD OF DIRECTORS**

Mr. Laxminiwas Sharma	- Non-Executive Chairman	(DIN: 00010899)
Mr. Hari Narayan Rathi	- Managing Director	(DIN: 00010968)
Mr. Chetan Rathi	- Executive Director cum CFO	(DIN: 00536441)
Mr. K. Harishchandra Prasad	- Non Executive & Independent Director	(DIN: 00012564)
Mr. T. S. Suryanarayana Murthy	- Non Executive & Independent Director	(DIN: 01736083)

**2. COMPANY SECRETARY**

Ms. C. Sharda Shastry

**3. REGISTERED OFFICE**

6-3-652, IV Floor, Kautilya,  
Amrutha Estates, Somajiguda,  
Hyderabad, Andhra Pradesh -500082.  
Ph. : 040-30527777, Fax : 040-30526283

**4. AUDIT COMMITTEE**

Mr. Laxminiwas Sharma	- Chairman
Mr. K. Harishchandra Prasad	- Member
Mr. T. S. Suryanarayana Murthy	- Member

**5. NOMINATION & REMUNERATION COMMITTEE**

Mr. K. Harishchandra Prasad	- Chairman
Mr. Laxminiwas Sharma	- Member
Mr. T. S. Suryanarayana Murthy	- Member

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. T. S. Suryanarayana Murthy	- Chairman
Mr. Laxminiwas Sharma	- Member
Mr. K. Harishchandra Prasad	- Member
Mr. Chetan Rathi	- Member

**7. AUDITORS**

Kalyandas & Co.,  
Chartered Accountants  
15, Venkateshwara Colony,  
Narayanguda, Hyderabad - 500029.

**8. BANKERS**

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

**9. REGISTRAR AND SHARE TRANSFER AGENT**

M/s. Kary Computer Share Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad-500 081  
Tel No.040-44655000, Fax No.040-23420814

**10. LISTED AT**

BSE Limited

**11. DEMAT ISIN NUMBER IN  
NSDL& CDSL**

INE710D01010

**12. WEBSITE**

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

**13. INVESTOR E-MAIL ID**

[investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com)

**14. CORPORATE IDENTITY NUMBER**

L65993AP1985PLC005838



## NOTICE

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the Shareholders of B.N. Rathi Securities Limited will be held on Saturday, 12<sup>th</sup> day of July, 2014 at 10.00 a.m. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500082 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements for the year ended 31st March, 2014 including audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Chetan Rathi, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint the Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Laxminiwas Sharma (holding DIN 00010899), Director of the Company who retires by rotation at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K. Harishchandra Prasad (holding DIN 00012564), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

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

“RESOLVED that pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory



modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. T. S. Suryanarayana Murthy (holding DIN 01736083), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019.”

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

Place : Hyderabad  
Date : 27.05.2014

**Laxminivas Sharma**  
Chairman



## NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
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 09.07.2014 to 12.07.2014 (Both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per details furnished by NSDL and CDSL, for this purpose.
4. Subject to the provisions of the Companies Act, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose names appear on the Company's Register of Members as on 12.07.2014.
5. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/send any change in their address/mandate/bank details; and particulars of their bank account, in case the same have not been sent earlier to the Company's Registrar and Transfer Agent.
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
7. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
8. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
9. 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 2013-14, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2006-2007 to the IEPF on or before October 14<sup>th</sup>, 2014. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares



in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

11. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
12. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Karvy Computershare Pvt. Ltd., Share Transfer Agents of the Company for their doing the needful.
13. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-2014 is being sent in the permitted mode.
14. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [investorgrievances@bnrsecurities.com](mailto:investorgrievances@bnrsecurities.com).

**15. Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 28th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited.

The instructions for e-voting are as under:

**(A) In case of members receiving e-mail:**

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the Form. Your folio/DP Client ID will be your User-ID.



User-ID	For Members holding shares in Demat Form: a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form: Event no. followed by Folio Number registered with the Company
Password	Your Unique password is printed on the Form / via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii) Please contact our toll free No. 1-800-34-54-001 for any further clarifications.
- iv) Members can cast their vote online from 06.07.2014 at 9.00 A.M. and ends on 08.07.2014 at 6.00.P.M
- v) After entering these details appropriately, click on “LOGIN”.
- vi) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z).one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) You need to login again with the new credentials.
- viii) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- ix) If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your existing login id and password are to be used.
- x) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting .Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- xii) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - xiii) Corporate/Institutional Members (Corporate / Fls / Flls / Trust / Mutual Funds / Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to [scrutinizerpcs@gmail.com](mailto:scrutinizerpcs@gmail.com) with copy to [evoting@karvy.com](mailto:evoting@karvy.com). The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
- (B) In case of members receiving the Physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:**
- (i) Please follow all steps from sl. no. (i) to sl. no. (xii) above, to cast vote.
- (C)** The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 30.05.2014.
- (D)** Mr. S. Sarveswar Reddy, Practicing Company Secretary, C.P. No. 7478 has been appointed as the Scrutinizer to scrutinize the e-voting process.
- (E)** The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (F)** The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bnrsecurities.com](http://www.bnrsecurities.com) and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.
- (G)** Since the Company is required to provide members facility to cast their vote by electronic means, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of May 30, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

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

Place : Hyderabad  
Date : 27.05.2014

**Laxminivas Sharma**  
Chairman





## EXPLANATORY STATEMENT

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

### ITEM NO.5

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

Mr. **Laxminiwas Sharma** is a graduate in Commerce and C.A. He is the Senior Partner of Laxminiwas & Jain, Chartered Accountants, Auditor in several private sector undertaking and Public Sector Undertaking.

Mr. **Laxminiwas Sharma** retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. **Laxminiwas Sharma** being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. **Laxminiwas Sharma** as a candidate for the office of Director of the Company.

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

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

Except Mr. **Laxminiwas Sharma**, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

### ITEM NO.6

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

**Mr. K. Harish Chandra Prasad** did MBA and M.S. He is the Managing Director in Lakshmi Finance & Industrial Corporation Limited. He is also Director in several other public Companies like Healthy Investments Ltd., Andhra Printers Ltd., KLN Holdings Pvt. Ltd., Uni Jolly Investments Ltd., etc.

**Mr. K. Harish Chandra Prasad** is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, **Mr. K. Harish Chandra Prasad** being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing **Mr. K. Harish Chandra Prasad** as a candidate for the office of Director of the Company.



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

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

Except **Mr. K. Harish Chandra Prasad**, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6.

**ITEM NO. 7**

Mr. T. S. Suryanarayana Murthy is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in May, 2013. Mr. T. S. Suryanarayana Murthy is the Chairman of the Stakeholders Relationship Committee and member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Mr. T. S. Suryanarayana Murthy is a Fellow member of the Institute of Chartered Accountants of India.

Mr. T. S. Suryanarayana Murthy is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. T. S. Suryanarayana Murthy being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. T. S. Suryanarayana Murthy as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. T. S. Suryanarayana Murthy fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

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

Except Mr. T. S. Suryanarayana Murthy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

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

Place : Hyderabad  
Date : 27.05.2014

**Laxminivas Sharma**  
Chairman



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 28th Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2014.

### FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2014 are summarized as under:

	(Rs. In Lakhs)	
	<u>2013-14</u>	<u>2012-13</u>
Total Income	<b>828.63</b>	622.01
Total Expenditure	<b>706.32</b>	566.84
Profit before Tax	<b>122.31</b>	55.17
Provision for taxation	<b>31.64</b>	16.13
Profit after Tax	<b>90.67</b>	39.04
Transfer to General Reserves	<b>2.26</b>	-
Profit available for Appropriation	<b>88.41</b>	39.04
Provision for proposed Equity Dividend	<b>30.24</b>	25.20
Provision for Corporate Dividend Tax	<b>5.14</b>	4.28
Balance carried to Balance Sheet	<b>53.03</b>	9.56

### DIVIDEND:

Your Directors are pleased to recommend a Dividend of Re. 1.20/- per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2013-14. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 35.38 lakhs, for which necessary provision has been made in the accounts.

### OPERATIONS:

The performance of the Company during the year under review has been satisfactory. The Company is also making all efforts to expand in the various parts of the Country.

### INSURANCE:

The assets of the Company are adequately insured. The Company has also taken Stock Brokers Indemnity Insurance to cover the exposure arising from NSE ,BSE & MCX-SX operations, and also a Liability insurance Policy for Central Depository Services (India) Limited.

### LISTING:

The Equity Shares of the Company are listed on BSE Limited (Stock Code 523019). The annual listing fees for the year 2014- 2015 was paid to the Stock Exchange.

### DIRECTORS:

Mr. Vijay Kumar Taori, the Independent Director passed away during the year. The Board placed on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.



Pursuant to the notification of Sec. 149 and other applicable provisions of Companies Act, 2013, your Directors are seeking appointment of Mr. Laxminiwas Sharma, Mr. K. Harish Chandra Prasad and Mr. T. S. Suryanarayana Murthy as Independent Directors for five consecutive years for a term upto 31<sup>st</sup> March, 2019. Details of the proposal for appointment of Mr. Laxminiwas Sharma, Mr. K. Harish Chandra Prasad and Mr. T. S. Suryanarayana Murthy are mentioned in the Explanatory Statement under Section 102 of Companies Act, 2013 of the Notice of 28<sup>th</sup> Annual General Meeting.

In accordance with the Companies Act, 2013, Mr. Chetan Rathi retires by rotation and is eligible for reappointment and your Board recommends the re-appointment of the Director above.

<b>Name of the Director</b>	<b>Mr. Chetan Rathi</b>	<b>Mr. Laxminiwas Sharma</b>	<b>Mr. T. S. Suryanarayana Murthy</b>	<b>Mr. K. Harish Chandra Prasad</b>
Date of Birth	08.03.1976	17.02.1947	09.06.1945	15.09.1952
Date of Appointment	01.04.2010	29.01.1990	29.05.2013	06.06.1994
Qualifications	M.B.A.	FCA	FCA	M.B.A. & M.S.
No. of Shares held in the Company	174267	Nil	Nil	500
Directorships held in other companies (excluding private limited and foreign companies)	Nil	Sirpur Paper Mills Ltd.	Pitti Laminations Ltd.	<ol style="list-style-type: none"> <li>1. Healthy Investments Ltd</li> <li>2. Andhra Printers Ltd</li> <li>3. Lakshmi Finance And Industrial Corporation Ltd</li> <li>4. Unijolly Investments Company Limited</li> <li>5. Suryajyoti Spinning Mills Ltd</li> <li>6. Keerthi Industries Limited</li> <li>7. The Federation Of Andhra Pradesh Chambers Of Commerce</li> <li>8. Greenpark Hotels And Resorts Limited</li> <li>9. Techtran Polylenes Ltd</li> </ol>
Positions held in mandatory committees of other companies	Nil	Sirpur Paper Mills Ltd. Member Audit Committee Chairman Shareholders Grievance Committee	Pitti Laminations Ltd Chairman Audit Committee Member Shareholders Investor Grievance Committee	<ol style="list-style-type: none"> <li>1. Suryajyoti Spinning Mills Chairman-Audit Committee</li> <li>2. Keerthi Industries Ltd Member-Audit Committee</li> <li>3. Techtran Polylenes Ltd Chairman-Audit Committee</li> </ol>



**CAPITAL OF THE COMPANY:**

During the period, the Authorized capital of the Company stands at Rs.6,00,00,000 consisting of 60,00,000 equity shares of Rs 10/- each and paid-up capital at Rs.2,52,00,000 divided into 25,20,000 equity shares of Rs 10/- each.

**AUDITORS:**

The Auditors of the Company M/s. Kalyandas & Co. Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting of the Company.

**AUDITOR'S REPORT:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2014 and has noted that the same does not have any reservation, qualification or adverse remarks.

**FIXED DEPOSITS:**

The Company has not accepted any deposits from the public.

**PARTICULARS OF EMPLOYEES:**

There is no employee whose remuneration exceeds the limits as prescribed under Sec. 217(2A) of the Companies Act, 1956. Therefore, the disclosures required under section 217(2A) read with the Companies (Particulars of employees) Rules, 1975 are not applicable.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors confirm:

- (i) that in the preparation of the annual accounts for the financial year ended March31, 2014, the applicable accounting standards have been followed;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profits of the company for the year under review;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts for the financial year ended March31, 2014 on a 'going concern' basis.

**STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**UN PAID / UN CLAIMED DIVIDEND:**

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2006-2007 will expire on October 14<sup>th</sup>, 2014 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.



**CORPORATE GOVERNANCE:**

As the paid-up capital of the Company is less than Rs. 3 crores, Corporate Governance is not applicable to the Company.

**COMPLIANCE CERTIFICATE:**

Your company has obtained a secretarial compliance certificate under proviso to subsection (1) of section 383A of Companies Act, 1956 from a Practicing Company Secretary which forms part of this report.

**CREDIT & GUARANTEE FACILITIES:**

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

**SUBSIDIARY COMPANIES:**

M/s B N Rathi Comtrade Private Limited, the subsidiary of the Company, made a net loss of Rs.6,069/- as against profit of Rs.35.94 Lakhs in the previous year. M/s B. N. Rathi Industries Private Limited, the wholly owned subsidiary of the Company has taken up a project of construction of residential apartments at Rajahmundry and thus, the accounting for the same has been prepared as per AS-17 Project completion method.

**CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the Accounting Standards AS-21, notified by Companies (Accounting Standards) Rule, 2006, the consolidated financial statements covered in this annual report by the Company include financial information of its subsidiaries B N Rathi Comtrade Private Limited and B N Rathi Industries Private Limited forms part of this annual report.

**INTERNAL AUDIT:**

M/s. T.R.Chadha & Co., Chartered Accountants, Hyderabad are the internal Auditors of the Company, and are the Concurrent and Internal Auditors for CDSL Operations also.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:**

The information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency are nil.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their appreciation for the valuable co-operation, support and assistance received from the Government Departments and Local Authorities, Securities and Exchange Board of India, Financial Institutions, Banks, National Stock Exchange of India Limited, BSE Limited and Central Depository Services (India) Limited.

Your Directors also acknowledge the continued support given by the valued and esteemed client and sub-brokers and the sincere and dedicated services of the employees of the Company at all levels.

Your Directors also like to express their thanks to the shareholders for the continued confidence reposed in the management of the Company.

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

Place : Hyderabad  
Date : 27.05.2014

**Laxminivas Sharma**  
Chairman



## COMPLIANCE CERTIFICATE

CIN : L65993AP1985PLC005838  
Authorised Capital : Rs. 6,00,00,000/-  
Paid up Capital : Rs. 2,52,00,000/-

To

The Members of:

**B.N. RATHI SECURITIES LIMITED**

**6-3-652, IV Floor, Kautilya**

**Amrutha Estates, Somajiguda**

**Hyderabad – 500082**

I have examined the registers, records, books and papers of M/s **B.N. RATHI SECURITIES LIMITED** as required to be maintained under the Companies Act, 1956/2013, wherever applicable and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns, wherever applicable, as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited Company, comments is not required.
4. The Board of Directors duly met 4 times respectively on 29.05.2013, 08.08.2013, 08.11.2013, and 04.02.2014 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 05.08.2013 to 08.08.2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 08.08.2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has advanced loan of Rs. 25 lakhs to its wholly-owned subsidiary pursuant to Section 185 of Companies Act, 2013. However, it has not advanced any loan to its Directors or persons or firms or other companies referred to under Section 295 of the Act and Section 185 of Companies Act, 2013.



9. The Company has duly complied with the provisions of Section 297 in respect of contracts specified in that section.
10. The Company has made required entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of the section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
  - (i) has delivered all certificates on transfer of securities during the financial year. However, the Company has made no allotment of securities and there were no transmission during the financial year.
  - (ii) deposited the amount of dividend declared including interim dividend during the year in a separate bank account on 12.08.2013 which is within five days from the date of declaration of such dividend.
  - (iii) paid/posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to Unpaid Dividend Account of the Company with HDFC Bank on 07.09.2013.
  - (iv) transferred the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to investor Education and Protection Fund.
  - (v) duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and appointment of additional director has been duly made. However, there was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The re-appointment of Whole-time Director has been made in compliance with the provisions of Section 269 read with Schedule XIII to the Act and approval of Central Government was not required to be obtained. However, the Company has not appointed any managing director / manager during the year.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies and or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year.





20. The Company has not bought back any shares, debentures and any securities during the financial year.
21. The Company has so far not issued any redeemable preference shares/debentures.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31<sup>st</sup> March 2014.
25. The Company has made loans and investments to other bodies corporate and compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. However, no guarantees were given or securities were provided to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act.

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

Place : Hyderabad  
Date : 27.05.2014

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



## ANNEXURE 'A'

### Registers as maintained by the Company:

Sl. No.	Register	
1	Register of Members	u/s 150 of the Act
2	Register of Directors	u/s 303 of the Act
3	Register of Directors' Shareholding	u/s 307 of the Act
4	Register of Contracts, Companies and Firms in which Directors, etc. is interested	u/s 301(3) of the Act
5	Minutes of the General Meetings	u/s 193 of the Act
6	Minutes of the Board Meetings	u/s 193 of the Act
7	Register of Share Transfers	u/s 108 of the Act
8	Investments Register	u/s 372(5) of the Act
9	Register of Contracts	u/s 301 of the Act
10	Register of Fixed Assets	u/s 49(7) of the Act
11	Books of Account	u/s 209 of the Act

### Other Registers:

1. Attendance Register of General Meetings.
2. Attendance Register of Board Meetings.

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

Place : Hyderabad  
Date : 27.05.2014

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

**ANNEXURE 'B'**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31<sup>st</sup> March 2014.

<b>Sr. No.</b>	<b>Form No/ Return</b>	<b>Filed under Section</b>	<b>For</b>	<b>Date of filing</b>	<b>Whether filed within prescribed time yes / no</b>	<b>If delay in filing, whether requisite additional fee paid yes / no</b>
1.	Form 66	383A	Filing of Compliance Certificate for the FY 2012-13	06.09.2013	YES	NO
2.	Form 23 AC-XBRL	220	Filing of Balance Sheet etc. for the FY 2012-13	06.09.2013	YES	NO
3.	Form 23 ACA-XBRL	220	Filing of Profit & Loss Account for the FY 2012-13	06.09.2013	YES	NO
4.	Form 20B	159	Filing of Annual Return for the FY 2012-13	11.09.2013	YES	NO
5.	Form 32	303	Appointment of T.S.Suryanarayana Murthy as Additional Director	31.05.2013	YES	NO
6.	Form 25C	269	Re-appointment of Mr. Chetan Rathi as Whole time director	05.06.2013	YES	NO
7.	Form 32	303	Change in designation of Mr. T.S. Suryanarayana Murthy	14.08.2013	YES	NO
8.	Form 23	192	Special resolution for re-appointment of Mr. Chetan Rathi as Whole time Director	14.08.2013	YES	NO
9.	Form 32	303	Cessation of director Mr. Vijay Kumar Taori	07.11.2013	NO	YES



Sr. No.	Form No/ Return	Filed under Section	For	Date of filing	Whether filed within prescribed time yes / no	If delay in filing, whether requisite additional fee paid yes / no
10.	Form 1 INV	Rule 3 of the Investor Education & Protection Fund (Awareness & Protection of Investors) Rules, 2001	Statement of amounts credited to investor education and protection fund	05.11.2013	YES	NO
11.	Form 5	Rule 3 of the Investor Education & Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012	Statement of unclaimed and unpaid amount	05.11.2013	N.A.	N.A.

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

Place : Hyderabad  
Date : 27.05.2014

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



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
B.N. Rathi Securities Limited,

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s B.N.RATHI SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt.13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. we have 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 appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt.13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



**ANNEXURE TO THE INDEPENDENT AUDIT REPORT  
of B.N.RATHI SECURITIES LIMITED**

**( Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date )**

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report the matters to the extent applicable as under:

- 1) The Company has maintained proper records showing full particulars including quantitative details, situation of fixed assets and the same to be improved. All the fixed assets have not been physically verified by the Management at reasonable intervals. Fixed Assets have been physically verified by the management at the year end and it was stated that no serious discrepancies were noticed on such verification. In our opinion, and according to the Information & Explanations given to us, a substantial part of the Fixed Assets has not been disposed off by the Company during the year.
- 2) The stock of inventory has been physically verified by the management at reasonable intervals. In our opinion, and according to the information given to us, the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. In our opinion the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3)
  - a) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. However during the year the company has granted unsecured loan of Rs.25 lakhs to the Subsidiary Company M/s. B. N. Rathi Industries Private Limited. In our opinion, the rate of interest on which such loan is made is not prima facie prejudicial to the interest of the company.
  - b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of stock (shares) and services requires Improvement. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
- 5) In our opinion and according to the explanation given to us, the particulars of Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956 have been entered and transactions aggregating during the Financial year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such securities or the prices at which transactions for similar securities or services have been made with other parties.



- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
- 7) In our opinion, the Company has a system of internal audit which requires improvement to commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
- 9) According to the Information and Explanation given to us, the Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, there are no disputed Provident Fund, Investor Education and Protection Fund, Service Tax and other statutory dues.

#### Details of disputed Income Tax

The Company has filed Second Appeal in the Income Tax Appellate Tribunal against the order by CIT(Appeals) for the Assessment Year 2010-11 in respect of Income Tax Demand of Rs.11,45,465/- which is pending disposal.

- 10) The Company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) As per the Information & explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company is a Member of NSE, BSE and MCX-SX renders services for investors in purchase and sale of shares and securities and also deals in shares and securities. The Company has maintained proper records of the transactions and contracts of purchases and sale of shares and other securities and timely entries have been made therein. The Company has held the shares in the name of the Company.
- 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions. However during the year, the company has continued the Corporate Guarantee of Rs.1.70 Crores to HDFC on behalf of Subsidiary Company M/s. B. N. Rathi Comtrade Private Limited.
- 16) The Company has obtained Term Loan from a Bank during the year and the same was applied for the purpose for which the loan was obtained.
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.





- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **KALYANDAS & Co.**  
Chartered Accountants  
Firm Reg No.001677S

**(G.KALYANDAS)**

Partner

Membership No.7102

Place : Hyderabad

Date : 27.05.2014

**Balance Sheet as at 31st March, 2014**

Particulars	Note No.	Figures as at the end of current reporting period 31.03.2014 Rs.	Figures as at the end of previous reporting period 31.03.2013 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,52,00,000	2,52,00,000
(b) Reserves and Surplus	2	6,14,77,239	5,58,52,418
<b>(2) Non- Current Liabilities</b>			
(a) Long-Term Borrowings	3	5,00,239	25,00,000
(b) Other Long Term Liabilities	4	30,07,259	1,11,90,328
<b>(3) Current Liabilities</b>			
(a) Trade Payables	5	11,68,46,344	6,11,27,176
(b) Other Current Liabilities	6	30,68,004	22,76,644
(c) Short-Term Provisions	7	71,35,792	46,53,219
<b>Total :</b>		21,72,34,878	16,27,99,785
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets:		37,60,750	34,89,876
(ii) Intangible Assets:		4,80,236	5,30,373
(b) Non-Current Investments	9	1,49,99,500	1,00,99,500
(c) Deferred Tax Assets	10	6,30,248	1,96,735
(d) Long Term Loans and Advances	11	9,22,38,045	5,57,90,033
<b>(2) Current Assets</b>			
(a) Current Investments		-	-
(b) Stock-In-Trade	12	18,40,058	12,27,676
(c) Trade Receivables	13	1,82,00,592	1,47,98,683
(d) Cash and Cash Equivalents	14	6,83,30,049	6,68,18,563
(e) Short-Term Loans and Advances	15	36,70,623	24,82,647
(f) Other Current Assets	16	1,30,84,779	73,65,700
<b>Total :</b>		21,72,34,878	16,27,99,785

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. Sharda Shastry**  
Company Secretary

**Statement of Profit & Loss for the year ended 31st March, 2014**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2014 Rs.	31.03.2013 Rs.
I Revenue from operations	17	6,92,03,661	5,09,86,863
II Other Income	18	1,34,50,758	1,12,14,535
<b>III Total Revenue (I + II)</b>		<b>8,26,54,419</b>	<b>6,22,01,398</b>
IV <u>Expenses:</u>			
Employee Benefit Expense	19	1,29,33,594	1,08,81,549
Finance Costs	20	18,59,560	20,72,312
Depreciation and Amortization Expense		14,89,856	15,81,711
Other Administrative Expenses	21	1,82,48,750	1,31,87,500
Sharing of Brokerage		3,59,97,532	2,76,96,927
<b>V Total Expenses:</b>		<b>7,05,29,292</b>	<b>5,54,19,999</b>
Profit before Exceptional, Extraordinary Items and Tax (III - IV)		<b>1,21,25,127</b>	<b>67,81,400</b>
VI <u>Exceptional Items</u>			
Profit on sale of Fixed Assets (net)		1,05,878	-
VSAT Fixed Assets Written Off		-	12,63,778
VII Profit before tax (V-VI)		1,22,31,005	55,17,622
VIII <u>Tax expense:</u>			
(1) Current tax		35,97,863	17,04,945
(2) Deferred tax		(4,33,513)	(91,381)
<b>IX Profit for the Year (VII - VIII)</b>		<b>90,66,655</b>	<b>39,04,058</b>
X <u>Earning per equity share:</u>			
(1) Basic		3.60	1.55
(2) Diluted		3.60	1.55

Notes and Significant accounting policies

Notes form an integral part of Statement of Profit & Loss  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary

**Cash Flow Statement for the year ended 31st March, 2014**

(Rs. in thousands)

Particulars	2013-14	2012-13
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax as per statement of Profit & Loss	12,231	5,518
Adjustments for:		
Depreciation	1,490	1,582
Loss on Sale of Fixed Assets	103	
Profit on Sale of Vehicles	(209)	
Interest Expenses	1,622	1,763
Interest Income	(10,058)	(7,962)
Vsat Written off	0	1,264
<b>Operating profit before working capital changes</b>	<b>5,179</b>	<b>2,164</b>
Trade & Other receivables	(41,420)	(7,244)
Inventories	(612)	327
Trade payable and other Liabilities	48,309	(9,599)
Cash Generated from operations	<b>11,456</b>	<b>(14,351)</b>
Less: Direct Tax paid	(2,850)	(1,898)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>8,606</b>	<b>(16,249)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,055)	(169)
Sale of Fixed Assets	450	
Interest received	8,439	7,962
Bank Fixed deposits with more than 12 months maturity (net)	(6,359)	17,500
Investment in Equity Shares of Subsidiary Company	(4,900)	(100)
Loans and Advance to Subsidiaries	(2,478)	(247)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(6,902)</b>	<b>24,946</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(1,622)	(1,763)
Proceeds/(Re-payments) of Secured loan	(2,000)	0
Payment of Dividend & Taxes	(2,965)	(2,915)
<b>Net cash used in financing activities</b>	<b>(6,587)</b>	<b>(4,678)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(4,883)</b>	<b>4,019</b>
Cash and Cash equivalents at beginning of the year	21,923	17,904
<b>Cash and cash equivalents at the end of the year</b>	<b>17,039</b>	<b>21,923</b>
Earmarked balance with banks	1,336	1,299
Short - term bank deposits	49,955	43,596
<b>Cash and Bank balance at the end of the year</b>	<b>68,331</b>	<b>66,818</b>

Notes form an integral part of Statement of Profit & Loss  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary



**Notes Forming Integral Part of the Balance Sheet as at 31st March' 2014**

**Note : 1 Share Capital**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
a)	<b>Authorized Capital</b> 60,00,000 (P/Y 60,00,000 ) Equity Shares of Rs. 10/- each.	6,00,00,000	6,00,00,000
b)	<b>Issued, Subscribed &amp; Paid up</b> 2520000 (P/Y 2520000 ) Equity Shares of Rs. 10/- each, Fully paid	2,52,00,000	2,52,00,000
	<b>Total:</b>	<b>2,52,00,000</b>	<b>2,52,00,000</b>

**C) Reconciliation of Number Of Equity Shares:**

Sr. No.	Particulars	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
1	Balance at the beginning of the year	25,20,000	25,20,000	25,20,000	25,20,000
2	Add: Shares issued during the year	-	-	-	-
3	Balance at the end of the year	25,20,000	25,20,000	25,20,000	25,20,000

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company:**

Sr. No.	Particulars	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
1	Sri. Harinarayan Rathi	6,99,851	27.77	6,99,851	27.77
2.	Sri. Chetan Rathi	1,74,267	6.92	1,74,267	6.92
3.	Smt. Chanda Devi Rathi	1,31,203	5.21	1,31,203	5.21



**Note : 2 Reserve & Surplus**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Capital Reserves	14,90,400	14,90,400
2	Securities Premium Account	1,22,40,000	1,22,40,000
3	<b>General Reserve</b>	5,94,460	3,67,792
4	Surplus: Statement of Profit & Loss Account (OB)	4,17,54,226	4,10,29,753
	Add/(Less) :		
	Income Tax of earlier Year	1,58,823	(1,46,658)
	I.T. Refund 2006-07 Writtenoff	-	(84,651)
		4,15,95,403	4,07,98,444
	Add: Profit for the year	90,66,655	39,04,056
		5,06,62,058	4,47,02,500
	Less: Transfer to General Reserves	2,26,668	-
	Proposed Dividend	30,24,000	25,20,000
	Tax on Proposed Dividend	5,13,929	4,28,274
	Add : Corporate Dividend Tax Excess Provision of Earlier year	2,54,919	-
	Balance at the end of the year (CB)	47152,380	4,17,54,226
	<b>Total :</b>	<b>6,14,77,240</b>	<b>5,58,52,418</b>

**Note : 3 Long Term Borrowings**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Term Loans - HDFC Bank Vehicle Loan (Bearing Interest, Secured on Hypothecation of Vehicle)	5,00,239	-
2	Loan Repayable on demand Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)		25,00,000
	<b>Total :</b>	<b>5,00,239</b>	<b>25,00,000</b>

**Note : 4 Other Long Term Liabilities**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Deposits for VSAT	-	87,332
2	Clients Margin Deposits	30,07,259	1,11,02,996
	<b>Total :</b>	<b>30,07,259</b>	<b>1,11,90,328</b>

**Note : 5 Trades Payable**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Total outstanding dues to Creditors		
	Creditots - Clients	10,99,37,449	5,56,61,574
	Creditors - Suppliers and Services	69,08,896	54,65,602
	<b>Total :</b>	<b>11,68,46,344</b>	<b>6,11,27,176</b>

**Note : 6 Other Current Liabilities**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Unpaid Dividend	13,25,637	13,07,043
2	Outstanding Liabilities	17,42,367	9,69,601
	<b>Total :</b>	<b>30,68,004</b>	<b>22,76,644</b>

**Note : 7 Short Term Provisions**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Provision for Taxation	35,97,863	17,04,945
2	Proposed Equity Dividend	30,24,000	25,20,000
3	Corporate Dividend Tax	5,13,929	4,28,274
	<b>Total :</b>	<b>71,35,792</b>	<b>46,53,219</b>

**Note : 8 Fixed Assets (see next page)****Note : 9 Non-Current Investment**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	<b>Trade - Unquoted</b> (Valued at cost) Investment in Subsidiary Company M/s B N Rathi Comtrade Private Limited 9,99,980 ( Previous Year 9,99,980 ) fully paid Equity Shares of Rs.10/- each	99,99,800	99,99,800
2	M/s. B N Rathi Industries Private Limited 4,99,970 ( Previous Year 9,970 ) fully paid Equity Shares of Rs.10/-each	49,99,700	99,700
	<b>Total</b>	<b>1,49,99,500</b>	<b>1,00,99,500</b>



**Note : 8 Fixed Assets**

Sl. No.	Particulars	Rate %	Gross Block				Depreciation				Net Block			
			Value at the beginning	Addition during the year	Deletion during the year	Value at the end	Value at the beginning	Addition during the year	Deletion during the year	Value at the end	WDV as on 31.3.2014	WDV as on 31.3.2013		
(i)	<b>Tangible Assets</b>													
	Plant & Equipment	40.00%	6117525	317545	-	6435070	5470239	368893	-	5839132	595938	647287		
	Air Conditioner	13.91%	850035	124000	477635	496400	439544	62721	359765	142500	353900	410491		
	Photo Copier	20.00%	127000	-	-	127000	97950	5810	-	103760	23240	29050		
	VSAT's	13.91%	-	-	-	-	-	-	-	-	-	-		
	Furnitures & Fixtures	18.10%	4157398	110160	-	4267558	3085575	209827	-	3295402	972156	1071823		
	Office Equipment	18.10%	2303548	196450	-	2499998	1591249	152527	-	1743776	756222	712299		
	Vehicles	25.89%	1748001	1079430	569539	2257892	1276446	392362	343337	1325471	932421	471555		
	Generator	13.91%	295920	-	-	295920	148548	20499	-	169047	126673	147372		
	<b>SUB TOTAL (A)</b>		15599427	1827585	1047174	16379838	12109551	1212640	703102	12619089	3760750	3489876		
(ii)	<b>Intangible Assets</b>													
	Computer Software	40%	2445537	227079	-	2672616	1915164	277216	-	2192380	480236	530373		
	<b>SUB TOTAL (B)</b>		2445537	227079	-	2672616	1915164	277216	-	2192380	480236	530373		
	<b>Total ( A + B ) ( Current Year )</b>		18044964	2054664	1047174	19052454	14024715	1489856	703102	14811469	4240986	4020249		
	<b>Previous Year</b>		21107258	169030	3231324	18044964	14410551	1581711	1967546	14024716	4020249	6696708		





**Note : 10 Deffered Tax Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Deferred Tax Asset on account of fixed assets Opening Balance 01.04.2013	1,96,735	1,05,355
	Add/Less: Provision for the year	4,33,513	91,380
	<b>Total</b>	<b>6,30,248</b>	<b>1,96,735</b>

**Note : 11 Long Term Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
<b>I</b>	<b>Capital Advances</b>		
	Property pending Registration & Possession	14,74,864	14,74,864
<b>II</b>	<b>Security Deposits</b>		
a)	BSE Base Capital Adequacy Deposit	5,00,000	5,00,000
b)	BSE Brokers contingency Fund	2,50,000	2,50,000
c)	IL&FS BSE Margin Deposit	2,00,000	2,00,000
d)	BSE Trading Member Deposit	10,00,000	1,00,00,000
e)	BSE Membership Security Deposit	5,00,000	5,00,000
f)	NSCCL- Interest free Security Deposit	9,00,000	9,00,000
g)	NSE - Interest free Security Deposit	41,00,000	41,00,000
h)	NSE Derivatives Segment Deposit	8,00,000	8,00,000
i)	NSEL SPOT -DP Deposit	1,00,000	1,00,000
j)	NSE - VSAT Deposit	-	1,00,000
k)	NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
l)	VSAT Deposit - MCXSX	55,150	55,150
m)	MCX Stock Exchange - Admission Deposit	10,00,000	10,00,000
n)	MCX Stock Exchange - Security Deposit	21,00,000	21,00,000
o)	BSE - VSAT Deposit	2,50,000	2,50,000
p)	IL&FS Security Deposit for Initial margin	7,25,00,000	3,00,00,000
<b>III</b>	<b>Loans and Advance to Related parties</b>		
(a)	Due from Subsidiary Companies B.N Rathi Comtrade Pvt. Ltd B.N Rathi Industries Pvt. Ltd ( Without Repayment Schedule)	2,13,907 25,11,095	1,97,475 50,000
(b)	Rental Deposits (Refer note on Related party)	11,00,000	11,00,000



<b>IV</b>	<b>Other Loans &amp; Advances:</b>		
	<b>a) Receivables</b>		
	a) Brokerage Receivable	7,01,943	3,30,889
	b) NSEL TDS Receivable	2,29,441	1,08,112
	c) Receivable from Exchanges towards Transaction Charges	76,801	21,298
	d) Receivable from Exchanges towards Stampduty Charges	64,382	-
	e) Receivable from Exchanges towards Service Tax	89,006	-
	f) Input Credit - Service Tax	65,052	3,84,842
	<b>b) Deposits</b>		
	a) Lease Line Deposit	2,00,000	2,00,000
	b) Secunderabad Club - Deposit:	2,00,000	2,50,000
	c) Rent deposits-Others	3,42,500	2,03,500
	d) Other Deposits	1,59,014	1,59,014
	e) Income Tax Refundable	3,54,889	2,54,889
	<b>Total</b>	<b>9,22,38,045</b>	<b>5,57,90,033</b>

**Note : 12 Stock-in-trade**

<b>Sr. No.</b>	<b>Particulars</b>	<b>No. of Shares</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
<b>A</b>	Stock-in-Trade (Stock in Trade Valued at cost )			
	<b><u>Listed - Equity Shares</u></b>			
	Gokaldas Exports Limited	5,000	3,65,132	-
	Nexsoft Infotel Limited	1,85,000	2,47,250	-
	Vijay Textiles Ltd	12,821	3,17,676	3,17,676
	<b>Total: A</b>		<b>9,30,058</b>	<b>3,17,676</b>
	Aggregate Market Value of listed Shares		7,11,365	1,19,235
<b>B</b>	<b><u>Un - Listed</u></b>			
	Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	Hyderabad Stock Exchange ltd	10,000	10,000	10,000
	HSE Securities Ltd	10,000	1,00,000	1,00,000
	Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	Sevenhills Co-op Bank Ltd	5,000	5,00,000	5,00,000
	<b>Total: B</b>		<b>9,10,000</b>	<b>9,10,000</b>
	<b>Total : ( A + B )</b>		<b>18,40,058</b>	<b>12,27,676</b>

**Note : 13 Trade Receivables**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	More than six months Un-Secured, Considered Good	39,76,447	32,02,104
2	Less than six months Un-Secured, Considered Good	1,42,24,146	1,15,96,579
	<b>Total :</b>	<b>1,82,00,592</b>	<b>1,47,98,683</b>

**Note : 14 Cash & Cash Equivalents**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Bank Balances	1,70,22,842	2,19,02,101
2	Cash-in-Hand	16,151	21,011
	<b>Sub Total : A</b>	<b>1,70,38,992</b>	<b>2,19,23,112</b>
3	<b>Others Bank Balance</b>		
	i) Earmarked Balances with Banks (Un-Claimed Dividend )	13,35,637	12,99,279
	ii) Bank Fixed deposits with more than 12 months maturity from the date of acquisition		
	(a) for Bank guarantee	1,50,00,000	1,50,00,000
	(b) for Overdraft facility	2,17,96,172	1,42,96,172
	(c) for NSEIL - Currency Derivatives	8,00,000	8,00,000
	(d) for Bombay Stock Exchange india ltd	10,00,000	10,00,000
	(e) for NSCCL / ILFS F& O	1,10,00,000	1,25,00,000
	(f) others - FD	3,59,247	-
	<b>Sub Total (B)</b>	<b>5,12,91,056</b>	<b>4,48,95,451</b>
	<b>Total [ A + B ]</b>	<b>6,83,30,049</b>	<b>6,68,18,563</b>

**Note : 15 Short Terms Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<b><i>Unsecured Considered good:</i></b>		
1	Advance Income Tax & TDS	29,54,153	18,13,479
2	Staff Advance	3,53,000	2,55,500
3	Others Advances	20,832	33,031
4	Prepaid Expenses	3,42,638	3,09,869
5	Receivables	-	70,769
	<b>Total:</b>	<b>36,70,623</b>	<b>24,82,648</b>

**Note : 16 Other Current Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
(i)	Additional Base Capital with NSE/BSE/MCX-SX	26,00,000	6,00,000
(ii)	Initial Margin Deposit with IL&FS for F&O/BSE/CDX	66,00,000	45,00,000
(iii)	Accrued Interest on FDRs	38,84,779	22,65,700
	<b>Total:</b>	<b>1,30,84,779</b>	<b>73,65,700</b>

**Note : 17 Revenue from Operations**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Sale of Services		
a	BROKERAGE	5,83,58,033	4,44,07,863
2	Other Operating Revenues		
a	OTHER CHARGES RECEIVED	81,67,176	40,97,950
b	INCOME FROM DP OPERATIONS	26,78,452	24,81,051
	<b>Total :</b>	<b>6,92,03,661</b>	<b>5,09,86,863</b>

**Note : 18 Other Income**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	INTEREST ON BSE MEMBERSHIP DEPOSIT	23,979	1,11,514
2	INTEREST ON BANK FIXED DEPOSITS	50,78,754	56,72,425
3	INTEREST ON IL&FS - MARGIN DEPOSITS	49,42,311	21,78,486
4	INTEREST ON Loan - Subsidiary company B N Rathi Industries pvt Ltd	12,328	-
5	INTEREST ON MCX-SX Transaction Charges	1,015	-
6	DIVIDEND INCOME	54,799	56,583
7	Dividend received - Subsidiary Company - B N Rathi Comtrade Pvt Ltd	14,99,970	-
8	PROFIT ON STOCK IN TRADE/INVESTMENT	1,65,582	3,54,475
9	BROKERAGE NEW ISSUES	180	13,696
10	OTHER INCOME	16,71,839	28,27,356
	<b>Total</b>	<b>1,34,50,758</b>	<b>1,12,14,535</b>

**Note : 19 Employee Benefit Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	MANAGERIAL REMUNERATION	22,20,000	19,20,000
2	SALARIES & ALLOWANCES	92,35,779	75,79,651
3	MEDICAL REIMBURSEMENT	1,13,406	1,01,800
4	P.F.CONTRIBUTION	4,79,531	5,52,887
5	STAFF WELFARE	1,36,229	1,21,573
6	BONUS & GRATUITY	7,48,649	6,05,638
	<b>Total</b>	<b>1,29,33,594</b>	<b>1,08,81,549</b>

**Note : 20 Financial Cost**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Interest Paid	16,22,268	17,63,371
2	Bank Guarantee Charges	2,37,292	3,08,941
	<b>Total</b>	<b>18,59,560</b>	<b>20,72,312</b>

**Note : 20 Financial Cost**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Rent, Rates & Taxes	30,77,293	19,85,789
2	Printing & Stationery	4,46,525	402,260
3	Postage & Courier Charges	2,16,406	2,23,352
4	Conveyance	35,667	44,334
5	Travelling Expenditure	94,582	1,35,410
6	Telephone Charges	4,91,065	4,37,998
7	Advertisement Expenses	61,596	81,450
8	Audit Fee		
	(a) Statutory Audit	60,000	40,000
	(b) Tax Audit	9,000	9,000
	(c) Other Services	1,80,000	1,70,250
9	Internal Audit fee	1,44,500	1,22,000
10	Registrar and Share Transfer Agency Charges	36,000	78,000
11	VSAT Charges	72,974	1,52,202
12	Transaction Charges	76,45,141	52,33,126
13	Subscription & Membership fee	3,37,607	2,66,069



14	Annual Maintenance Charges	7,46,430	7,13,137
15	Professional & Consultancy Fee	1,41,000	2,15,731
16	Listing & Filing/Reg. & Renewals	73,693	1,42,717
17	Directors Sitting fee	56,000	69,000
18	Electricity Charges	5,48,794	4,25,470
19	Generator Maintenance charges	42,549	61,237
20	Vehicle Maintenance	3,32,542	2,93,808
21	Office Maintenance	2,07,823	1,47,425
22	Repairs & Maintenance	3,89,384	2,24,033
23	Stock Exchange &SEBI fee (Including Penalty Rs.42,500/- Previous Year Rs.10,000)	3,88,167	1,75,642
24	Business Promotion	68,465	89,185
25	Referral Charges	2,99,099	-
26	Insurance	29,341	46,780
27	Legal Expenses	1,15,412	2,648
28	Leased Line charges	3,14,251	5,74,830
29	Bad debts written off	4,21,287	6,148
30	Donations	1,21,000	-
31	Other expenses	584,216	3,61,882
32	Consideration Fee	-	2,00,000
33	Bank Commission Charges	7,840	11,306
34	Gifts	6,036	45,281
35	CDSL Transaction Charges	4,47,065	-
	<b>Total</b>	<b>1,82,48,750</b>	<b>1,31,87,501</b>

**Corporate Information :**

B.N.Rathi Securities Limited is the Corporate Member of NSE, BSE and MCX Stock Exchange Limited and Depository Participant with CDSL, its Subsidiary Company.

- (i) M/s B N Rathi Comtrade Private Limited is the Corporate Member of MCX, NCDEX and National Spot Exchanges and
- (ii) B N Rathi Industries Private Limited is in the construction Business as Developer of the Property.

**22. Notes on Financial Statement**

- A. The Company has not paid remuneration to any of its employees exceeding Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month as the case may be.
- B. Contingent Liability: (As per the information made available)
  - (i) On behalf of the Company, HDFC Bank has given Bank Guarantees of Rs. 300.00 Lakhs (Previous Year Rs. 300.00 Lakhs) to NSCCL and BSE .



- (ii) During the year, the company has continued Corporate Guarantee of Rs.1.70 Crores to HDFC on behalf of Subsidiary Company M/s. B. N. Rathi Comtrade Private Limited given last year.
  - (iii) The company has filed appeal before ITAT against the order passed by CIT Appeals for the assessment year 2010-11 which is pending for hearing.
  - (iv) In the absence of information Income tax contingent liability in respect other appeals could not be quantified.
- C. The Company has obtained a net profit 1,65,582 /- in share trading. The aggregate value of shares purchased worked out Rs 6.52 Crores and the sale thereof worked out to Rs 6.54 Crores. The above profit has been included in other income.
- D. Provision for Income tax is Rs 35,97,863/- made for the year.
- E. Bad Debts written off Rs. 4,21,287/- during the year.
- F. During the year the Company has purchased Equity shares of M/s B N Rathi Industries Private Limited by application allotment of 4,90,000 equity shares at face value Rs 10/- each .Consequently holding 99.99% Equity Shares of subsidiary company M/s B N Rathi Industries Private Limited.
- G. During the year 2012-13, the company had entered into agreement for sale of land with Smt. Hari Gayatri spouse of the client Mr. Venkata Appa Rao Yeleswarapu. It was informed that the client has outstanding due to the company of Rs. 34,43,070/- towards purchase & sale of shares as on 31.01.2013. Further informed that during the course of recovery the company accordingly entered into agreement of sale vide agreement dated 01.02.2013 with the client's wife and agreed the value of land Rs. 14,74,864/-to treat as advance from the company against amount payable by her husband to the company pending registration of Land in favour of the company. The company disclosed in the financial statement the amount of Rs. 14,78,464/- under Loans & Advances " Property Pending for Registration and possession. The company filed suit for specific performance of the above and the case is pending. The above facts, the recovery is doubtful.
- H. Related Party Disclosure:  
**Key Management Personnel** : Hari Narayan Rathi - Managing Director  
Chetan Rathi - Executive Director

**Relatives of Key Management Personnel:**

Sri Govind Narayan Rathi brother of Sri Hari Narayan Rathi  
Smt.Chanda Devi Rathi wife of Sri Hari Narayan Rathi  
Smt. Nisha Rathi wife of Sri Chetan Rathi  
Smt. Anuradha Pasari Daughter of Sri Hari Narayan Rathi

**Subsidiaries** : M/s B N Rathi Comtrade Private Limited  
M/s B N Rathi Industries Private Limited



Related Party Transactions during the year 2013-2014 (Amount in Rupees)

Particulars	Enterprises having common key management Personnel	Key management Personnel	Realtives of Key management Personnel	Total
Rent paid	-	-	8,80,500	8,80,500
Remuneration	-	22,20,000	-	22,20,000
LTA	-	13,676	-	13,676
Services rendered	8,89,419	3,152	10,193	9,02,764

- I. As required by Accounting Standard 20 Earning Per Share issued by Institute of Chartered Accountants of India (ICAI) ,basic earning per share has been calculated by dividing net profit after tax weighted average number of equity shares outstanding during the year as per details given below:

Particulars	Current Year 2013-14	Previous Year 2012-13
Profit as per Profit and Loss Account	<b>90,66,655</b>	39,04,056
Weighted average number of shares used in Computing basic earning per equity share	<b>25,20,000</b>	25,20,000
Basic & Diluted earnings per share Rs. (On nominal value of Rs 10/- per share)	<b>3.60</b>	1.55

- J. Figures of the previous year have been regrouped or re-arranged wherever considered necessary.

**23. SIGNIFICANT ACCOUNTING POLICIES:**

- A. GENERAL:** The financial statements are prepared on historical cost convention, on an accrual basis and in accordance with the applicable accounting standards.
- B. TANGIBLE & INTANGIBLE ASSETS:** Assets are stated at cost less accumulated depreciation.
- C. DEPRECIATION:** Depreciation has been provided on written down value of the Assets as per the rates specified in Schedule XIV of the Companies Act, 1956. Fixed Assets costing rupees Five thousand or less are fully depreciated in the year of acquisition.
- D. VALUATION OF STOCK OF SECURITIES:** Securities disclosed under `Stock in Trade is stated at cost.
- E. RETIRMENT BENEFITS:** The Company contributes to Group Policy with Life Insurance Corporation of India to cover its liabilities towards Employees Gratuity.
- F. RECOGNITION OF INCOME AND EXPENDITURE:** Items of Income and expenditure are on accrual basis subject to the notes on accounts.





- G. INVESTMENT IN SUBSIDIARY COMPANIES:** B N Rathi Comtrade Private Limited and B N Rathi Industries Private Limited are the 100% subsidiary of the Company.
- H. TAXATION:** Current tax is determined on Profit before Tax for the year. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets/ Liabilities on difference between WDV of assets as per Companies Act and Income Tax Act.
- I. REMITTANCE IN FOREIGN CURRENCY FOR DIVIDENDS:** The Company has remitted Rs. Nil (March 31, 2013: Rs. Nil) in foreign currencies on account of dividend during the year and does not have information as to the extent to which remittance, if any, in foreign currencies on account of dividends have been made by / on behalf of non-resident shareholders. The particulars of dividend declared and paid to non-resident share holders for the year ended in Indian Rupees is stated as under :

Particulars	Number of Non-resident shareholders	Number of equity Shares held	Gross Amount of Dividend Rupees C.Y.	Gross Amount of Dividend Rupees P.Y.
Final dividend for 2011-12	3	4252	-	4252
Final dividend for 2012-13	6	4972	4972	-

- J. INCOME IN FOREIGN CURRENCY** Rs. Nil (Previous year Rs. Nil) and Expenditure in Foreign Currency Rs. Nil (Previous year Rs. Nil).
- K. CASH FLOW STATEMENT:** Cash flow are reported using the indirect method, whereby (profit)/loss before extraordinary items and tax is adjusted for the effects of transactions of 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 based on the available information.
- L. CASH AND CASH EQUIVALENTS:** Cash comprises cash on hand and demand deposits with banks. Cash & Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Significant Accounting Policies and Practices  
Vide our separate report of even date

For **KALYANDAS & Co.,**  
Chartered Accountants  
Firm Registration No. 001677S

For and On behalf of the Board

**G. KALYANDAS**  
partner  
Membership No. 7102

**LAXMINIVAS SHARMA**  
Chairman

**HARI NARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

**CHETAN RATHI**  
Director cum CFO

**C SHARDA SHASTRY**  
Company Secretary



**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

<b>Particulars</b>	<b>B.N. Rathi Comtrade Private Limited</b>	<b>B.N. Rathi Industries Private Limited</b>
1. No. of shares issued by the subsidiary Company: Equity	10,00,000 Equity shares of Rs. 10/- Each	5,00,000 Equity Shares of Rs. 10/- Each
2. No. of Equity Shares held by the Holding company in the subsidiary Company	9,99,980 Equity Share of Rs. 10/- Each	4,99,970 Equity Share of Rs. 10/- Each
Percentage of holding	99.99%	100.00%
3. The Financial Year of the Subsidiary Company ended	31.03.2014	31.03.2014
4. The net aggregate profit/(loss) of subsidiary company so far as it concerns the Members of the holding company and is not dealt with in the Holding Company's Accounts.		
a) For the Financial Year of the subsidiary	Rs.(6068)	Nil
b) For the Previous Financial years since it became holding company's subsidiary	Rs. 85,93,949	Nil
5. The net aggregate profit/(loss) of subsidiary company so far as it concerns the Members of the holding company and is dealt with in the Holding Company's Accounts.		
a) For the Financial Year of the subsidiary	-	-
b) For the Previous Financial year	-	-

Significant Accounting Policies and Practices  
Vide our separate report of even date

For **KALYANDAS & Co.,**  
Chartered Accountants  
Firm Registration No. 001677S

For and On behalf of the Board

**G. KALYANDAS**  
partner  
Membership No. 7102

**LAXMINIVAS SHARMA**  
Chairman

**HARI NARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

**CHETAN RATHI**  
Director cum CFO

**C. SHARDA SHASTRY**  
Company Secretary



**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014**

TO THE BOARD OF DIRECTORS OF  
M/S. B.N. RATHI SECURITIES LIMITED

We have audited the accompanying consolidated financial statements of **M/s B.N.RATHI SECURITIES LIMITED** and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Financial Statements**

The Company's Management is responsible for the preparation of these consolidated financial statements in accordance with the requirements of Accounting Standard (AS)-21 Consolidated Financial Statements, notified under the Companies Act, 1956 read with General Circular 15/2013 dt. 13th September 2013, of the Ministry or Corporate Affairs, in respect of Section 133 of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the separate audit reports on individual audited financial statements of M/s. B.N. Rathi Securities Limited and its Subsidiary M/s. B.N. Rathi Comtrade Private Limited & M/. B.N. Rathi Industries Private Limited, in our opinion, the consolidated financial statements read with Significant Accounting Policies and Notes on the consolidated accounts give a true and fair view in conformity with the accounting principles generally accepted in India.

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company and its subsidiaries, as at 31<sup>st</sup> March, 2014, and
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the Company and its subsidiaries for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Company and its subsidiaries for the year ended on that date.

For **KALYANDAS & Co.**  
Chartered Accountants  
Firm Reg No.001677S

**(G.KALYANDAS)**  
Partner

Membership No.7102

Place : Hyderabad

Date : 27.05.2014

**Consolidated Balance Sheet as at 31st March, 2014**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2014 Rs.	31.03.2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	2,52,00,000	2,52,00,000
(b) Reserves and Surplus	2	7,02,32,494	6,62,14,759
<b>Minority Interest</b>		677	678
<b>(2) Non- Current Liabilities</b>			
(a) Long-Term Borrowings	3	5,00,239	25,00,000
(b) Other Long Term Liabilities	4	52,87,393	1,15,58,902
<b>(3) Current Liabilities</b>			
(a) Short term Borrowings	5	4,24,619	39,53,077
(b) Trade Payables	6	18,03,22,188	10,55,40,812
(c) Other Current Liabilities	7	40,02,455	36,65,907
(d) Short-Term Provisions	8	71,98,784	64,98,163
<b>Total :</b>		<b>29,31,68,850</b>	<b>22,51,32,299</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets:	9	59,71,818	61,11,760
(ii) Intangible Assets:		4,80,236	5,30,373
(b) Deferred Tax Assets (net)	10	7,25,525	2,01,716
(c) Long term loans and advances	11	9,62,68,043	6,22,97,558
(d) Other Non- Current Assets	12	1,55,419	1,55,419
<b>(2) Current Assets</b>			
(a) Stock-In-Trade	13	18,40,058	12,27,676
(b) Trade receivables	14	6,34,89,859	2,61,99,214
(c) Cash and cash equivalents	15	9,08,55,337	9,53,91,403
(d) Short-term loans and advances	16	85,23,207	42,06,664
(e) Other Current assets	17	2,48,59,348	2,88,10,516
<b>Total :</b>		<b>29,31,68,850</b>	<b>22,51,32,299</b>

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary

**Consolidated Statement of Profit & Loss for the year ended 31st March, 2014**

Particulars	Note No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2014 Rs.	31.03.2013 Rs.
I Revenue from operations	18	10,31,62,048	8,44,17,394
II Other Income	19	1,45,37,109	1,43,97,513
III <b>Total Revenue (I + II)</b>		11,76,99,157	9,88,14,907
IV <b>Expenses:</b>			
Employee Benefit Expense	20	1,57,71,111	1,38,25,649
Finance Costs	21	20,26,798	22,21,435
Depreciation and Amortization Expense	8	20,45,480	22,57,362
Other Administrative Expenses	22	3,36,44,584	2,39,70,124
Sharing of Brokerage		5,36,20,036	4,46,13,343
V <b>Total Expenses:</b>		10,71,08,009	8,68,87,911
Profit before Exceptional, Extraordinary Items and Tax (III-IV)		1,05,91,149	1,19,26,996
VI <b>Exceptional &amp; Extraordinary Items</b>			
a VSAT Fixed Assets Written Off		-	12,63,778
b Profit on Sale of Assets (net)		94,187	-
Profit before tax (V-VI)		1,06,85,336	1,06,63,218
VII <b>Tax expense:</b>			
(1) Current tax		36,60,856	32,94,934
(2) Deferred tax		(5,23,808)	(1,29,759)
VIII <b>Profit for the Year (before adjustment for Minority Interest)</b>		75,48,288	74,98,042
Less/(Add): Minority Interest		(1)	178
Profit for the Year ( after adjustment for Minority Interest )		75,48,289	7,497,864
IX <b>Earning per equity share:</b>			
(1) Basic		3.00	2.98
(2) Diluted		3.00	2.98

Notes form an integral part of Statement of Profit & Loss  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary

**Consolidated Cash Flow Statement for the year ended 31st March, 2014**

(Rs. in thousands)

Particulars	2013-14	2012-13
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Tax as per statement of Profit & Loss	10,685	10,663
Adjustments for:		
Depreciation	2,045	2,257
Loss on Sale of Fixed Assets	115	0
Profit on Sale of Vehicles	(209)	0
Interest Expenses	1,635	1,789
Interest Income	(11,921)	(10,054)
Vsat Written off	0	1,264
<b>Operating profit before working capital changes</b>	2,351	5,920
Trade & Other receivables	(60,675)	(14,548)
Inventories	(612)	327
Trade payable and other Liabilities	60,508	(417)
Cash Generated from operations	<b>1,572</b>	<b>(8,718)</b>
Less: Direct Tax paid	(3,405)	(3,458)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,833)</b>	<b>(12,176)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(2,218)	(282)
Sale of Fixed Assets	457	0
Interest received	10,614	9,699
Bank Fixed deposits with more than 12 months maturity (net)	(3,484)	9,500
Project cost@Rajahamundry-B N Rathi Industries Pvt.Ltd	(5,155)	0
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>214</b>	<b>18,917</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(1,635)	(1,789)
Proceeds/(Re-payments) of Secured loan	(1,582)	3,953
Payment of Dividend & Taxes	(3,220)	(2,915)
Subsidiary's Preliminary & Pre-Operative Expenses	0	(144)
<b>Net cash used in financing activities</b>	<b>(6,437)</b>	<b>(895)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(8,057)</b>	<b>5,847</b>
Cash and Cash equivalents at beginning of the year	25,621	19,774
<b>Cash and cash equivalents at the end of the year</b>	<b>17,564</b>	<b>25,621</b>
Earmarked balance with banks	1,336	1,299
Short - term bank deposits	71,955	68,471
<b>Cash and Bank balance at the end of the year</b>	<b>90,855</b>	<b>95,392</b>

Previous year's figures have been re-arranged and re-grouped where ever necessary.  
Notes form an integral part of Statement of Profit & Loss  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary



**Notes on Consolidated Financial Statement for the Year Ended 31st March' 2014**

**Note : 1 Share Capital**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
<b>A)</b>	Authorized Capital 60,00,000 (P/Y 60,00,000 ) Equity Shares of Rs.10/- each	6,00,00,000 ----- 6,00,00,000	6,00,00,000 ----- 6,00,00,000
<b>B)</b>	Issued, Subscribed & Paid up 25,20,000 (P/Y 25,20,000 ) Equity Shares of Rs. 10/- each Fully paid	2,52,00,000 -----	2,52,00,000 -----
	<b>Total :</b>	<b>2,52,00,000</b> -----	<b>2,52,00,000</b> -----

**C) Reconciliation of Number Of Equity Shares:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31st March' 2014</b>		<b>As at 31st March' 2013</b>	
		<b>No. of shares</b>	<b>Value Rs.</b>	<b>No. of shares</b>	<b>Value Rs.</b>
1	Balance at the beginning of the year	25,20,000	25,20,000	25,20,000	25,20,000
2	Add: Shares issued during the year	-	-	-	-
3	Balance at the end of the year	25,20,000	25,20,000	25,20,000	25,20,000

The Company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders.

**d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company:**

<b>Sr. No.</b>	<b>Particulars</b>	<b>As at 31st March' 2014</b>		<b>As at 31st March' 2013</b>	
		<b>No. of shares</b>	<b>Value Rs.</b>	<b>No. of shares</b>	<b>Value Rs.</b>
1	Sri. Harinarayan Rathi	6,99,851	27.77	6,99,851	27.77
2.	Sri. Chetan Rathi	1,74,267	6.92	1,74,267	6.92
3.	Smt. Chanda Devi Rathi	1,31,203	5.21	1,31,203	5.21





**Notes on consolidated Financial Statement for the year ended 31st March 2014**

**Note : 2 Reserve & Surplus**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Capital Reserves	14,90,400	14,90,400
2	Securities Premium Account	1,22,40,000	1,22,40,000
3	<b>General Reserve</b>	7,74,160	5,47,492
4	Surplus: Statement of Profit & Loss Account(OB)	5,19,36,867	4,81,02,623
	Add/(Less) :		
	Income Tax of earlier Year	(2,47,544)	(1,96,040)
	I.T. Refund 2006-07 Writtenoff	-	(84,651)
		5,16,89,323	4,78,21,932
	Add: Profit for the year	75,48,289	74,97,864
		5,92,37,612	5,53,19,796
	Less: Appropriations		
	Transferred to General Reserves	2,26,668	1,79,700
	Proposed Dividend	30,24,000	40,20,000
	Share in Proposed Dividend of Subsidiary Company	-	(14,99,970)
	Tax on Proposed Dividend	5,13,929	6,83,199
	Add: Corporate Dividend Tax Excess Provision	2,54,918	33,82,929
	Balance at the end of the year (CB)	5,57,27,933	5,19,36,867
	<b>Total :</b>	<b>7,02,32,493</b>	<b>6,62,14,759</b>

**Note : 3 Long Term Borrowings**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Loan Repayable on demand		
a	Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)	-	25,00,000
	Vehicle Loan (Bearing Interest, Secured on Hypothecation of Vehicle)	5,00,239	-
	<b>Total :</b>	<b>5,00,239</b>	<b>25,00,000</b>

**Note : 4 Other Long Term Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Deposits for VSAT	-	87,332
2	Clients Margin Deposits	32,87,393	1,14,71,570
3	Advance Received against Flat of Sreekaram Project, Rajahmundry	20,00,000	-
	<b>Total :</b>	<b>52,87,393</b>	<b>1,15,58,902</b>

**Note : 5 Short Term Borrowings**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	HDFC Bank OverDraft against FD	4,17,406	39,53,077
2	<b>Loans and Advances from Related Parties Unsecured ( bearing Interest )</b>		
	a) Hari Narayan Rathi - Director	7213	-
	<b>Total :</b>	<b>4,24,619</b>	<b>39,53,077</b>

**Note : 6 Trades Payable**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	<u>Total outstanding dues to Creditors</u>		
	a) Creditors - Clients	12,81,80,674	9,86,78,067
	b) Creditors - Client credit Receivable on account of NSEL Trade	4,38,11,811	-
	c) Creditors - Suppliers and Services	83,29,702	68,62,745
	<b>Total :</b>	<b>18,03,22,187</b>	<b>10,55,40,812</b>

**Note : 7 Other Current Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Unpaid Dividend	13,25,637	13,07,043
2	Outstanding Liabilities	26,39,492	23,58,864
3	Others	37,326	-
	<b>Total :</b>	<b>40,02,455</b>	<b>36,65,907</b>

**Note : 8 Short Term Provisions**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Provision for Taxation	36,60,856	32,94,934
2	Proposed Equity Dividend	30,24,000	25,20,030
3	Corporate Dividend Tax	5,13,929	6,83,199
	<b>Total:</b>	<b>71,98,784</b>	<b>64,98,163</b>



**Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March, 2014**

**Note : 9 Fixed Assets**

Sl. No.	Particulars	Rate %	Gross Block			Depreciation			Net Block			
			Value at the beginning	Addition during the year	Deletion during the year	Value at the end	Value at the beginning	Addition during the year	Deletion during the year	Value at the end	WDV as on 31.3.2014	WDV as on 31.3.2013
(i)	<b>Tangible Assets</b>											
	Plant & Equipment	40.00%	6452176	381545	52901	6780820	5649698	455377	44090	6060985	719835	802478
	Air Conditioners	13.91%	901712	223000	492512	632200	446639	71601	365262	152978	479222	455073
	Photo Copier	20.00%	127000	0	0	127000	97950	5810	0	103760	23240	29050
	VSAT's	13.91%	124000	0	0	124000	47383	10657	0	58040	65960	76617
	Furnitures & Fixtures	18.10%	6543589	110160	0	6653749	3580204	552200	0	4132404	2521345	2963385
	Office Equipments	18.10%	2481009	196450	0	2677459	1636575	176443	0	1813018	864441	844434
	Vehicles	25.89%	2357217	1079430	569539	2867108	1563867	475675	343337	1698205	1170903	793350
	Generator	13.91%	295920	0	0	295920	148548	20499	0	169047	126873	147372
	<b>SUB TOTAL (A)</b>		<b>19282623</b>	<b>1990585</b>	<b>1114952</b>	<b>20158256</b>	<b>13170864</b>	<b>1768263</b>	<b>752689</b>	<b>14186438</b>	<b>5971818</b>	<b>6111759</b>
(ii)	<b>Intangible Assets</b>											
	Computer Software	40%	2445537	227079	0	2672616	1915164	277216		2192380	480236	530373
	<b>SUB TOTAL (B)</b>		<b>2445537</b>	<b>227079</b>	<b>0</b>	<b>2672616</b>	<b>1915164</b>	<b>277216</b>	<b>0</b>	<b>2192380</b>	<b>480236</b>	<b>530373</b>
	<b>Total (A + B)</b>		<b>21728160</b>	<b>2217664</b>	<b>1114952</b>	<b>22830872</b>	<b>15086028</b>	<b>2045479</b>	<b>752689</b>	<b>16378818</b>	<b>6452054</b>	<b>6642132</b>
	Previous Year		24678354	-982648	0	23695706	14796213	2257362	0	17053574	6642132	9882142



**Notes Forming Integral Part of the Consolidated Balance Sheet as at 31st March' 2014**

**Note : 10 Deferred Tax Assets (net)**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Deferred Tax Asset on account of fixed assets Opening Balance 01.04.2013	2,01,717	71,957
	Add/Less: Provision for the year	5,23,808	1,29,759
	<b>Total</b>	<b>7,25,525</b>	<b>2,01,716</b>

**Note : 11 Long Term Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
<b>I</b>	<b>Capital Advances</b>		
	Unsecured, considered good		
	Property pending Registration & Possession	14,74,864	14,74,864
<b>II</b>	<b>Security Deposits</b>		
	a) BSE Base Capital Adequacy Deposit	5,00,000	5,00,000
	b) BSE Brokers contingency Fund	2,50,000	2,50,000
	c) IL&FS BSE Margin Deposit	2,00,000	2,00,000
	d) BSE Trading Member Deposit	10,00,000	1,00,00,000
	e) BSE Membership Security Deposit	5,00,000	5,00,000
	f) NSCCL- Interest free Security Deposit	9,00,000	9,00,000
	g) NSE - Interest free Security Deposit	41,00,000	41,00,000
	h) NSE Derivatives Segment Deposit	8,00,000	8,00,000
	i) NSEL SPOT -DP Deposit	1,00,000	1,00,000
	j) NSE - VSAT Deposit	-	1,00,000
	k) NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
	l) VSAT Deposit - MCXSX	55,150	55,150
	m) MCX Stock Exchange - Admission Deposit	10,00,000	10,00,000
	n) MCX Stock Exchange - Security Deposit	36,00,000	36,00,000
	o) BSE - VSAT Deposit	2,50,000	2,50,000
	p) IL&FS Security Deposit for Initial margin	7,25,00,000	3,00,00,000
	q) MCX- Membership fee	20,00,000	20,00,000
	r) NCDEX - Membership Deposit	5,00,000	5,00,000
	s) NCDEX - Interest free Security Deposit	15,00,000	15,00,000
	t) NSEL - Membership Deposit	7,50,000	7,50,000
<b>III</b>	<b>Loans and Advance to Related parties</b>		
	(a) Rental Deposits (Refer note on Related party)	16,00,000	16,00,000



<b>IV</b>	<b>Other Loans &amp; Advances:</b>		
	<b>1) Receivables</b>		
	a) Brokerage Receivable	7,01,943	3,30,889
	b) NSEL TDS Receivable	2,29,441	1,08,112
	c) Receivable from Exchanges towards Transaction Charges	76,801	21,298
	d) Receivable from Exchanges towards Stampduty Charges	64,382	-
	e) Receivable from Exchanges towards Service Tax	89,006	-
	f) Input Credit - Service Tax	65,052	3,84,842
	<b>2) Deposits</b>		
	a) Lease Line Deposit	2,00,000	2,00,000
	b) Secunderabad Club - Deposit:	2,00,000	2,50,000
	c) Rent deposits-Others	3,42,500	2,03,500
	d) Other Deposits	1,64,014	1,64,014
	e) Income Tax Refundable	3,54,889	2,54,889
	<b>Total</b>	<b>9,62,68,043</b>	<b>6,22,97,558</b>

**Note : 12 Non-Current Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<i>Other Non Current Assets (to the extent not writtenoff )</i>		
1	Preliminary Expenses	1,33,565	1,33,565
2	Pre-operative Expenses		
	a) Professional Fee	5,618	5,618
	b) Professional Tax	5,000	5,000
	c) Audit and professional Fee	11,236	11,236
	<b>Total</b>	<b>1,55,419</b>	<b>1,55,419</b>

**Note : 13 Stock-in-Trade**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	Stock-in-Trade (Stock in Trade Valued at cost)		
<b>A</b>	<b>Listed - Equity Shares</b>		
	Gokaldas Exports Limited 5,000	3,65,132	-
	Nexsoft Infotel Limited 1,85,000	2,47,250	-
	Vijay Textiles Ltd 12,821	3,17,676	3,17,676
	<b>Total: A</b>	<b>9,30,058</b>	<b>3,17,676</b>
	Aggregate Market Value of listed Shares	6,89,206	1,19,235



<b>B</b>	<b>Un - Listed</b>			
	Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	Hyderabad Stock Exchange Ltd	10,000	10,000	10,000
	HSE Securities Ltd	10,000	1,00,000	1,00,000
	Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	Sevenhills Co-op Bank Ltd	5,000	5,00,000	5,00,000
	<b>Total: B</b>		9,10,000	9,10,000
	<b>Total : ( A + B )</b>		<b>18,40,058</b>	<b>12,27,676</b>

**Note : 14 Trade Receivables**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	More than six months Un-Secured, Considered Good	39,76,447	32,02,104
	From NSEL to be paid to various Clients	4,38,10,045	-
	From MCX to be paid to various Clients	14,79,222	-
2	Less than six months Un-Secured, Considered Good	1,42,24,146	2,29,97,110
	<b>Total :</b>	<b>6,34,89,859</b>	<b>2,61,99,214</b>

**Note : 15 Cash & Cash Equivalents**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Bank Balances	1,74,95,850	2,55,95,221
2	Cash-on-Hand	68,431	25,730
	<b>Sub Total - A</b>	<b>1,75,64,281</b>	<b>2,56,20,952</b>
3	<b>Others Bank Balance</b>		
	i) Earmarked Balances with Banks (Un-Claimed Dividend )	13,35,637	12,99,279
	ii) Bank Fixed deposits with more than 12 months maturity from the date of acquisition		
	(a) for Bank guarantee	2,25,00,000	2,25,00,000
	(b) for Overdraft facility	2,67,96,172	2,17,96,172
	(c) for NSEIL - Currency Derivatives	8,00,000	8,00,000
	(d) for Bombay Stock Exchange india ltd	10,00,000	10,00,000
	(e) for NSCCL / IL&FS	1,10,00,000	1,25,00,000
	(f) for Margin -MCX	95,00,000	95,00,000
	(g) for Margin - NSEL	-	3,75,000
(h) Others- Fixed Deposit	3,59,247	-	
	<b>Sub Total (B)</b>	<b>7,32,91,056</b>	<b>6,97,70,451</b>
	<b>Total [ A + B ]</b>	<b>9,08,55,337</b>	<b>9,53,91,403</b>



**Note : 15 Cash & Cash Equivalents**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Bank Balances	1,74,95,850	2,55,95,221
2	Cash-on-Hand	68,431	25,730
	<b>Sub Total - A</b>	<b>1,75,64,281</b>	<b>2,56,20,952</b>
<b>3</b>	<b><u>Others Bank Balance</u></b>		
	i) Earmarked Balances with Banks (Un-Claimed Dividend )	13,35,637	12,99,279
	ii) Bank Fixed deposits with more than 12 months maturity from the date of acquisition		
	(a) for Bank guarantee	2,25,00,000	2,25,00,000
	(b) for Overdraft facility	2,67,96,172	2,17,96,172
	(c) for NSEIL - Currency Derivatives	8,00,000	8,00,000
	(d) for Bombay Stock Exchange india ltd	10,00,000	10,00,000
	(e) for NSCCCL / IL&FS	1,10,00,000	1,25,00,000
	(f) for Margin -MCX	95,00,000	95,00,000
	(g) for Margin - NSEL	-	3,75,000
	(h) Others- Fixed Deposit	3,59,247	-
	<b>Sub Total (B)</b>	<b>7,32,91,056</b>	<b>6,97,70,451</b>
	<b>Total [ A + B ]</b>	<b>9,08,55,337</b>	<b>9,53,91,403</b>

**Note : 16 Short Terms Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<b><u>Unsecured Considered good:</u></b>		
1	Advance Income Tax & TDS	34,39,775	34,22,729
2	Staff Advance	3,53,000	2,58,500
3	Others Advances:	20,832	33,031
4	Prepaid Expenses	5,33,577	4,21,636
5	Receivables	-	70,769
6	<b>Others :</b>		
	<b>a) Security Deposits:</b>		
	<b>(Interest Free Refundable Deposit )</b>		
	Advance for Land, paid to Landlord for Development of Sreekaram Project, Rajahmundry	40,00,000	-
	<b>b) Input VAT credit</b>	1,60,202	-
	<b>c) Others</b>	15,820	-
	<b>Total:</b>	<b>85,23,207</b>	<b>42,06,664</b>

**Note : 17 Other Current Assets**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Additional Base Capital with NSE/BSE/MCX-SX	26,00,000	6,00,000
2	Initial Margin Deposit with IL&FS for F&O/BSE/CDX	66,00,000	45,00,000
3	Additional Margin with -MCX	40,00,000	70,00,000
4	Additional Margin with -NCDEX	10,00,000	1,25,00,000
5	Additional Margin with -NSEL	8,75,000	8,75,000
6	Accrued Interest on FDRs	46,42,129	33,35,516
7	Work - in Progress: Project Cost of Sreekaram Project, Rajahmundry	51,42,219	-
	<b>Total:</b>	<b>2,48,59,348</b>	<b>2,88,10,516</b>

**Note : 18 Revenue from Operations**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Sale of Services a) BROKERAGE	8,35,12,702	7,00,50,540
2	Other Operating Revenues a) OTHER CHARGES RECEIVED b) INCOME FROM DP OPERATIONS	1,69,70,894 26,78,452	1,18,85,804 24,81,051
	<b>Total :</b>	<b>10,31,62,048</b>	<b>8,44,17,395</b>

**Note : 19 Other Income**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Interest on BSE Membership Deposit	23,979	1,11,514
2	Interest on Bank Fixed Deposits	69,40,912	77,63,531
3	Interest on IL&FS - Margin Deposits	49,42,311	21,78,486
4	Dividend Income	54,799	56,583
5	Profit on Stock in Trade/Investment	1,65,582	3,54,475
6	Profit on Trading - Spot Exchange	2,41,579	5,26,321
7	Brokerage New Issues	180	13,696
8	Other Income	18,08,475	29,40,993
9	Interest on MCX-SX Transaction Charges	1,015	-
10	Odin Diet Network Charges	3,58,277	4,51,914
	<b>Total</b>	<b>1,45,37,109</b>	<b>1,43,97,513</b>



**Note : 20 Employment Benefit Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Managerial Remuneration	25,20,000	22,20,000
2	Salaries & Allowances	1,16,77,296	1,00,53,751
3	Medical Reimbursement	1,13,406	1,01,800
4	P.F.Contribution	4,79,531	5,52,887
5	Staff Welfare	1,36,229	1,21,573
6	Bonus & Gratuity	8,44,649	7,75,638
	<b>Total</b>	<b>1,57,71,111</b>	<b>1,38,25,649</b>

**Note : 21 Financial Cost**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Interest Paid	16,34,916	17,89,275
2	Bank Guarantee Charges	3,91,882	4,32,160
	<b>Total</b>	<b>20,26,798</b>	<b>22,21,435</b>

**Note : 22 Other Administrative Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Rent, Rates & Taxes	33,99,715	23,32,207
2	Printing & Stationery	4,97,525	5,47,235
3	Postage & Courier Charges	3,05,558	3,21,221
4	Conveyance	35,667	44,334
5	Travelling Expenditure	1,04,345	2,03,357
6	Telephone Charges	7,87,597	7,10,465
7	Advertisement Expenses	70,812	96,450
8	Audit Fee		
	(a) Statutory Audit	95,000	54,000
	(b) Tax Audit	16,000	15,000
	(c) Other Services	2,02,625	1,91,250
9	Internal Audit fee	1,44,500	1,22,000
10	Registrar and Share Transfer Agency Charges	36,000	78,000
11	VSAT Charges	1,24,570	2,13,262
12	Transaction Charges	1,63,98,055	1,31,29,689
13	Subscription & Membership fee	4,87,607	416,069
14	Annual Maintenance Charges	10,57,882	9,33,554
15	Professional & Consultancy Fee	4,43,000	8,31,682



16	Listing & Filing/Reg. & Renewals	1,38,447	1,54,217
17	Directors Sitting fee	56,000	69,000
18	Electricity Charges	7,83,992	6,07,814
19	Generator Maintenance charges	60,784	85,894
20	Vehicle Maintenance	4,39,158	4,07,058
21	Office Maintenance	2,96,890	2,15,689
22	Repairs & Maintenance	4,03,775	2,49,369
23	Stock Exchange & SEBI fee (Including Penalty of Rs.62,500/-)	4,15,189	1,83,445
24	Business Promotion	83,774	1,67,661
25	Insurance	51,086	59,837
26	Referral Charges	6,60,042	-
27	Legal Expenses	1,15,412	2,648
28	Leased Line charges	4,46,359	7,73,086
29	Bad debts written off	4,21,287	6,148
30	Donations	2,21,000	1,21,000
31	Other expenses	5,88,845	3,70,895
32	Consideration Fee	-	200,000
33	Gifts	6,036	45,281
34	CDSL Transaction Charges	4,47,065	-
35	Bank Commission Charges	11,471	11,306
36	Loss on Trading - MCX & NCDEX	7,36,881	-
37	NSEL Debit Balance Written off	30,54,633	-
<b>Total</b>		<b>3,36,44,584</b>	<b>2,39,70,124</b>

**23. A. Contingent Liability:**

on behalf of the company and its subsidiary, HDFC Bank have given Bank Guarantees of Rs.450 Lakhs (Previous Year Rs.450 Lakhs) to NSCCL ,BSE, MCX and NCDEX.

- B.** As required by Accounting Standard 20 Earnings Per Share issued by Institute of Chartered accountants of India (ICAI), basic earning per share has been calculated by dividing net profit after tax weighted average number of equity shares outstanding during the year as per details given below:

	<b>Current Year</b> <b><u>2013-2014</u></b>	<b>Previous Year</b> <b><u>2012-2013</u></b>
Profit as per Statement of Profit and Loss	<b>75,48,289</b>	74,97,864
Weighted average number of shares used in Computing basic earning per equity share	<b>25,20,000</b>	25,20,000
Basic & Diluted earning per share (on nominal value of Rs 10/- per share)	3.00	2.98



**C. Other Significant Accounting Policies & Notes to Accounts:**

These are set out in the Significant Accounting policies and Notes to Accounts of the Financial Statements of the Company and its Subsidiary Companies.

**D. Figures of the previous year have been regrouped or re-arranged wherever considered necessary.**

**24. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON CONSOLIDATED ACCOUNTS:**

**A. Basis of Preparation**

The consolidated financial statements of B.N. Rathi Securities Limited and its subsidiary companies M/s. B N Rathi Comtrade Private Limited & M/s. B N Rathi Industries Private Limited are prepared under the historical cost convention, applicable Accounting Standards and in accordance with the requirements of the Companies Act, 1956.

**B. Principles of consolidation**

The financial statements of B N Rathi Comtrade Private Limited & M/s. B N Rathi Industries Private Limited are drawn up to the same reporting date as of the company. Comparative Previous year figures in the consolidated financial statements include the figures of M/s. B N Rathi Comtrade Private Limited & M/s. B N Rathi Industries Private Limited

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary Companies M/s. B N Rathi Comtrade Private Limited & M/s. B N Rathi Industries Private Limited have been prepared on a line-by-line consolidation by adding together like items of assets, liabilities, income and expenses as per the audited financial statements of the respective companies.
- ii) Inter-company balances, transactions and unrealized profits / losses ( if any ) have been eliminated.
- iii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's individual financial statements.
- iv) Minority interest consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements (if any) in their share in equity subsequent to the dates of investments.
- v) There is no short/ excess of cost to the Company of its investment in subsidiary companies over its share of the equity of the subsidiary companies. Hence there is no Goodwill or Capital Reserve on account of consolidation in the consolidated financial statements.



- C.** Taxes on Income: Current tax is determined on taxable income for the period. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets on difference between WDV of assets as per Companies Act and Income tax Act is Rs.7,25,525.

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Notes form an integral part of Statement of Profit & Loss  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**LAXMINIVAS SHARMA**  
Chairman

**HARINARAYAN RATHI**  
Managing Director

Place : Hyderabad  
Date : 27.05.2014

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

**C. SHARDA SHASTRY**  
Company Secretary



**DIRECTORS' REPORT**

To  
The Members of  
M/s B N RATHI COMTRADE PRIVATE LIMITED

Yours Directors have pleased in presenting the 6<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2014

**FINANCIAL RESULTS:**

The Financial Results for the year ended 31st March, 2014 are summarized as under:

	<b>(Rs. In Lakhs)</b>	
	2013-14	2012-13
Total Income	365.57	366.14
Total Expenditure	365.90	314.68
Profit/Loss before Tax	(0.33)	51.46
Provision for taxation	0.27	15.52
Profit after Tax	(0.06)	35.94
Provision for Proposed equity dividend	-	15.00
Provision for Corporate Dividend tax	-	2.55
Balance carried to Balance Sheet	(0.06)	18.39

**OPERATIONS:**

The performance of the Company during the year under review has been satisfactory with significant increase in turnover. The Company is presently operating on commodities business through MCX, NCDEX and National Spot Exchange Limited.

**DIVIDEND:**

Your directors express their inability to recommend dividend for the financial year 2013-14.

**PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:**

The information pursuant to Section 217 (i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency is nil.



**PARTICULARS OF EMPLOYEES:**

None of the employees is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31st March, 2014.

**AUDITORS:**

M/s. Kalyandas & Co., Statutory Auditors, retire at the conclusion of the this Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2014-2015.

**AUDITOR'S REPORT:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2014 and has noted that the same does not have any reservation, qualification or adverse remarks.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under Section 217 (2AA) of the Companies Act, 1956, Directors of your Company hereby state and confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) that 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 loss of the company for that period.
- (iii) that 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.
- (iv) that the directors had prepared the annual accounts on a going concern basis.

**PERSONNEL:**

The relations between the management and the staff were very cordial throughout the year.

**ACKNOWLEDGMENT:**

The Board desires to place on record its sincere appreciation for the support and co-operation that the company received from the strategic partners, bankers, auditors, and all others associated with the company. The company has always looked upon them as partners in its progress. It will be the Company's Endeavour to build and nurture strong links with trade based on mutuality, respect and co-operation.

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

Place : Hyderabad  
Date : 26.05.2014

**Hari Narayan Rathi**  
Director



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
B.N. Rathi Comtrade Private Limited,

### Report on the Financial Statements

We have audited the accompanying financial statements of **M/s B.N.RATHI COMTRADE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt.13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. we have 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 appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt. 13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.





**ANNEXURE TO THE INDEPENDENT AUDIT REPORT  
of B.N. RATHI COMTRADE PRIVATE LIMITED**

**( Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date )**

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report the matters to the extent applicable as under:

- 1) The Company has maintained proper records showing full particulars including quantitative details, situation of fixed assets and the same to be improved. All the fixed assets have not been physically verified by the Management at reasonable intervals. Fixed Assets have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. In our opinion, and according to the Information & Explanations given to us, a substantial part of the Fixed Assets has not been disposed off by the Company during the year.
- 2) In our opinion the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification. As per the information and explanations given to us, the company did not held any inventory at the end of year.
- 3)
  - a) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of stock and services requires Improvement. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
- 5) In our opinion and according to the explanation given to us, the particulars of Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956 have been entered and transactions aggregating during the Financial year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such securities or the prices at which transactions for similar securities or services have been made with other parties.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
- 7) In our opinion, the Company has a system of internal audit which requires improvement to commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.



- 9) According to the Information and Explanation given to us, the Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.

According to the information and explanations given to us, there are no disputed

Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax and other statutory dues.

- 10) The Company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) As per the Information & explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company is a Member of MCX and NCDEX, renders services for investors in purchase and sale of commodity. The Company has maintained proper records of the transactions of contracts of purchases and sale of commodity and timely entries have been made therein.
- 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions.
- 16) The Company has not obtained any term loans during the year.
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **KALYANDAS & Co.**  
Chartered Accountants  
Firm Reg No.001677S

**(G.KALYANDAS)**

Partner

Membership No.7102

Place : Hyderabad  
Date : 26.05.2014

**Balance Sheet as at 31st March, 2014**

Particulars	Schedule No.	Figures as at the end of current reporting period 31.03.2014 Rs.	Figures as at the end of previous reporting period 31.03.2013 Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	1,00,00,000	1,00,00,000
(b) Reserves and Surplus	2	87,67,759	88,62,548
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		(95,277)	(4,982)
(b) Other Long term Liabilities	3	2,80,134	3,68,575
<b>(3) Current Liabilities</b>			
(a) Short Term Borrowings	4	4,17,406	39,53,077
(b) Trade Payables	5	6,33,52,725	4,44,13,636
(c) Other Current Liabilities	6	11,11,032	15,75,502
(d) Short-Term Provisions	7	62,993	33,44,914
<b>Total</b>		<b>8,38,96,772</b>	<b>7,25,13,270</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	8		
(i) Tangible Assets		22,11,069	26,21,883
(ii) Intangible Assets		-	-
(b) Long term loans and advances	9	67,55,000	67,55,000
<b>(2) Current Assets</b>			
(a) Trade receivables	10	4,52,89,267	1,14,00,531
(b) Cash and cash equivalents	11	2,23,32,525	2,85,67,023
(c) Short-term loans and advances	12	6,76,561	17,24,017
(d) Other current assets	13	66,32,350	2,14,44,816
<b>Total :</b>		<b>8,38,96,772</b>	<b>7,25,13,270</b>

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**CHETAN RATHI**  
Director

**NISHA RATHI**  
Executive Director

Place : Hyderabad  
Date : 26-05-2014

**Profit & Loss Statement for the Period Ended on 31st March, 2014**

Particulars	Schedule No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2014 Rs.	31.03.2013 Rs.
I Revenue from operations	14	33,958,387	33,430,531
II Other Income 15		2,598,650	3,182,978
III <b>Total Revenue (I +II)</b>		<b>36,557,036</b>	<b>36,613,509</b>
IV <b>Expenses:</b>			
Employee Benefit Expense	16	2,837,517	2,944,100
Financial Costs	17	167,237	149,123
Depreciation and Amortization Expense	8	555,624	675,651
Other Administrative Expenses	18	15,034,891	10,782,624
Sharing of Brokerage		17,983,447	16,916,416
<b>Total Expenses:</b>		<b>36,578,716</b>	<b>31,467,914</b>
V <b>Profit/(Loss) before tax ( III -IV )</b>		(21,680)	5,145,595
VI Exceptional Item			
Loss on Sale of Fixed Assets		(11,691)	-
VII <b>Profit/(Loss) Before Tax ( V-VI )</b>		(33,371)	-
VIII <b>Tax expense:</b>			
(1) Current tax		(62,993)	1,589,989
(2) Deferred tax		(90,295)	(38,379)
IX <b>Profit/(Loss) for the Year (VII-VIII)</b>		(6,069)	3,593,985
X Earning per equity share:			
(1) Basic		(0.01)	3.59
(2) Diluted		(0.01)	3.59

**NOTES TO ACCOUNTS**

Notes form an integral part of statement of Profit and Loss Account  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**CHETAN RATHI**  
Director

**NISHA RATHI**  
Executive Director

Place : Hyderabad  
Date : 26-05-2014

**Cash Flow Statement for the year ended 31st March, 2014**

(Rs. in thousands)

Particulars	2013-14	2012-13
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax as per Statement of Profit & loss	(33)	5146
Adjustments for:		
Depreciation	556	676
Loss on sale of Assets	12	
Interest Expenses	13	26
Interest Income	(1,862)	(2,091)
<b>Operating profit before working capital changes</b>	<b>(1,316)</b>	<b>3,756</b>
Trade & Other receivables	(19,465)	(7,206)
Trade payable and other Liabilities	14,219	9,182
<b>Cash Generated from operations</b>	<b>(6,561)</b>	<b>5,732</b>
Less: Direct Tax paid	(555)	(1,560)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(7,116)</b>	<b>4,172</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(163)	(112)
Sale of Fixed Assets	7	-
Bank Fixed Deposits with more than 12 months maturity (net)	2,875	(8,000)
Interest received	2,175	1,736
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>4,894</b>	<b>(6,376)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
short term borrowings - HDFC Bank OverDraft	417	3953
Dividend & tax on Dividend paid	(1,755)	-
Interest Paid	(13)	(26)
Amount payable to holding company - B. N Rathi securities Limited	214	197
<b>Net cash used in financing activities</b>	<b>(1,136)</b>	<b>4,125</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(3,359)</b>	<b>1,921</b>
Cash and Cash equivalents at beginning of the year	3,692	1,871
<b>Cash and cash equivalents at the end of the year</b>	<b>333</b>	<b>3,692</b>
Earmarked balance with banks		
Fixed Bank Deposits	22,000	24,875
<b>Cash and Bank balance at the end of the year</b>	<b>22,333</b>	<b>28,567</b>

Previous Year's figures have been re-arranged and re-grouped where ever necessary.  
Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**CHETAN RATHI**  
Director

**NISHA RATHI**  
Executive Director

Place : Hyderabad  
Date : 26-05-2014



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014**

**Note : 1 Share Capital**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	AUTHORIZED CAPITAL 10,00,000 (P/Y 10,00,000 ) Equity Shares of Rs.10/- each	10,00,000 ----- 10,00,000 -----	10,00,000 ----- 10,00,000 -----
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 10,00,000 (P/Y 10,00,000 ) Equity Shares of Rs. 10/- each Fully paid	10,00,000	10,00,000
	<b>Total :</b>	<b>10,00,000</b> -----	<b>10,00,000</b> -----

**a) Reconciliation of Number Of Equity Shares:**

Sr. No.	Particulars	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
1	Balance at the beginning of the year	10,00,000	10,00,000	10,00,000	10,00,000
2	Add: Shares issued during the year	-	-	-	-
3	Balance at the end of the year	10,00,000	10,00,000	10,00,000	10,00,000

**b) Shares Held by Holding Company**

Sr. No.	Particulars	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
1	B.N. Rathi Securities Limited	9,99,980	99,99,800	9,99,980	99,99,800
		9,99,980	99,99,800	9,99,980	99,99,800

**C) Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

Sr. No.	Particulars	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares	Value Rs.	No. of shares	Value Rs.
1	B.N. Rathi Securities Limited	9,99,980	99,99,800	9,99,980	99,99,800



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014**

**Note : 2 Reserve & Surplus**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	General Reserve - Opening Balance	1,79,700	-
	Add: Transferred from surplus : statement of Profit & Loss	-	1,79,700
	<b>Total (A)</b>	<b>1,79,700</b>	<b>1,79,700</b>
2	Surplus: Statement of Profit & Loss Account(OB)	86,82,848	70,72,870
	Less : Income Tax of earlier Year	-88,721	(49,382)
	Less : Loss for the year	-6,069	35,93,985
	<b>Total (B)</b>	<b>85,88,058</b>	<b>1,06,17,473</b>
	Less: Appropriations		
	Proposed Dividend	-	15,00,000
	Corporate Dividend Tax	-	2,54,925
	General Reserves	-	1,79,700
	<b>Total (C)</b>	<b>-</b>	<b>19,34,625</b>
	<b>Total : (A + B + C)</b>	<b>87,67,758</b>	<b>88,62,548</b>

**Note : 3 Other Long Term Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Clients Margin Deposits	2,80,134	3,68,575
	<b>Total</b>	<b>2,80,134</b>	<b>3,68,575</b>

**Note : 4 Short Term Borrowings**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	HDFC Bank Over Draf against Fixed Deposit	4,17,406	39,53,077
	<b>Total</b>	<b>4,17,406</b>	<b>39,53,077</b>

**Note : 5 Traders Payable**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
<b>1</b>	<b>Total Outstanding dues to Creditors:</b>		
	a) Creditors - Clients	1,82,43,225	4,30,16,493
	b) Creditors - Client credit Receivable on account of NSEL Trade	4,38,11,811	-
	c) Creditors - Suppliers and services	12,97,689	13,97,143
	<b>Total</b>	<b>6,33,52,725</b>	<b>4,44,13,636</b>

**Note : 6 Other Current Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Due to Holding Co. B N Rathi Securities Limited	2,13,907	1,97,475
2	Outstanding Liabilities	8,97,125	13,78,027
	<b>Total</b>	<b>11,11,032</b>	<b>15,75,502</b>

**Note : 7 Short Term Provisions**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Provision for Taxation	62,993	15,89,989
2	Proposed Equity Dividend	-	15,00,000
3	Corporate Dividend TAX	-	2,54,925
	<b>Total</b>	<b>62,993</b>	<b>33,44,914</b>





**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014**

**Note : 8 Fixed Asset**

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		Value at the beginning	Addition during the year	Deletion during the year	Value at the end	Value at the beginning	Addition during the year	Deletion during the year	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
<b>I</b>	<b><u>Tangible Assets</u></b>										
	Computers	3,34,651	64,000	52,901	3,45,750	1,79,459	86,484	44,090	2,21,853	1,23,897	1,55,192
	Air Conditioners	51,677	99,000	14,877	1,35,800	7,095	8,880	5,497	10,478	1,25,322	44,582
	Photo Copier	-	-	-	-	-	-	-	-	-	-
	VSAT's	1,24,000	-	-	1,24,000	47,383	10,657	-	58,040	65,960	76,617
2	Furnitures & Fixtures	23,86,191	-	-	23,86,191	4,94,629	3,42,373	-	8,37,002	15,49,189	18,91,562
3	Office Equipments	1,77,461	-	-	1,77,461	45,326	23,916	-	69,242	1,08,219	1,32,135
4	Vehicles (Cars)	6,09,216	-	-	6,09,216	2,87,421	83,313	-	3,70,734	2,38,482	3,21,795
	SUB TOTAL (A)	36,83,196	1,63,000	67,778	37,78,418	10,61,313	5,55,623	49,587	15,67,349	22,11,069	26,21,883
<b>II</b>	<b><u>Intangible Assets</u></b>										
	SUB TOTAL (B)	-	-	-	-	-	-	-	-	-	-
	Total (Current Year)	36,83,196	1,63,000		37,78,418	10,61,313	5,55,623		15,67,349	22,11,069	26,21,883
	(Previous Year)	35,71,096	1,12,100		36,83,196	3,85,662	6,75,651	-	10,61,313	26,21,883	31,85,434



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014**

**Note : 9 Long Term Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<b>UnSecured, Considered Good :</b>		
<b>I</b>	<b>Security Deposit</b>		
	a) MCX- (Interest free ) Security Deposit	15,00,000	15,00,000
	b) MCX- Membership fee	20,00,000	20,00,000
	c) NCDEX - Membership Deposit	5,00,000	5,00,000
	d) NCDEX - Interest free Security Deposit	15,00,000	15,00,000
	e) NSEL - Membership Deposit	7,50,000	7,50,000
<b>II</b>	<b>Loans and Advance to Related parties</b>		
	Rent Deposit (Refer note on Related party)	5,00,000	5,00,000
<b>III</b>	<b>Other Loans &amp; Advances:</b>		
	Telephone Deposit	5,000	5,000
	<b>Total :</b>	<b>67,55,000</b>	<b>67,55,000</b>

**Note : 10 Trade Receivables**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<i>More than six months</i>		
1	Unsecured, Considered Good	-	1,14,00,531
2	From NSEL to be paid Various Clients	4,38,10,045	-
3	From MCX to be paid various clients	14,79,222	-
	<b>Total</b>	<b>4,52,89,267</b>	<b>1,14,00,531</b>

**Note : 11 Cash & Cash Equivalent**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Bank Balances	323,611	3687303
2	Cash-on-hand	8,914	4,720
	<b>Sub Total:(A)</b>	<b>332,525</b>	<b>3692023</b>
3	<b>Others Bank Balances :</b> Bank Fixed Deposits with more than 12 months maturity		
	a) for Bank Guarantee	7,50,000	750000
	b) for Overdraft Facility	5,00,000	750000
	c) for Margin -MCX	9,50,000	950000
	d) for Margin - NSEL	-	375000
	<b>Sub Total (B)</b>	<b>22,00,000</b>	<b>24,875,000</b>
	<b>Total [ A + B ]</b>	<b>22,332,525</b>	<b>28,567,023</b>

**Note : 12 Short Term Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<i>Unsecured, considered good</i>		
1	Income Tax, TDS	4,85,622	16,09,250
2	Staff Advance	-	3,000
3	Prepaid Expenses	1,90,939	1,11,767
	<b>Total :</b>	<b>6,76,561</b>	<b>17,24,017</b>

**Note : 13 Other Current Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Additional Margin with -MCX	40,00,000	70,00,000
2	Additional Margin with -NCDEX	10,00,000	1,25,00,000
3	Additional Margin with -NSEL	8,75,000	8,75,000
4	Accrued Interest	7,57,350	10,69,816
	<b>Total :</b>	<b>66,32,350</b>	<b>2,14,44,816</b>

**Note : 14 Revenue from Operations**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	<u>Sale of Services</u> Brokerage Income	2,51,54,668	2,56,42,677
2	<u>Other Operating Revenues</u> Other Charges Received	88,03,718	77,87,854
	<b>Total</b>	<b>3,39,58,387</b>	<b>3,34,30,531</b>

**Note : 15 Other Income**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Interest on Bank Fixed Deposits	18,62,158	20,91,106
2	Profit on Trading - Spot Exchange	2,41,579	5,26,321
3	Odin Diet Network Charges	3,58,277	4,51,914
4	Other Income	1,36,636	1,13,637
	<b>Total</b>	<b>25,98,650</b>	<b>31,82,978</b>

**Note : 16 Employee Benefit Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Managerial Remuneration	3,00,000	3,00,000
2	Salaries & Allowances	24,41,517	24,74,100
3	Bonus	96,000	1,70,000
	<b>Total</b>	<b>28,37,517</b>	<b>29,44,100</b>

**Note : 17 Financial Cost**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Interest on OD Facility	12,647	25,904
2	Bank Guarantee Charges	1,54,590	1,23,219
	<b>Total</b>	<b>1,67,237</b>	<b>1,49,123</b>

**Note : 18 Other Administrative Expenses**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Current Year 31.03.2014</b>	<b>Previous Year 31.03.2013</b>
1	Rent, Rates & Taxes	2,40,594	2,29,836
2	Printing & Stationery	51,000	1,44,975
3	Postage & Courier	89,152	97,869
4	Consultancy Fee	2,90,000	5,90,951
5	Travelling Expenditure	9,763	67,947
6	Telephone & Internet Charges	2,96,532	2,72,466
7	Advertisement	9,216	15,000
8	Audit Fee		
	(a) Statutory Audit	35,000	14,000
	(b) Tax Services	7,000	6,000
	(c) Other Services	22,625	21,000
9	Vsat Charges	51,596	61,060
10	Transaction Charges	87,52,914	78,96,563
11	Annual Subscription & Membership Fee	1,50,000	1,50,000
12	Annual Maintenance Charges	3,11,452	2,20,417
13	Professional Fee	12,000	25,000
14	Filing Fee	13,000	11,500
15	Electricity Charges	2,35,198	1,82,344
16	Generator Maintenance	18,235	24,657
17	Vehicle Maintenance	1,06,616	1,13,250



18	Office Maintenance	89,067	68,264
19	Repairs & Maintenance	14,391	25,336
20	Stock Exchanges and Sebi Fee (includes Penalty Rs. 20,000/-)	27,022	7,804
21	Insurance	21,745	13,057
22	Business Promotion Expenses	15,309	78,476
23	Donations	1,00,000	1,21,000
24	Leased Line Charges	1,32,108	1,98,257
25	Miscellaneous Expenses	4,629	9,013
26	Franking Charges	81,828	65,058
27	Odin Diet Licenses Fee	51,754	51,524
28	Bank Charges	3,631	-
29	Loss on Trading - MCX & NCDEX	7,36,881	-
30	NSEL Debit Balance Written off	30,54,633	-
<b>Total:</b>		<b>1,50,34,891</b>	<b>1,07,82,624</b>

**Corporate Information:**

M/s B N Rathi Comtrade Private Limited is the Corporate Member of MCX, NCDEX and National Spot Exchanges. Its holding Company, B.N.Rathi Securities Limited is the Corporate Member of NSE, BSE and MCX Stock Exchange Limited and Depository Participant with CDSL.

**19. Notes on Financial Statement**

- A.** The Company has not paid remuneration to any of its employees exceeding Rs. 24,00,000/- per annum or Rs 2, 00,000/- per month as the case may be .
- B.** The Company has obtained a net profit Rs.2,41,579/- in Spot Exchange Transaction Contracts on its own account. The aggregate value of Purchase Contracts worked out Rs.1.61 Crores and the sale Contracts thereof worked out to Rs 1.63 Crores. The above profit has been included in other income.
- C.** The Company has obtained a net Loss Rs.7,36,881 /- in MCX/ NCDEX Transactions on its own account. The aggregate value of purchased transactions worked out Rs.17.90 Crores and the sale transactions thereof worked out to Rs.17.83 Crores. The above loss has been included under Note 18: Other Administration Expenses of statement of Profit and Loss.
- D.** Contingent Liability:  
Holding company B.N.Rathi Securities Limited has given Corporate Guarantees of Rs.170 Lakhs to HDFC. On behalf of the Company, HDFC Bank have given Bank Guarantees of Rs 150 Lakhs (Previous Year Rs. 150 Lakhs) to MCX AND NCDEX.
- E.** Provision for Income tax is Rs 62,993/-made for the year.
- F.** In the matter of recovery of Spot Exchange the amount receivable from NSEL by the company Rs.30.54 Lakhs on its own account. The company has provided a note for



our information and having regard to the fact stated in the notes a sum Rs. 30.54 Lakhs have been written off by the company from its books of accounts by debiting to Statement of Profit & Loss under Note 18 Other Administrative Expenses on the assumption that the amount will not be recovered. However if any amount realized in the future the same will be offered as Income.

- G.** Similarly trading was made by the company with NSEL on behalf of the clients and sum Rs. 4.08 Crs is recoverable as on 31.03.2014 having regard to the fact that the amount receivable by the client from NSEL couldn't be recovered by the company after 31<sup>st</sup> July, 2013 and that the company has written off recovery of its share of dues receivable from NSEL & that GOI, EOW, FMC, and other Regulatory Authorities had investigated and arrested the promoters and officials of NSEL, recovery Rs. 4.08cr payable to the clients by the company is doubtful.

**H. Related Party Disclosure:**

**Key Management Personnel:** Smt. Nisha Rathi – Executive Director.

**Relatives of Key Management Personnel:**

Smt.Chanda Devi Rathi Mother In Law of Nisha Rathi

**Holding Company :** M/s. B N Rathi Securities Limited

Related Party Transactions during the year 2013-2014 (Amount in Rupees)

Particulars	Enterprises having common Key Management	Key management Personnel	Realtives of Key Management Personnel	Total
Rent paid	-	-	2,01,300	2,01,300
Remuneration	-	3,00,000	-	3,00,000

- I.** Figures of the previous year have been regrouped or re-arranged wherever Considered necessary.

**20. Significant Accounting Policies**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared on historical cost convention, on accrual basis and in accordance with the applicable accounting standards.

**B. INCOME/ EXPENSES:**

Items of Income and Expenditure are on accrual basis subject to notes on accounts.

**C. TANGIBLE & INTANGIBLE ASSETS:**

Fixed Assets are valued at cost less accumulated depreciation

**D. DEPRECIATION :**

Depreciation on fixed assets has been provided on Written Down Value Method as per the rates and in the manner prescribed under schedule XIV of the Companies Act, 1956.



- E. TAXATION:** Current tax is determined on Total income as per income tax act, for the year. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets/Liabilities on difference between WDV of assets as per Companies Act and Income tax Act.
- F. INVESTMENTS:**  
The company has not made any Investments during the year.
- G. SUBSIDIARY:** The Company is the subsidiary of B N Rathi Securities Limited.

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Notes form an integral part of statement of Profit and Loss Account  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**CHETAN RATHI**  
Director

**NISHA RATHI**  
Executive Director

Place : Hyderabad  
Date : 26-05-2014



**DIRECTORS' REPORT**

Dear Members,

Your Directors have pleasure in presenting the 2<sup>nd</sup> Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2014.

**OPERATIONS:**

The Company has commenced business during the present financial year. The Company has taken up a project of construction of residential apartments at Rajahmundry and thus, the accounting for the same has been prepared as per AS-17 Project completion method.

**DIVIDEND :**

Your Directors express their inability to recommend dividend for the financial year 2013-14.

**DIRECTORS :**

Sri Hari Narayan Rathi, Mr. Chetan Rathi and Mrs. Chanda Devi Rathi are the Directors of the Company.

**AUDITORS :**

M/s. Kalyandas & Co., Statutory Auditors, retire at the conclusion of the 2<sup>nd</sup> Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2014-2015.

**AUDITOR'S REPORT**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2014 and has noted that the same does not have any reservation, qualification or adverse remarks.

**FIXED DEPOSITS :**

The Company has not accepted any deposits from the public.

**PARTICULARS OF EMPLOYEES :**

None of the employee is covered under section 217 (2A) of the Company Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31<sup>st</sup> March, 2014.

**DIRECTORS' RESPONSIBILITY STATEMENT :**

The Directors confirm :

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that they have selected such accounting policies and applied them consistently and made judgements and estimations that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year 31.03.2014 and of the profits of the company for that period;





- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (iv) that they have prepared the annual accounts on a going concern basis.

**STATUTORY COMPLIANCE :**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE**

The information pursuant to section 217(i) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Directors) Rules, 1988 has not been given as the same is not applicable. The particulars regarding income and expenditure in Foreign Currency are nil.

**ACKNOWLEDGEMENT :**

Your Directors wish to place on record their appreciation for the valuable co-operation, support and assistance received from all the statutory authorities. Your Directors also acknowledge the continued support given by the valued and esteemed clients and the sincere and dedicated services of the employees of the Company at all levels.

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

Place : Hyderabad  
Date : 26.05.2014

**Hari Narayan Rathi**  
Director



## **INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
B.N. Rathi Industries Private Limited

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

We have audited the accompanying financial statements of **M/s B.N.RATHI INDUSTRIES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt.13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, NIL for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
  - a. we have 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 appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 15/2013 dt.13<sup>th</sup> September 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.
  - e. on the basis of written representations received from the directors as on 31<sup>st</sup> March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



**ANNEXURE TO THE INDEPENDENT AUDIT REPORT  
of B.N.RATHI INDUSTRIES PRIVATE LIMITED**

**( Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements section of our report of even date )**

As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report the matters to the extent applicable as under:

- 1) The Company does not hold any fixed assets, hence this clause does not apply.
- 2) The stock of inventory has been physically verified by the management at reasonable intervals. In our opinion, and according to the information given to us, the procedure for physical verification of inventory followed by the management are reasonable in relation to the size of the company and the nature of its business. In our opinion the company is maintaining proper records of inventory and it was stated that no material discrepancies were noticed on physical verification.
- 3)
  - a) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act. However during the year the company has obtained unsecured loans of Rs.25 lakhs from the Holding Company M/s. B. N. Rathi Securities Limited and Rs.10 Lakhs from a Director/ Shareholder Sri. H.N Rathi of the Company. In our opinion, the rate of interest on which such loans is obtained is not prima facie prejudicial to the interest of the company.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
- 5) In our opinion and according to the explanation given to us, there are no Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956. Hence this clause is not applicable.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
- 7) The Company does not have system of internal audit.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
- 9) According to the Information and Explanation given to us, Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax are not applicable during this financial year.



According to the Information and Explanation given to us, the Company is regular in depositing with appropriate authorities undisputed amount of VAT and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31<sup>st</sup> March, 2014 for a period of more than six months from the date they become payable.

- 10) The Company has no accumulated losses as at 31<sup>st</sup> March, 2014 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) As per the Information & explanations given to us, there are no dues to financial institutions, debenture holders and banks. Hence this clause is not applicable.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. However the company has paid Rs.40 Lakhs as Advance for Land to the Landlord for Development of Sreekaram Project, Rajahmundry.
- 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company is not dealing or trading in shares, securities, debentures and other investments.
- 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions.
- 16) The Company has not obtained any term loans during the year.
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

For **KALYANDAS & Co.**  
Chartered Accountants  
Firm Reg No.001677S

**(G.KALYANDAS)**  
Partner  
Membership No.7102

Place : Hyderabad  
Date : 26.05.2014

**Balance Sheet as at 31st March, 2014**

Particulars	Schedule No.	Figures as at the end of current reporting period 31.03.2014 Rs.	Figures as at the end of previous reporting period 31.03.2013 Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	50,00,000	1,00,000
(b) Reserves and Surplus		-	-
<b>(2) Non- Current Liabilities</b>			
(a) Long-Term Borrowings		-	-
(b) Other Long term Liabilities	2	20,00,000	-
(c) Long term Provisions		-	-
<b>(3) Current Liabilities</b>			
(a) Short-term Borrowings	3	25,18,308	50,000
(b) Trade Payable	4	1,23,118	-
(c) Other Current Liabilities	5	37,326	11,236
(d) Short- term Provisions		-	-
<b>Total :</b>		96,78,752	1,61,236
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangable Assets:		-	-
(ii) Intangible Assets:		-	-
(b) Non-Current Investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other Non- Current Assets	6	1,55,419	1,55,419
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	7	1,92,764	5,817
(e) Short-term loans and advances	8	41,76,022	-
(f) Other Current Assets	9	51,54,547	-
<b>Total :</b>		96,78,752	1,61,236

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**Chanda Devi Rathi**  
Director

**Chetan Rathi**  
Director

Place : Hyderabad  
Date : 26-05-2014



**Profit & Loss Statement for the Period Ended on 31st March, 2014**

Particulars	Schedule No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
		31.03.2014 Rs.	31.03.2013 Rs.
I Revenue from operations		-	-
II Other Income		-	-
III <b>Total Revenue (I +II)</b>		-	-
IV <u>Expenses:</u>		-	-
Employee Benefit Expense		-	-
Financial Costs		-	-
Depreciation and Amortization Expense		-	-
Other Administrative Expenses		-	-
Project Cost - Contruction Related		-	-
<b>Total Expenses:</b>		-	-
V Profit before tax ( III -IV ) Exceptional Item		-	-
Profit Before Tax ( V-VI)			
VI <u>Tax expense:</u>		-	-
(1) Current tax		-	-
(2) Deferred tax			
VII Profit/ Loss for the Year		-	-
VIII Earning per equity share:			
(1) Basic		-	-
(2) Diluted		-	-

**NOTES TO ACCOUNTS**

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**Chanda Devi Rathi**  
Director

**Chetan Rathi**  
Director

Place : Hyderabad  
Date : 26-05-2014



**Cash Flow Statement for the year ended 31st March, 2014**

(Amount in Rs.)

<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before Tax as per Statement of Profit & loss	-	-
Adjustments for:	-	-
Depreciation	-	-
Interest Expenses	-	-
Interest Income	-	-
	-	-
<b>Operating profit before working capital changes</b>		
Trade & Other receivables	-	-
Inventories	-	-
Trade payable and other Liabilities	1,49,208	-
<b>Cash Generated from operations</b>	-	-
Less: Direct Tax paid	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>1,49,208</b>	-
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Project Cost	-	-
Non Current Assets	(51,54,547)	-
Short Term Loans & Advances	-	-
	(41,76,022)	-
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(93,30,569)</b>	-
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From issue of Equity Shares	49,00,000	10,00,00
Short - term borrowings from Holding Comoaony	24,68,308	50,000
Long Term Loans & Advances	20,00,000	(1,44,183)
<b>Net cash used in financing activities</b>	<b>93,68,308</b>	<b>5,817</b>
<b>Net Increase/ (decrease) in cash and cash equivalents (A + B + C)</b>	<b>1,86,947</b>	<b>5,817</b>
Cash and Cash equivalents at beginning of the year	5,817	-
<b>Cash and cash equivalents at the end of the year</b>	<b>1,92,764</b>	<b>5,817</b>
Earmarked balance with banks	-	-
Fixed Bank Deposits	-	-
<b>Cash and Bank balance at the end of the year</b>	<b>1,92,764</b>	<b>5,817</b>

Notes form an integral part of Balance Sheet as at 31st March,2014  
As per our Report of even date.

For **KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**Chanda Devi Rathi**  
Director

**Chetan Rathi**  
Director

Place : Hyderabad  
Date : 26-05-2014



**Notes Forming Integral Part of the Balance Sheet as at 31st March, 2014****Note : 1 Share Capital**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	AUTHORIZED CAPITAL 5,00,000 Equity Shares of Rs.10/- each	50,00,000	50,00,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 5,00,000 (P/Y 10,000 ) Equity Shares of Rs. 10/- each Fully paid	50,00,000	1,00,000
	<b>Total :</b>	<b>50,00,000</b>	<b>1,00,000</b>

The Company has only one class of equity shares having a per value of Rs.10 per share Each Shareholder is eligible for one vote per shares.

**Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**

	Name of the Share Holder	As at 31st March' 2014		As at 31st March' 2013	
		No. of shares held	% of Holding	No. of shares held	% of Holding
1	B.N. Rathi Securities Limited	4,99,970	99.994	9,970	99.700

**Note : 2 Other Long-term Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Advance Received against Flat of Sreekaram Project, Rajahmuncry	20,00,000	-
	<b>Total</b>	<b>20,00,000</b>	<b>-</b>

**Note : 3 Short Term Borrowings**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	<b>Loans and Advances from Related Parties Unsecured ( bearing Interest )</b>		
	a) B.N Rathi Securities Limited-Holding Company	25,11,095	50,000
	b) Hari Narayan Rathi - Director	7,213	-
	<b>Total</b>	<b>25,18,308</b>	<b>50,000</b>



**Note : 4 Trade Payables**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Sundry Creditors		
	K Vijay Kumar - Sand & Metal	30,000	-
	NSV Narasimha Rao & Others - Wood	66,118	-
	Putta Durga Rao - Brick Vendor	27,000	-
	<b>Total :</b>	<b>123,118</b>	<b>-</b>

**Note : 5 Other Current Liabilities**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Audit and Professional Fee Payable	22,472	11,236
2	Other Liabilities		
3	TDS Payable	14,854	-
	<b>Total :</b>	<b>37,326</b>	<b>11,236</b>

**Note : 6 Non-Current Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
	<i>Other Non Current Assets</i>		
1	Preliminary Expenses	1,33,565	1,33,565
2	Pre operative Expenses		
	a) Professional Fee	5,618	5,618
	b) Professional Tax	5,000	5,000
	c) Audit and professional Fee	11,236	11,236
	<b>Total</b>	<b>1,55,419</b>	<b>1,55,419</b>

**Note : 7 Cash & Cash Equivalents**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	<b>Balances with Banks</b>		
	Bank Accounts	1,49,398	5,817
	Sub Total : A	1,49,398	5,817
2	<b>Cash-on-Hand</b>		
	Cash-on-Hand	43,366	-
	Sub Toal : B	43,366	-
3	<b>Others</b>		
	Sub Total : C	-	-
	<b>Total [ A + B + C ]</b>	<b>192,764</b>	<b>5,817</b>

**Note : 8 Short Term Loans and Advances**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	<b>Others :</b> <b>Security Deposits:</b> <b>(Interest Free Refundable Deposit)</b> Advance for Land, paid to Landlord for Development of Sreekaram Project, Rajahmundry	40,00,000	-
2	<b>Input VAT credit</b>	1,60,202	-
2	<b>Others</b>	15,820	-
	<b>Total</b>	<b>41,76,022</b>	-

**Note : 9 Other Current Assets**

Sr. No.	Particulars	Current Year 31.03.2014	Previous Year 31.03.2013
1	Work-in- Progress : Project Cost of Sreekaram Project, Rajahmundry	51,54,547	-
	<b>Total</b>	<b>51,54,547</b>	-

**Project Cost for the year 2013-14**

Particulars	Amount Rs.
<b>CONSTRUCTION COST</b>	
Architect Fees	25,000
Borewell	3,82,000
Borewell Motor	32,857
Bricks	1,47,600
Cement	3,11,114
Iron & Steel	15,59,797
Labour Charges	6,686
Labour Welfare Fund	1,00,000
Carpenter Works	30,000
Labour Contractor Payments	9,00,000
PVC Pipes	6,570
Rates and Taxes	3,64,985
Sand & Metal	3,30,850
<b>SITE EXPENSES</b>	<b>1,15,298</b>
Soil Testing Expenses	9,000
Transportation & Hamali	25,000
Electrician Works	24,000
Cost of Wood	2,49,550
Wood Cutting Expenses	20,700
Consultancy Fees for Construction Plans	40,000
<b>Total</b>	<b>46,81,007</b>



**ADMINISTRATION EXPENSES**

Conveyance	17,938
ROC FILING FEE	2,000
General Expenses	51,009
Insurance Charges	11,700
Printing & Stationery	12,400
Professional Fees	21,910
Property Tax	3,300
Rent	50,000
Room Rent	9,600
Telephone Expense	1,629
Travelling Expenses	47,184
Audit Fee	22,472
Bank Charges	56
<b>Total</b>	<b>2,51,198</b>

**FINANCE COST**

Interest on Unsecured Loans paid	20,342
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**EMPLOYEE BENEFIT EXPENSES**

Salaries	2,02,000
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<b>GRAND TOTAL</b>	<b>51,54,547</b>
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**Note 10. Significant Accounting Policies and**

**Note 11. Notes forming part of Accounts for the year ending 31.03.2014**

1. Basis of Accounting:

Statement of Profit and Loss is prepared based on the Project completion method adopted by the Company. The Financial statements are prepared on historical cost convention, on accrual basis and in accordance with the applicable accounting standards.

2. Tangible Assets

There are no fixed asset held by the company

3. During the year, Holding company B. N. Rathi Securitized Limited Invested Rs.49,00,000 towards Equity Share capital.

4. Recognition Of Income And Expenditure

i. The Company is engaged in the Development of Property at Rajamundry and adopted Project completion method.

ii. Amount spent for construction of Project and administrative expenses are taken in Other Current assets as Work-in progress-Project cost of sreekaram Project at Rajamundry.

5. The company has not paid remuneration to any employee exceeding Rs. 24.00 Lakhs per annum or Rs. 2.00 Lakhs per month as the case may be.



**6. Related Party Disclosure:**

The Company has received loans from Holding company B.N. Rathi Securited Limited Rs. 25,00,000/- and Hari narayan Rathi Director Rs. 10,00,000/- . The company has repaid the loan amount to Hari Naryanrathi along with the LIBOR Interest rate.

**Key Management Personnel:** Smt. Chanda Devi Rathi - Director

**Relatives of Key Management Personnel:** H. N. Rathi - Director

**Holding Company :** M/s B N Rathi Securities Limited

**Related Party Transactions during the year 2013-2014 (Amount in Rupees)**

Particulars	Enterprises having common key management	Key management Personnel	Realtives of Key management Personnel	Total
Rent paid	-	50,000	-	50,000
Interest paid on unsecured loan	12,328	-	8,014	20,342
Unsecured Loan (Taken & Repaid)	-	-	10,00,000	10,00,000
Unsecured Loan taken	25,00,000	-	-	25,00,000

**7. Contingent Liabilities : NIL**

Vide our separate report of even date.

**For KALYANDAS & CO**  
Chartered Accountants  
Firm Reg. No.: 001677S

For and on behalf of the Board

**G.KALYANDAS**  
Partner  
Membership No:7102

**Chanda Devi Rathi**  
Director

**Chetan Rathi**  
Director

Place : Hyderabad  
Date : 26-05-2014



**Form No. MGT-11  
PROXY FORM**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

CIN : L65993AP1985PLC005838  
 Name of the company : B.N. Rathi Securities Limited  
 Registered office : 6-3-652, IV Floor, Kautilya, Amrutha Estates,  
 Somajiguda, Hyderabad, Andhra Pradesh - 500082

Name of the member(s)	:
Registered Address	:
E-mail Id	:
Folio No./Client Id	:
DP ID	:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name :  
Address :  
E-mail Id :  
Signature : ....., or failing him
- Name :  
Address :  
E-mail Id :  
Signature : ....., or failing him
- Name :  
Address :  
E-mail Id :  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28<sup>th</sup> Annual General Meeting of the company, to be held on the 12th day of July, 2014 at 10.00 a.m. at Hotel Inner Circle, Somajiguda, Hyderabad and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

- Approval of financial statements for the year ended 31.03.2014
- Declaration of dividend for the financial year 2013-14
- Appointment of Mr. Chetan Rathi as Director who retires by rotation
- Appointment of statutory auditors and fixation of their remuneration
- Appointment of Mr. Laxminiwas Sharma as Independent Director
- Appointment of Mr. K. Harish Chandra Prasad as Independent Director
- Appointment of Mr. T. S. Suryanarayana Murthy as Independent Director

Signed this ..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)



**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**

**B.N. RATHI SECURITIES LIMITED**  
 6-3-652, IV Floor, Kautilya, Amrutha Estates, Somajiguda, Hyderabad - 500 082.



**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 28<sup>th</sup> Annual General Meeting of the Company to be held on held on Saturday, 12<sup>th</sup> day of July, 2014 at 10.00 a.m. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad - 500082

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_  
(In block letters)

Folio No. / Client ID \_\_\_\_\_

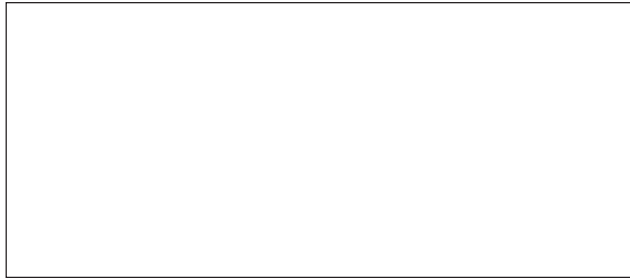
No. of shares held \_\_\_\_\_

Note:

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

PRINTED MATTER

BOOK POST



If undelivered please return to :

**B.N. RATHI SECURITIES LIMITED**

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

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





# B.N. RATHI SECURITIES LIMITED

Corporate Member : NSE, BSE & MCX-SX  
Depository Participant of Central Depository Service (I) Ltd.

**CIN : L65993AP1985PLC005838**

REGISTERED OFFICE : # 6-3-652, IV Floor "Kautilya"  
Amrutha Estates, Somajiguda, Hyderabad - 500 082  
Tel : 040 - 30527777, 30727777, Fax : 040 - 30526283  
e-mail : bnrsl@bnrsl.com, www. bnrsecurities.com

## FORM A

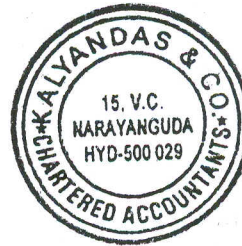
### Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the Company	B.N. Rathi Securities Limited
2.	Annual Financial Statements for the Year ended	31st March 2014
3.	Type of Audit Observation	NIL
4.	Frequency of Observation	Not Applicable

Signed by

For B.N. Rathi Securities Limited

Laxminwas Sharma  
Audit Committee Chairman

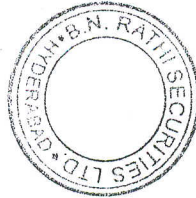


For Kalyandas & Co  
Chartered Accountants

  
G. Kalyandas  
Partner

For B.N. Rathi Securities Limited

Hari Narayan Rathi  
Managing Director



For B.N. Rathi Securities Limited

Chetan Rathi  
Executive Director Cum C F O

Place: Hyderabad

Date: 27.05.2014