



## B.N.RATHI SECURITIES LIMITED

**BOARD OF DIRECTORS**

Sri LAXMINIVAS SHARMA	- Chairman
Sri BADRI NARAYAN RATHI	- Director
Sri K.HARISHCHANDRA PRASAD	- Director
Sri VIJAY KUMAR TAORI	- Director
Sri HARI NARAYAN RATHI	- Managing Director
Sri CHETAN RATHI	- Executive Director

**AUDITORS**

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

**BANKERS**

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

**REGISTERED OFFICE**

6-3-652,Kautilya, Amrutha Estates,  
Somajiguda, Hyderabad-500082  
Phones : 040-30527777,30727777  
e-mail : support@bnrsecurities.com  
Web : www.bnrsecurities.com

**STOCK EXCHANGES  
(LISTED)**

Bombay Stock Exchange Ltd.(523019)  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.

**REGISTRARS & SHARE  
TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd.  
Plot No. 17-24, Vittal Rao Nagar,  
Madhapur, Hyderabad - 500 081  
Tel No.040-44655000 Fax No.040-23420814,  
Toll Free No.1800-3454-001  
E-mail : einward.ris@karvy.com  
Web Site : www.karvy.com  
Regd.Office : Karvy House 46, Avenue 4,  
Street No.1, Banjara Hills, Hyderabad - 500 034

**DEMAT ISIN NUMBER IN  
NSDL &CDSL**

INE710D01010



## B.N.RATHI SECURITIES LIMITED

### NOTICE

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of the Members of B N Rathi Securities Limited will be held on 31<sup>st</sup> July 2012 at 10.00 A.M. at Surana Udyog Auditorium Federation House, FAPCCI, Red Hills, Hyderabad-500 004. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts for the year ended 31<sup>st</sup> March, 2012 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Badri Narayan Rathi who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. K.Harishchandra Prasad who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint the Auditors and fix their remuneration.

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

Date : 30.05.2012

Place : Hyderabad.

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR

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.
2. 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.**
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25.07.2012 to 31.07.2012 (Bothdaysinclusive)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, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable on or before 31.07.2012 to those members whose names appear on the Company's Register of Members as on 31.07.2012.
5. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore requested to bring their copy of annual report to the Meeting.
6. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to M/s.Karvy Computershare Pvt Ltd., Share Transfer Agents of the Company for their doing the needful.
7. Shareholders are requested to address all correspondence relating to their shareholding/change of address if any to the Company's Registrar and Share Transfer Agents M/s Karvy Computershare Pvt Ltd.,quoting their folio number.

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

Date : 30.05.2012

Place : Hyderabad.

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 26th Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2012.

#### FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2012 are summarised as under:

	(Rs. In Lakhs)	
	2011-12	2010-11
Total Income	624.53	696.90
Total Expenditure	570.12	608.23
Profit before Tax	54.41	88.67
Provision for taxation	15.49	28.02
Profit after Tax	38.92	60.65
Transfer to General Reserves	-	1.51
Profit available for Appropriation	38.92	59.14
Provision for proposed Equity Dividend	25.20	30.24
Provision for Corporate Dividend Tax	4.09	4.91
Balance carried to Balance Sheet	9.63	24.00

#### DIVIDEND

Your Directors are pleased to recommend a Dividend @ 10% on the Paid up Equity Share Capital of the Company in respect of the financial year 2011-12. The total outgo on account of dividend, inclusive of dividend tax @ 16.2225% stands at Rs. 29.29 lakhs, for which necessary provision has been made in the accounts.

#### OPERATIONS

The performance of the company during the year has gone down by Rs. 72.37 Lakhs in gross income and Rs. 21.74 Lakhs net income due to market conditions which still persists. The Company deferred the Rights Issue which was proposed earlier due to adverse market conditions.

#### 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 Bombay Stock Exchange Limited (Stock Code 523019). The annual listing fees for the year 2012- 2013 is paid to the Stock Exchange.

#### DIRECTORS

Sri Badri Narayan Rathi & Sri K. Harishchandra Prasad, retire by rotation and being eligible offers themselves for re-appointment.

#### AUDITORS:

The Auditors of the Company M/s. Kalyandas & Co. Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting of the Company and have given their consent for re-appointment. The company has also received a certificate from them under Section 224 (1-B) of the Companies Act, 1956.

#### AUDITORS' REPORT

The Board has duly reviewed the Statutory Auditors 'Report on the Accounts for the year ended March 31, 2012 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.



## B.N.RATHI SECURITIES LIMITED

### **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, 2012.

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

Date : 30.05.2012  
Place : Hyderabad.

**LAXMINIVAS SHARMA**  
CHAIRMAN

### **ANNEXURE TO THE DIRECTORS REPORT: 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 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 as at the end of the financial year 31.03.2012 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 safeguarding 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.

### **UN PAID / UN CLAIMED DIVIDEND:**

In terms of the provisions of Section 205C of the Companies Act, 1956 the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the date of declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the Seven years period for payment of the dividend pertaining to financial year 2004-2005 will expire on September 29, 2012 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.

### **COMPLIANCE CERTIFICATE:**

The Compliance Certificate referred as per the provision to Sub - Section (1) of Section 383A of the Companies Act, 1956 is obtained.

### **CREDIT & GUARANTEE FACILITIES:**

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

### **SUBSIDIARY COMPANY:**

B N Rathi Comtrade Private Limited, the Wholly owned subsidiary of your Company, recorded net profit Rs.60.91 Lakhs as against Rs.41.65 Lakhs in the previous year, registering a good growth in value and volume terms.

### **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 subsidiary B N Rathi Comtrade Private Limited and forms part of this annual report.



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

**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, Bombay Stock Exchange Limited, MCX Stock Exchange Limited and Central Depository Services (India ) Limited.

Your Directors also acknowledge the continued support given by the valued and esteemed Clients 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**

Date : 30.05.2012  
Place : Hyderabad.

**LAXMINIVAS SHARMA**  
CHAIRMAN



## B.N.RATHI SECURITIES LIMITED

### AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of **M/s B.N.RATHI SECURITIES LIMITED** as at 31<sup>st</sup> March, 2012 and also the Profit & Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. 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 it appears from our examination of the same.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report, are in agreement with the Books of Account of the Company.
- d) In our Opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to Notes on Accounts.
- e) As per the representations made by the Company and all its Directors, no Director is disqualified from being appointed as Director U/s 274(1)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes on the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
  - (i) in the case of the Balance Sheet, of the State of Affairs of the Company, as at 31<sup>st</sup> March, 2012 and
  - (ii) in case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.
- g) 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:



## B.N.RATHI SECURITIES LIMITED

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. Fixed Assets disposed off during the year are not material and therefore do not affect the going concern assumption.
- 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 loan 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 and repaid unsecured loan of Rs. 50 Lakhs from Managing Director of the company, The rate of interest, terms and conditions are prima facie not 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 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 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)
  - a) 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, 2012 for a period of more than six months from the date they become payable.
  - b) The Company has disputed Income Tax Demand Rs. 1,44,656/- for the Assesment year 2006- 07 and Rs. 79,900 for the Asst.year 2007-08 and the first appeal is pending disposal.
- 10) The Company has no accumulated losses as at 31<sup>st</sup> March, 2012 and it has not incurred cash losses in the financial year under report or in the immediately preceeding financial year.



## B.N.RATHI SECURITIES LIMITED

- 11) 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.
- 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.**  
Firm Regd. No. 001677S  
**Chartered Accountants.**

Date : 30.05.2012  
Place : Hyderabad

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





## B.N.RATHI SECURITIES LIMITED

### Balance Sheet as at March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1.Shareholder's Funds</b>			
(a) Share Capital	1	<b>2,52,00,000</b>	2,52,00,000
(b) Reserves and Surplus	2	<b>5,51,27,945</b>	5,42,08,075
<b>2.Non- Current Liabilities</b>			
(a) Long-Term Borrowings	3	<b>25,00,000</b>	-
(b) Other Long Term Liabilities	4	<b>1,35,56,272</b>	3,51,02,542
<b>3 Current Liabilities</b>			
(a) Trade Payables	5	<b>6,66,41,215</b>	14,19,89,993
(b) Other Current Liabilities	6	<b>39,95,716</b>	19,87,348
(c) Short-Term Provisions	7	<b>45,61,238</b>	63,14,568
<b>Total :</b>		<b><u>17,15,82,386</u></b>	<b><u>26,48,02,526</u></b>
<b>II ASSETS</b>			
<b>1.Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	<b>58,33,006</b>	62,54,232
(ii) Intangible Assets		<b>8,63,702</b>	13,57,331
(b) Non-Current Investments	9	<b>99,99,800</b>	99,99,800
(c) Deferred tax assets (net)	10	<b>1,05,354</b>	22,085
(d) Long term loans and advances	11	<b>1,91,55,204</b>	1,93,90,313
<b>2.Current Assets</b>			
(a) Current investments			
(b) Stock-in-Trade	12	<b>15,55,028</b>	29,75,300
(c) Trade receivables	13	<b>2,03,91,601</b>	5,51,31,079
(d) Cash and cash equivalents	14	<b>11,13,81,839</b>	16,67,59,064
(e) Short-term loans and advances	15	<b>22,96,852</b>	29,13,322
<b>Total :</b>		<b><u>17,15,82,386</u></b>	<b><u>26,48,02,526</u></b>

*Significant Accounting Policies and Notes on Financial Statements.*

As per our report of even date  
For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

For and on behalf of the Board

**LAXMINIVAS SHARMA**  
CHAIRMAN

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

Date : 30.05.2012  
Place: Hyderabad

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### Statement of Profit and Loss for the year ended March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	16	<b>5,32,86,192</b>	6,26,00,059
II Other Income	17	<b>91,67,014</b>	70,90,059
<b>III Total Revenue (I+II)</b>		<b>6,24,53,206</b>	6,96,90,118
IV Expenses			
Employee Benefit Expense	18	<b>1,18,96,606</b>	1,01,96,928
Finance Costs	19	<b>31,66,326</b>	29,65,214
Depreciation and Amortization Expense		<b>21,58,884</b>	23,97,490
Other Administrative Expenses	20	<b>1,38,38,334</b>	1,12,00,985
Sharing Brokerage		<b>2,59,51,619</b>	3,40,62,308
<b>Total Expenses:</b>		<b>5,70,11,769</b>	6,08,22,925
V Profit before tax (III - IV)		<b>54,41,437</b>	88,67,193
VI <b>Tax expense:</b>			
(1) Current tax		<b>16,32,431</b>	28,00,000
(2) Deferred tax Add/(less)		<b>83,269</b>	(1,515)
<b>VII Profit for the Year</b>		<b>38,92,275</b>	60,65,678
VIII <b>Earning per equity share:</b>			
Basic & Diluted		<b>1.54</b>	2.41

#### Significant Accounting Policies and Notes on Financial Statements

As per our report of even date  
For **KALYANDAS & CO.**,  
Firm Regd. No. 001677S  
Chartered Accountants

**G. KALYANDAS**  
Membership No.7102  
Partner  
Date : 30.05.2012  
Place: Hyderabad

For and on behalf of the Board

**LAXMINIVAS SHARMA**  
CHAIRMAN

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR

**B.N.RATHI SECURITIES LIMITED****Cash flow statement for the year ended March 31, 2012****(Amount in Rs '000)**

<b>PARTICULARS</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax as per statement of profit & Loss	5441	8867
Adjustments for:		
Depreciation	2159	2398
Interest expenses	2670	2371
Interest Income	(7273)	(5901)
Operating profit before working capital changes	2997	7735
Trade and other Receivable	35090	(10056)
Inventories	1420	(2765)
Trade payable & other liabilities	(94887)	70592
Cash generated from operations	(55380)	65506
Less : Direct Tax paid (Net of Refunds)	(1564)	(2634)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(56944)</b>	<b>62872</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1244)	(1493)
Interest Received (net of Taxes)	6496	5322
Advance to Subsidiary Company	-	38
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>5252</b>	<b>3867</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest paid	(2670)	(2371)
Proceeds /(Repayment) of secured Loan	2500	(223)
Payment of Dividend & Taxes	(3515)	(3526)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3685)</b>	<b>(6120)</b>
Net cash flow during the year A+B+C	(55377)	60619
Cash and Cash equivalents as at 31-3-2011	166759	106140
*Cash and Cash equivalents as at 31-3-2012	111382	166759

Note : Previous Year's figures have been re-arranged and re-grouped where ever necessary.

\* Includes balances in unpaid dividend bank accounts, which are not available for the Company

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

**For and on behalf of the Board****LAXMINIVAS SHARMA**  
CHAIRMAN**G. KALYANDAS**

Membership No.7102

Partner

Date : 30.05.2012

Place: Hyderabad

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note : 1. Share Capital

	Current Year <u>31.03.2012</u>	Previous Year <u>31.03.2011</u>
Authorised 60,00,000 Equity Shares of Rs. 10/- each	<b>6,00,00,000</b>	5,00,00,000
Issued, Subscribed & Paid up 25,20,000 Equity Shares of Rs. 10/- each, Fully paid	<b>2,52,00,000</b>	2,52,00,000
Total	<b><u>2,52,00,000</u></b>	<u>2,52,00,000</u>

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. The dividend proposed by the Board of Directors is subject to the approval of shareholders. The Company has raised authorized capital from 5 Crore to 6 Crore. The Expenditure for the same of Rs. 65,000/- disclosed under statement of Profits Loss under Listing & Filing fee.

#### 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.2012		As at 31st March.2011	
	No. of shares held	%of Holding	No. of shares held	%of Holding
Sri. Harinarayana Rathi	674851	26.78	674851	26.78
Sri. Chetan Rathi	149268	5.93	149268	5.93

#### Note : 2. Reserve & Surplus

Sr. No	Particulars	Current Year <u>31.03.2012</u>	Previous Year <u>31.03.2011</u>
1.	Capital Reserve	<b>14,90,400</b>	14,90,400
2.	Securities Premium	<b>1,22,40,000</b>	1,22,40,000
3.	General Reserve	<b>3,67,792</b>	3,67,792
4.	Surplus: Profit & Loss Account(OB)		3,76,90,100
	Add/(Less) : Income Tax of earlier	4,01,09,883 43,598	20,315
		<u>4,00,66,285</u>	<u>3,77,10,415</u>
	Add: Profit for the year	38,92,275	59,14,036
		<u>4,39,58,560</u>	<u>4,36,24,451</u>
	Less: Proposed Dividend	25,20,000	30,24,000
	Tax on Proposed Dividend	4,08,807	4,90,568
		<b><u>4,10,29,753</u></b>	<u>4,01,09,883</u>
	Total	<b><u>5,51,27,945</u></b>	<u>5,42,08,075</u>

#### Note : 3. Long Term Borrowings

Sr. No	Particulars	Current Year <u>31.03.2012</u>	Previous Year <u>31.03.2011</u>
	Loan Repayable on Demand		
	Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)	<b>25,00,000</b>	-
	Total	<b><u>25,00,000</u></b>	-



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note : 4. Other Long Term Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Deposits for VSAT	95,696	20,25,182
2.	Clients Margin Deposits	1,34,60,576	3,30,77,360
	<b>Total:</b>	<b>1,35,56,272</b>	<b>3,51,02,542</b>

#### Note : 5. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	Total Outstanding Dues of Creditors		
a)	Creditors - Clients	3,57,20,861	4,70,11,914
b)	Creditors - Services	42,19,496	36,66,245
c)	Initial Margin - IL&FS	2,67,00,858	9,13,11,834
	<b>Total:</b>	<b>6,66,41,215</b>	<b>14,19,89,993</b>

#### Note : 6. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Unpaid Dividend	13,13,735	12,61,276
2.	Outstanding Liabilities	26,81,981	7,26,072
	<b>Total:</b>	<b>39,95,716</b>	<b>19,87,348</b>

#### Note : 7. Short Term Provisions

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Provision for Taxation	16,32,431	28,00,000
2.	Proposed equity Dividend	25,20,000	30,24,000
3.	Corporate Dividend Tax	4,08,807	4,90,568
	<b>Total:</b>	<b>45,61,238</b>	<b>63,14,568</b>



**Notes on Financial statement for the year ended March 31, 2012**

**Note : 8. Fixed Assets  
Fixed Assets**

Sr. No	Particulars	Gross Block			Depreciation			Net Block	
		Value at the beginning	Addition During the year	Value at the end	Value at the beginning	Addition During the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
I	<b>Tangible Assets</b>								
	Plant & Equipment	56,03,925	3,58,850	59,62,775	45,01,301	5,95,459	50,96,760	8,66,015	11,02,624
	Air Conditioner	7,10,385	1,39,650	8,50,035	3,09,944	63,275	3,73,219	4,76,816	4,00,441
	Photo Copier	1,27,000	-	1,27,000	81,610	9,078	90,688	36,312	45,390
	VSAT's	32,31,324	-	32,31,324	15,26,163	2,37,188	17,63,351	14,67,973	17,05,161
	Furnitures & Fixtures	36,64,229	4,93,169	41,57,398	25,79,771	2,68,929	28,48,700	13,08,698	10,84,458
	Office Equipment	21,05,789	1,97,759	23,03,548	12,47,049	1,86,781	14,33,830	8,69,718	8,58,740
	Vehicles	17,48,001	-	17,48,001	8,89,426	2,22,285	11,11,711	6,36,290	8,58,575
	Generator	2,95,920	-	2,95,920	97,077	27,659	1,24,736	1,71,184	1,98,843
	<b>SUB TOTAL ( A ) :</b>	<b>1,74,86,537</b>	<b>11,89,428</b>	<b>1,86,76,001</b>	<b>1,12,32,341</b>	<b>16,10,655</b>	<b>1,28,42,996</b>	<b>58,33,006</b>	<b>62,54,232</b>
II	<b>Intangible Assets</b>								
	Computer Software	23,76,657	54,600	24,31,257	10,19,326	5,48,229	15,67,555	8,63,702	13,57,331
	<b>SUB TOTAL ( B ) :</b>	<b>23,76,657</b>	<b>54,600</b>	<b>24,31,257</b>	<b>10,19,326</b>	<b>5,48,229</b>	<b>15,67,555</b>	<b>8,63,702</b>	<b>13,57,331</b>
	<b>Total ( A + B ) : ( Current Year )</b>	<b>1,98,63,230</b>	<b>12,44,028</b>	<b>2,11,07,258</b>	<b>1,22,51,667</b>	<b>21,58,884</b>	<b>1,44,10,551</b>	<b>66,96,708</b>	<b>76,11,563</b>
	Previous Year	1,83,70,673	14,92,557	1,98,63,230	98,54,177	23,97,490	1,22,51,667	76,11,563	85,16,496



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note : 9. Non Current Investment

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Investment in Subsidiary Company M/s B N Rathi Comtrade Private Limited fully paid Equity Shares of Rs. 10/- each	99,99,800	99,99,800
	<b>Total</b>	<b>99,99,800</b>	<b>99,99,800</b>

#### Note : 10. Deferred Tax Assets (Net)

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Deferred Tax Asset on account of Opening Balance	22,085	23,600
	Add/ (Less): Provision related to fixed assets	83,269	(1,515)
	<b>Total</b>	<b>1,05,354</b>	<b>22,085</b>

#### Note : 11. Long Term Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>I</b>	<b>Security Deposits</b>		
	Secured, Considered Good		
	a) NSE - Interest free Security Deposit	41,00,000	41,00,000
	b) NSCCL- Interest free Security Deposit	9,00,000	9,00,000
	c) NSE Derivatives Segment Deposit	8,00,000	8,00,000
	d) BSE Trading Member Deposit	1,00,00,000	1,00,00,000
	e) NSE - VSAT Deposit	2,00,000	1,00,000
	f) BSE Membership Security Deposit	5,00,000	5,00,000
	g) BSE Base Capital adequacy Deposit	5,00,000	5,00,000
	h) BSE Brokers contingency Fund	2,50,000	2,50,000
	i) BSE VSAT Deposit	2,50,000	2,50,000
	j) NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
	k) NSE SPOT -DP Deposit	1,00,000	-
	l) VSAT Deposit - MCXSX	55,150	55,150
<b>II</b>	<b>Other Loans &amp; Advances</b>		
	Un Secured, Considered Good		
	a) Lease Line Deposit	2,00,000	2,40,959
	b) Secunderabad Club -Deposit	3,00,000	3,50,000
	c) Rent deposits-Others	3,02,500	2,50,000
	d) Rent deposits-Related parties	-	2,60,000
	e) Other Deposits	1,58,014	2,59,514
	f) Income Tax Refundable	3,39,540	3,74,690
	<b>Total</b>	<b>1,91,55,204</b>	<b>1,93,90,313</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note : 12. Stock -In- Trade

Sr. No.	Particulars	No of Shares(Qty)	Current Year 31.03.2012	Previous Year 31.03.2011
	Stock -in-Trade (Stock -in-Trade Valued at cost )			
<b>A.</b>	<b>Listed</b>			
	a) SterliteTechnolgies Ltd	20,000	-	10,07,800
	b) Sree Astha Vinayaka Ltd	1,00,000	-	6,65,000
	c) Rohit Ferro Tech Ltd	10,000	3,77,280	4,42,500
	d) Vijay Textiles Ltd	10,000	2,67,748	-
	Total: A		<u>6,45,028</u>	<u>21,15,300</u>
	Aggregate Market Value of listed Shares		<u>5,53,000</u>	<u>22,46,000</u>
<b>B.</b>	<b>Un - Listed</b>			
	a) Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	b) Hyderabad Stock Exchange Ltd	10,000	10,000	10,000
	c) HSE Securities Ltd	10,000	1,00,000	50,000
	d) Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	e) Sevenhills Co-op Bank Ltd	5,000	5,00,000	5,00,000
	Total: B		<u>9,10,000</u>	<u>8,60,000</u>
	<b>Total (A+B)</b>		<b>15,55,028</b>	<b>29,75,300</b>

#### Note : 13. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	More than six months		
	a) Secured, Considered Good	24,22,996	-
	b) Un-Secured, Considered Good	94,782	-
2	Less than six months		
	a) Secured, Considered Good	1,70,92,813	5,51,31,079
	b) Un-Secured, Considered Good	7,81,010	-
	<b>Total:</b>	<u>2,03,91,601</u>	<u>5,51,31,079</u>



**B.N.RATHI SECURITIES LIMITED****Notes on Financial statement for the year ended March 31, 2012****Note : 14. Cash & Cash Equivalents**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>A.</b>	<b>Balances with Banks</b>		
i)	Bank Balances	<b>1,78,93,816</b>	1,38,68,164
ii)	Earmarked Balances with Banks (Un-Claimed Dividend)	<b>13,13,735</b>	12,61,276
iii)	Bank Fixed deposits with more than Twelve months maturity		
(a)	for Bank Gurantee	<b>2,00,00,001</b>	2,00,00,000
(b)	for Overdraft	<b>2,67,96,172</b>	1,50,00,000
(c)	for NSEIL - Currency Derivatives	<b>8,00,000</b>	8,00,000
(d)	for BSE	<b>10,00,000</b>	10,00,000
(e)	for NSCCL/IL&FS	<b>1,25,00,000</b>	3,17,96,120
(f)	Accrued Interest on FDRs	<b>17,67,869</b>	12,39,184
	<b>Sub Total : A</b>	<b><u>8,20,71,593</u></b>	<b><u>8,49,64,744</u></b>
<b>B.</b>	<b>Cash-in-hand</b>	<b>10,246</b>	23,558
<b>C.</b>	<b>Others</b>		
(i)	Additional Base Capital with NSE	<b>25,00,000</b>	50,00,000
(ii)	Initial Margin Deposit with IL&FS for F&O/BSE/CDX	<b>2,68,00,000</b>	7,67,70,762
	<b>Sub Toal : C</b>	<b><u>2,93,00,000</u></b>	<b><u>8,17,70,762</u></b>
	<b>Total (A+B+C)</b>	<b><u>11,13,81,839</u></b>	<b><u>16,67,59,064</u></b>

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

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	<b>Unsecured considered good</b>		
1.	Advance Income tax & TDS	<b>17,77,779</b>	22,79,238
2.	Staff advance	<b>44,851</b>	1,70,368
3.	Prepaid expenses	<b>4,74,222</b>	4,63,716
	<b>Total</b>	<b><u>22,96,852</u></b>	<b><u>29,13,322</u></b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note. 16. Revenue from Operations

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Brokerage	5,15,01,705	6,06,58,331
2	Income from DP operations	17,84,487	19,41,728
	<b>Total</b>	<b>5,32,86,192</b>	<b>6,26,00,059</b>

#### Note : 17. Other Income

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Other Income	13,44,557	11,63,606
2	Other Income (bad debts writtenoff)	1,50,000	-
3	Profit on stock in Trade/Investments	3,46,254	10,096
4	Dividend Income	4,020	1,619
5	Brokerage New Issues	48,707	20,165
6	Interest on BSE Membership Deposit	1,36,259	1,63,304
7	Bank Fixed Deposits	47,73,022	36,40,916
8	IL&FS- Margin Deposits	23,64,195	20,90,353
	<b>Total</b>	<b>91,67,014</b>	<b>70,90,059</b>

#### Note : 18. Employment Benefit Expenses

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Managerial Remuneration	19,20,000	16,80,000
2	Salaries & Allowances	86,57,878	73,56,468
3	Medical Reimbursement	97,136	92,882
4	Provident Fund Contribution	5,97,426	5,16,924
5	Staff welfare	1,23,433	99,012
6	Bonus & Gratuity	5,00,733	4,51,642
	<b>Total</b>	<b>1,18,96,606</b>	<b>1,01,96,928</b>

#### Note : 19 Financial Cost

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Interest	26,70,390	23,71,293
2	Bank Charges	29,755	-
3	Bank Gurantee Charges	4,66,181	5,93,921
	<b>Total</b>	<b>31,66,326</b>	<b>29,65,214</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

#### Note : 20. Other Administrative Expenses

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Rent, Rates & Taxes	24,93,255	23,50,704
2	Printing & Stationery	7,55,158	8,21,284
3	Postage & Courier Charges	3,34,245	7,98,892
4	Conveyance	26,934	23,336
5	Travelling Expenditure	1,84,128	1,87,168
6	Telephone charges	3,25,432	4,59,576
7	Advertisement Expenses	67,816	1,02,267
8	Audit Fee		
	( a ) Statutory Audit	40,000	36,000
	( b ) Tax Services	9,000	9,000
	( c ) Other Services	2,00,777	1,00,487
9	Internal Audit Fee	1,22,000	1,10,000
10	Registrar and Share Transfer Agency Charges	36,309	36,618
11	VSAT Charges	3,11,075	7,60,053
12	Transaction Charges	51,39,308	10,69,554
13	Subscription & Membership Fee	2,23,835	2,70,625
14	Annual Maintenance Charges	7,18,653	2,80,410
15	Professional & Consultancy Fee	2,79,500	5,25,945
16	Listing & Filing/Reg. & Renewals	3,47,704	1,22,251
17	Directors Sitting Fee	55,000	47,000
18	Electricity Charges	3,31,150	4,47,982
19	Generator Maintenance charges	38,190	67,546
20	Vehicle Maintenance	2,75,298	3,56,001
21	Office Maintenance	1,93,659	1,66,569
22	Repairs & Maintenance	1,36,165	1,03,666
23	Stock Exchange & SEBI Fee ( Includes fines Rs.16007/- )	2,71,722	5,51,266
24	Business Promotion	1,59,694	1,22,031
25	Insurance	55,214	49,482
26	Legal Expenses	1,19,665	71,276
27	Leased Line charges	4,68,626	7,43,636
28	Bad debts written off	57,727	32,644
29	Donations	7,600	21,000
30	CTCL Net work charges	-	1,62,952
31	Other expenses	38,663	30,449
32	Gifts	15,332	1,63,315
	<b>Total</b>	<b>1,38,38,334</b>	<b>1,12,00,985</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Financial statement for the year ended March 31, 2012

21. Information required to be furnished pursuant to clause 4-A.4-C and 4-D of part -II Schedule VI to the Companies Act, 1956 is not provided as the same is not applicable to the Company.
22. 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 .
23. Contingent Liability:  
 (i) on behalf of the Company. HDFC Bank & Axis Bank have given Bank Guarantees of Rs 300.00 Lakhs (Previous Year Rs. 450.00 Lakhs) to NSCCL and BSE.  
 (ii) In the absence of information Income tax contingent liability in respect other appeals could not be quantified.
24. The Company has obtained a net profit 3,46,254/- in share trading. The aggregate value of shares purchased worked out Rs.27.32 Crores and the sale thereof worked out to Rs.27.35 Crores The above profit has been included in other income.
25. Provision for Income tax is Rs. 15,49,162/- made for the year.
26. Subsidiary Company M/s B N Rathi Comtrade Private Limited is member of MCX,NCDEX and National Spot Exchange.
27. Bad Debts written off Rs. 57,727/- during the year.
28. **Related Party Disclosure:**

**Key Management Personnel:** Hari Narayan Rathi

**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

Sri Chetan Rathi son of Sri Hari Narayan Rathi

Smt Nisha Rathi Daughter-In-Law of Sri Hari Narayan Rathi

Smt Anuradha Pasari Daughter of Sri Hari Narayan Rathi

Sri Amit Rathi son of Govind Narayan Rathi

**Subsidiary :** M/s B N Rathi Comtrade Private Limited

Related Party Transactions during the year 2011-2012

(Amount in Rupees)

Particulars	Enterprises having common key management personnel	Key management personnel	Relatives of key management personnel	Total
Rent paid	-	-	600000	600000
Remuneration	-	1200000	480000	1680000
Services rendered	-	10	40749	40759

29. 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:

	<b>Current Year 2011-2012</b>	Previous Year 2010-2011
Profit as per Profit and Loss Account	<b>38,92,275</b>	60,65,678
Weighted average number of shares used in	<b>25,20,000</b>	25,20,200
Computing basic earning per equity share		
Basic & Diluted earning per share . (On nominal value of Rs 10/- per share)	<b>Rs.1.54</b>	Rs. 2.41

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



## B.N.RATHI SECURITIES LIMITED

### SIGNIFICANT ACCOUNTING POLICIES

- A. General:  
The financial statements are prepared on historical cost convention, on basis of a going concern, on an accrual basis and in accordance with the applicable accounting standards.
- B. Fixed Assets:  
Fixed 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. Retirement 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 company:  
B N Rathi Comtrade Private Limited is the 100% subsidiary of the Company.
- H. Taxation:  
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 83269/-

*As per our Report of even date*

For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

**For and on behalf of the Board**

**LAXMINIVAS SHARMA**  
CHAIRMAN

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

Date : 30.05.2012  
Place: Hyderabad

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### STATEMENT REGARDING SUBSIDIARY COMPANY PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1. Name of the subsidiary : B N Rathi Comtrade Private Limited
2. The financial year of the subsidiary ended on : 31.3.2012
3. B N Rathi Securities Limited shareholding in  
Subsidiary as on number of Equity Shares of : 9,99,980  
Rs. 10/- each percentage of holding : 99.99%
4. The net aggregate profit/ (loss) of subsidiary  
Company so far as it concerns the holding company
  - A) Not dealt with in the accounts B N Rathi Securities Ltd : Rs. 42,47,036
    - a) For the subsidiary financial year ended on 31<sup>st</sup> March 2012 : Rs. 42,47,036
    - b) For the previous financial year of  
B N Rathi Comtrade Private Limited since it became a  
Subsidiary of B N Rathi Securities Limited : Nil
  - B) Dealt with in the holding company accounts by way  
of dividends on shares held in the subsidiary : Nil
    - a) For the subsidiary financial year ended on 31<sup>st</sup> March 2012 : NA
    - b) For the previous financial year of  
B N Rathi Comtrade Private Limited since it became a  
Subsidiary of B N Rathi Securities Limited : NA

Note: Changes in the interest of B N Rathi Comtrade Private Ltd  
and B N Rathi Securities Limited between the end of the  
Subsidiary's financial year ended 31<sup>st</sup> March 2012 : NA

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As per our report of even date  
For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2012  
Place: Hyderabad

**For and on behalf of the Board**

**LAXMINIVAS SHARMA**  
CHAIRMAN

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



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

### **AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF M/s B.N.RATHI SECURITIES LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2012.**

We have audited the attached consolidated Balance Sheet of **M/s B.N.RATHI SECURITIES LIMITED** and its Subsidiary Company as at 31<sup>st</sup> March, 2012, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These Consolidated financial statements are the responsibility of the M/s.B.N.RATHI SECURITIES LIMITED's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on consolidated Financial Statements issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of M/s. B.N.RATHI SECURITIES LIMITED and its Subsidiary M/s.B.N.RATHI COMTRADE PRIVATE LIMITED included in the consolidated financial statements.

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, 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 subsidiary, as at 31<sup>st</sup> March, 2012 and
- (ii) in case of the Consolidated Profit and Loss Account, of the Profit of the Company and its subsidiary for the year ended on that date and
- (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flow of the Company and its subsidiary for the year ended on that date.

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

Date : 30.05.2012  
Place : Hyderabad

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



## B.N.RATHI SECURITIES LIMITED

### Statement of Consolidated Balance Sheet for the year ended March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period 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	6,22,00,669	5,70,74,386
(c) Minority Interest		344	259
<b>2. Non- Current Liabilities</b>			
(a) Long-Term Borrowings	3	25,00,000	-
(b) Other Long Term Liabilities	4	1,38,62,673	3,53,57,077
<b>3 Current Liabilities</b>			
(a) Trade Payables	5	10,25,35,561	16,61,45,117
(b) Other Current Liabilities	6	47,73,099	23,79,058
(c) Short-Term Provisions	7	63,88,486	76,01,936
<b>Total</b>		<b>21,74,60,832</b>	<b>29,37,57,834</b>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	8	90,18,440	72,41,707
(ii) Intangible Assets		8,63,702	13,57,331
(b) Deferred tax assets (net) 9	71,958	5,232	
(c) Long term loans and advances	10	2,54,05,203	2,48,90,313
<b>2. Current Assets</b>			
(a) Stock-in-Trade	11	15,55,028	29,75,300
(b) Trade receivables	12	2,85,97,178	6,15,80,834
(c) Cash and cash equivalents	13	14,77,17,683	19,16,52,529
(d) Short-term loans and advances	14	42,31,640	40,54,588
<b>Total</b>		<b>21,74,60,832</b>	<b>29,37,57,834</b>

Significant Accounting Policies and Notes on Consolidated Financial Statements

As per our report of even date  
For **KALYANDAS & CO.**,  
Firm Regd. No. 001677S  
Chartered Accountants

For and on behalf of the Board

**LAXMINIVAS SHARMA**  
CHAIRMAN

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

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR

Date : 30.05.2012  
Place: Hyderabad





## B.N.RATHI SECURITIES LIMITED

### Consolidated Statement of Profit and Loss for the year ended March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	15	<b>7,68,43,240</b>	7,86,02,773
II Other Income	16	<b>1,15,05,471</b>	79,86,496
III <b>Total Revenue (I+II)</b>		<b><u>8,83,48,711</u></b>	<u>8,65,89,269</u>
IV Expenses			
Employee Benefit Expense	17	<b>1,39,01,606</b>	1,11,03,428
Finance Costs	18	<b>32,75,380</b>	30,85,650
Depreciation and Amortization Expense		<b>24,84,535</b>	24,53,187
Other Administrative Expenses	19	<b>2,07,36,888</b>	1,49,60,505
Sharing Brokerage		<b>3,64,18,038</b>	4,19,54,253
<b>Total Expenses:</b>		<b><u>7,68,16,447</u></b>	<u>7,35,57,023</u>
V Profit before tax (III - IV)		<b>1,15,32,264</b>	1,30,32,246
VI <b>Tax expense:</b>			
(1) Current tax		<b>34,59,679</b>	40,87,001
(2) Deferred tax Add/ (Less)		<b>(66,725)</b>	(2,578)
VII Profit for the year (before adjustment for minority Interest) (V-VI)		<b><u>81,39,310</u></b>	<u>89,47,823</u>
Less: Minority Interest		<b>85</b>	58
VIII <b>Profit for the Year</b> (after adjustment for minority Interest) (VI-VII)		<b>81,39,225</b>	89,47,765
IX <b>Earning per equity share:</b>			
Basic & Diluted		<b>3.23</b>	3.55

Significant Accounting Policies and Notes on Consolidated Financial Statements

As per our Report of even date

For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2012  
Place: Hyderabad

For and on behalf of the Board

**LAXMINIVAS SHARMA**  
CHAIRMAN

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### Consolidated Cash Flow Statement for the year ended March 31, 2012

(Amount in Rs '000)

PARTICULARS	2011-2012	2010-2011
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax as per statement of profit & Loss	11532	13032
Adjustments for:		
Depreciation	2485	2453
Interest expenses	2685	2414
Interest Income	(8902)	(6638)
Absorbed Preliminary Expenses written off	-	(76)
Operating profit before working capital changes	7800	11185
Trade and other Receivable	32580	(14603)
Inventories	1420	(2765)
Trade payable & other liabilities	(82710)	89734
Cash generated from operations	(40910)	83551
Less : Direct Tax paid	(3518)	(3699)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(44428)</b>	<b>79852</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(3768)	(2389)
Interest Received ( net of taxes)	7962	5724
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>4194</b>	<b>3335</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	(2685)	(2328)
Proceeds /(Repayment) of secured Loan	2500	(223)
Payment of Dividend & Taxes	(3515)	(3526)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3700)</b>	<b>(6077)</b>
Net cash flow during the year A+B+C	(43934)	77110
Add : Cash and Cash equivalents as at 01-4-2011	191652	114542
*Cash and Cash equivalents as at 31-3-2012	147718	191652

Note : Previous Year's figures have been re-arranged and re-grouped where ever necessary.

\* Includes balances in unpaid dividend bank accounts, which are not available for the Company.

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

**G. KALYANDAS**

Membership No.7102

Partner

Date : 30.05.2012

Place: Hyderabad

For and on behalf of the Board

**LAXMINIVAS SHARMA**

CHAIRMAN

**HARI NARAYAN RATHI**

MANAGING DIRECTOR



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 1. Share Capital

	Current Year <u>31.03.2012</u>	Previous Year <u>31.03.2011</u>
Authorised 60,00,000 Equity Shares of Rs.10/- each	<b>6,00,00,000</b>	5,00,00,000
Issued, Subscribed & Paid up 25,20,000 Equity Shares of Rs.10/- each, Fully paid	<b>2,52,00,000</b>	2,52,00,000
Total:	<b><u>2,52,00,000</u></b>	<u>2,52,00,000</u>

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. The dividend proposed by the Board of Directors is subject to the approval of shareholders. The Company has raised authorized capital from 5 Crore to 6 Crore. The Expenditure for the same of Rs. 65,000/- disclosed under statement of Profits Loss under Listing & Filing fee.

#### 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.2012		As at 31st March.2011	
	No. of shares held	%of Holding	No. of shares held	%of Holding
Sri. Harinarayana Rathi	<b>674851</b>	<b>26.78</b>	674851	26.78
Sri. Chetan Rathi	<b>149268</b>	<b>5.93</b>	149268	5.93

#### Note : 2. Reserve & Surplus

Sr. No	Particulars	Current Year <u>31.03.2012</u>	Previous Year 31.03.2011
1.	Capital Reserve	<b>14,90,400</b>	14,90,400
2.	Securities Premium Account	<b>1,22,40,000</b>	1,22,40,000
3.	General Reserve	<b>3,67,792</b>	3,67,792
4.	Surplus: Profit & Loss Account(OB)	4,29,76,194	3,76,91,179
	Add/(Less) : Income Tax of earlier	84,135	20,315
		<u>4,28,92,059</u>	<u>3,77,11,494</u>
	Add: Profit for the year	81,39,225	87,79,268
		<u>5,10,31,284</u>	<u>4,64,90,762</u>
	Less: Proposed Dividend	25,20,000	30,24,000
	Tax on Proposed Dividend	4,08,807	4,90,568
	<b>Total</b>	<b><u>4,81,02,477</u></b>	<u>4,29,76,194</u>
		<b><u>6,22,00,669</u></b>	<u>5,70,74,386</u>

#### Note : 3. Long Term Borrowings

Sr. No	Particulars	Current Year <u>31.03.2012</u>	Previous Year 31.03.2011
	Loan Repayable on Demand	<b>25,00,000</b>	-
	Long Term Loan from HDFC Bank (On security of Fixed Deposits as Margin Security)	<b>25,00,000</b>	-
	<b>Total</b>	<b><u>25,00,000</u></b>	<u>-</u>



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 4. Other Long Term Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Deposits for VSAT	95,696	20,25,182
2.	Clients Margin Deposits	1,37,66,977	3,33,31,895
	<b>Total</b>	<b>1,38,62,673</b>	<b>3,53,57,077</b>

#### Note : 5. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	Total Outstanding Dues of Creditors		
a)	Creditors - Clients	6,98,76,669	7,08,01,631
b)	Creditors - Services	59,58,034	40,31,652
c)	Initial Margin - IL&FS	2,67,00,858	9,13,11,834
	<b>Total</b>	<b>10,25,35,561</b>	<b>16,61,45,117</b>

#### Note : 6. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Unpaid Dividend	13,13,735	12,61,276
2.	Outstanding Liabilities	34,59,364	11,17,782
	<b>Total</b>	<b>47,73,099</b>	<b>23,79,058</b>

#### Note : 7. Short Term Provisions

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Provision for Taxation	34,59,679	40,87,368
2.	Proposed Equity Dividend	25,20,000	30,24,000
3.	Corporate Dividend Tax	4,08,807	4,90,568
	<b>Total</b>	<b>63,88,486</b>	<b>76,01,936</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 8. Fixed Assets Fixed Assets

Sr. No	Particulars	Gross Block			Depreciation			Net Block	
		Value at the beginning	Addition During theyear	Value at the end	Value at the beginning	Addition During the year	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
A	<b>Tangible Assets</b>								
	Plant & Equipment	56,56,826	6,05,600	62,62,426	45,13,410	6,62,608	51,76,018	10,86,408	11,43,416
	Air Conditioner	7,25,262	1,39,650	8,64,912	3,10,120	65,320	3,75,440	4,89,472	4,15,142
	Photo Copier	1,27,000	0	1,27,000	81,610	9,078	90,688	36,312	45,390
	VSAT's	33,55,324	0	33,55,324	15,46,788	2,51,567	17,98,355	15,56,969	18,08,536
	Furnitures & Fixtures	38,51,460	26,92,129	65,43,589	25,82,649	3,42,643	29,25,292	36,18,297	12,68,811
	Office Equipment	21,65,050	2,75,659	24,40,709	12,47,960	2,03,454	14,51,414	9,89,295	9,17,090
	Vehicles (Cars)	23,57,217	0	23,57,217	9,12,738	3,73,976	12,86,714	10,70,503	14,44,479
	Generator	2,95,920	0	2,95,920	97,077	27,659	1,24,736	1,71,184	1,98,843
	<b>SUB TOTAL ( A ) :</b>	<b>1,85,34,059</b>	<b>37,13,038</b>	<b>2,22,47,097</b>	<b>1,12,92,352</b>	<b>19,36,306</b>	<b>1,32,28,658</b>	<b>90,18,440</b>	<b>72,41,707</b>
B	<b>Intangible Assets</b>								
	Computer Software	23,76,657	54,600	24,31,257	10,19,326	5,48,229	15,67,555	8,63,702	13,57,331
	<b>SUB TOTAL ( B ) :</b>	<b>23,76,657</b>	<b>54,600</b>	<b>24,31,257</b>	<b>10,19,326</b>	<b>5,48,229</b>	<b>15,67,555</b>	<b>8,63,702</b>	<b>13,57,331</b>
	<b>Total ( A + B ) : ( Current Year )</b>	<b>2,09,10,716</b>	<b>37,67,638</b>	<b>2,46,78,354</b>	<b>1,23,11,678</b>	<b>24,84,535</b>	<b>1,47,96,213</b>	<b>98,82,142</b>	<b>85,99,038</b>
	Previous Year	1,85,22,203	23,88,513	2,09,10,716	98,58,491	24,53,187	1,23,11,678	85,99,038	86,63,712



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 9. Deferred Tax Assets (Net)

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
a)	Deferred Tax Asset on account of Opening Balance	5,232	19,507
b)	Add/(Less): Provision related to fixed assets	66,725	(14,275)
	<b>Total</b>	<b>71,957</b>	<b>5,232</b>

#### Note : 10. Long Term Loans and Advances

Sr. No	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>I</b>	<b>Security Deposits</b>		
	Secured, Considered Good :		
a)	NSE - Interest free Security Deposit	41,00,000	41,00,000
b)	NSCCL- Interest free Security Deposit	9,00,000	9,00,000
c)	NSE Derivatives Segment Deposit	8,00,000	8,00,000
d)	BSE Trading Member Deposit	1,00,00,000	1,00,00,000
e)	NSE - VSAT Deposit	2,00,000	1,00,000
f)	BSE Membership Security Deposit	5,00,000	5,00,000
g)	BSE Base Capital adequacy Deposit	5,00,000	5,00,000
h)	BSE Brokers contingency Fund	2,50,000	2,50,000
i)	BSE VSAT Deposit	2,50,000	2,50,000
j)	NSE Currency Derivatives Segment Deposit	2,00,000	2,00,000
k)	NSE SPOT -DP Deposit	1,00,000	-
l)	MCX - Interest free security deposit	15,00,000	15,00,000
m)	MCX - Membership Deposit	20,00,000	20,00,000
n)	NCDEX - Membership Deposit	5,00,000	5,00,000
o)	NCDX - Interest free Security Deposit	15,00,000	15,00,000
p)	NSEL - Membership Deposit	7,50,000	-
q)	MCX-SX -VSAT Deposit	55,150	55,150
<b>II</b>	<b>Other Loans &amp; Advances</b>		
a)	Lease Line Deposit	2,00,000	2,40,959
b)	Secunderabad Club-Deposit	3,00,000	3,50,000
c)	Rent deposits-Others	3,02,500	2,50,000
d)	Rent deposits-Related parties	-	2,60,000
e)	Other Deposits	1,58,014	2,59,514
f)	Income Tax Refundable	3,39,540	3,74,690
	<b>Total</b>	<b>2,54,05,204</b>	<b>2,48,90,313</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 11. Stock-In-Trade

Sr. No.	Particulars		Current Year 31.03.2012	Previous Year 31.03.2011
	<b>Stock-in-Trade</b> (Stock-in-Trade Valued at cost )			
<b>A.</b>	<b>Listed</b>			
	a) Sterlite Technolgies	20,000	-	10,07,800
	b) Sree Astha vinayaka	1,00,000	-	6,65,000
	c) Rohit Ferro	10,000	3,77,280	4,42,500
	d) Vijay Textile	10,000	2,67,748	-
	<b>Total: A</b>		<b>6,45,028</b>	<b>21,15,300</b>
	Aggregate market value of listed shares		<b>5,53,000</b>	<b>22,46,000</b>
<b>B.</b>	<b>Un - Listed</b>			
	a) Mahesh Vidya Bhavan Ltd	20,000	2,00,000	2,00,000
	b) Hyderabad Stock Exchange Ltd	10,000	10,000	10,000
	c) HSE Securities Ltd	10,000	1,00,000	50,000
	d) Bombay Stock Exchange Ltd	400	1,00,000	1,00,000
	e) Sevenhills Co-op Bank ltd	5,000	5,00,000	5,00,000
	<b>Total: B</b>		<b>9,10,000</b>	<b>8,60,000</b>
	<b>Total (A+B)</b>		<b>15,55,028</b>	<b>29,75,300</b>

#### Note : 12. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	More than six months		
	a) Secured, Considered Good	24,22,996	-
	b) Un-Secured, Considered	94,782	-
2	Less than six months		
	a) Secured, Considered Good	2,52,98,390	6,15,80,834
	b) Un-Secured, Considered Good	7,81,010	-
	<b>Total</b>	<b>2,85,97,178</b>	<b>6,15,80,834</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 13. Cash & Cash Equivalents

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>A</b>	<b>Balances with Banks</b>		
i)	Bank Balances	1,97,42,744	1,59,12,158
ii)	Earmarked Balances with Banks (Un-Claimed Dividend)	13,23,735	12,71,276
iii)	Bank Fixed deposits with more than Twelve months maturity		
(a)	for Bank Guarantee	2,45,00,000	2,45,00,000
(b)	for Overdraft	3,17,96,172	2,00,00,000
(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	1,25,00,000	3,17,96,120
(f)	for Margin - MCX	70,00,000	70,00,000
(g)	for Margin - NSEL	3,75,000	-
(h)	Accrued Interest on FDRs	24,82,777	15,74,055
	<b>Sub Total : A</b>	<b>10,15,20,429</b>	<b>10,38,53,609</b>
<b>B.</b>	<b>Cash-in - hand</b>	<b>22,253</b>	<b>28,158</b>
<b>C.</b>	<b>Others</b>		
(i)	Additional Base Capital with NSE	25,00,000	50,00,000
(ii)	Initial Margin Deposit with IL&FS for F&O/BSE/CDX	2,68,00,000	7,67,70,762
(iii)	Additional Margin with - MCX	60,00,000	40,00,000
(iv)	Additional Margin - NCDEX	1,00,00,000	20,00,000
(v)	Additional Margin -NSEL	8,75,000	-
	<b>Sub Total : C</b>	<b>4,61,75,000</b>	<b>8,77,70,762</b>
	<b>Total : (A+B+C)</b>	<b>14,77,17,683</b>	<b>19,16,52,529</b>

#### Note : 14. Short Terms Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Unsecured considered good Income tax & TDS	36,40,780	33,53,050
2	Staff advance	53,351	1,70,368
3	Prepaid expenses	5,37,510	5,31,170
	<b>Total</b>	<b>42,31,641</b>	<b>40,54,488</b>





## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note. 15. Revenue from Operations

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Brokerage	7,50,58,753	7,86,02,773
2	Income from DP Operations	17,84,487	-
	<b>Total</b>	<b>7,68,43,240</b>	<b>7,86,02,773</b>

#### Note : 16. Other Income

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Other Income	17,17,250	11,63,606
2	Other Income (Bad Debts writtenoff)	1,50,000	-
3	Profit on stoke in Trade/Investment	6,83,400	1,69,795
4	Dividend Income	4,020	1,619
5	Brokerage Newissues	48,707	20,165
6	Interest on BSE Membership Deposit	1,36,259	1,63,304
7	Bank Fixed Deposits	64,01,640	43,77,654
8	IL&FS - Margin Deposits	23,64,195	20,90,353
	<b>Total</b>	<b>1,15,05,471</b>	<b>79,86,496</b>

#### Note : 17. Employment Benefit Expenses

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Managerial Remuneration	22,20,000	17,30,000
2	Salaries & Allowance	1,03,13,878	81,82,468
3	Medical Reimbursement	97,136	92,882
4	Provident Fund Contribution	5,97,426	5,16,924
5	Staff welfare	1,23,433	99,012
6	Bonus & Gratuity	5,49,733	4,82,142
	<b>Total</b>	<b>1,39,01,606</b>	<b>1,11,03,428</b>

#### Note : 18. Financial Cost

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Interest on others	26,85,278	24,13,980
2	Bank Charges	29,755	-
3	Bank Gurantee Charges	5,60,347	6,71,670
	<b>Total</b>	<b>32,75,380</b>	<b>30,85,650</b>



## B.N.RATHI SECURITIES LIMITED

### Notes on Consolidated Financial Statements for the year ended March 31, 2012

#### Note : 19. Other Administrative Expenses

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Rent, Rates & Taxes	27,05,981	25,73,558
2	Printing & Stationery	9,01,175	9,08,234
3	Postage & Courier Charges	4,74,095	7,98,892
4	Conveyance	26,934	23,336
5	Travelling Expenditure	1,94,759	1,87,168
6	Telephone charges	5,20,514	5,18,521
7	Advertisement Expenses	72,816	1,02,267
8	Audit Fee		
	( a ) Statutory Audit	54,000	50,000
	( b ) Tax Services	9,000	9,000
	( c ) Other Services	2,23,777	1,00,487
9	Internal Audit fee	1,22,000	1,10,000
10	Registrar and Share Transfer Agency Charges	36,309	36,618
11	VSAT Charges	3,85,055	7,89,883
12	Transaction Charges	96,91,178	38,52,278
13	Subscription & Membership fee	3,48,835	3,92,480
14	Annual Maintenance Charges	8,86,382	6,34,941
15	Professional & Consultancy Fee	8,07,500	5,91,945
16	Listing & Filing/Reg. & Renewals	3,48,204	1,24,251
17	Directors Sitting fee	55,000	47,000
18	Electricity Charges	4,71,027	4,47,982
19	Generator Maintenance charges	54,557	67,546
20	Vehicle Maintenance	3,53,861	3,60,687
21	Office Maintenance	2,75,635	1,66,569
22	Repairs & Maintenance	1,43,122	1,03,666
23	Stock Exchange & SEBI fee ( Includes fines Rs.16007/- )	2,99,733	5,51,266
24	Business Promotion	2,59,324	1,23,916
25	Insurance	75,745	49,482
26	Legal Expenses	1,19,665	71,276
27	Leased Line charges	6,15,443	7,43,636
28	Bad debts written off	57,727	32,644
29	Donations	78,600	21,000
30	CTCL Net work charges	-	1,62,952
31	Other expenses	53,603	43,709
32	Gifts	15,332	1,63,315
	<b>Total</b>	<b>2,07,36,888</b>	<b>1,49,60,505</b>

#### 20. Contingent Liability :

On behalf of the company and its subsidiary, HDFC Bank & AXIS Bank have given Bank Guarantees of Rs. 390 Lakhs (Previous year Rs.540 Lakhs) to NSCCL, BSE, IL&FS, MCX and NCDEX.



## B.N.RATHI SECURITIES LIMITED

21. 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:

	<b>Current Year 2011-2012</b>	Previous Year 2010-2011
Profit as per Profit and Loss Account	<b>81,39,225</b>	89,30,970
Weighted average number of shares used in	<b>25,20,000</b>	25,20,200
Computing basic earning per equity share		
Basic & Diluted earning per share	<b>Rs.3.23</b>	Rs.3.54
(On nominal value of Rs 10/- per share)		

22. Other significant Accounting Policies & Notes to Accounts:

These are set out in the significant Accounting policies and Notes to Account of the Financial Statements of the company and its Subsidiary Company.

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

### **SIGNIFICANT ACCOUNTING POLICIES**

#### 1. Basis of Preparation

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

#### 2. Principles of consolidation

The financial statements of B N Rathi Comtrade 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. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary M/s. B N Rathi Comtrade 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 statement.
- 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 company 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 company over its share of the equity of the subsidiary company. Hence there is no Goodwill or Capital Reserve on account of consolidation in the consolidated financial statements.



## B.N.RATHI SECURITIES LIMITED

3. TAXATION: 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 71,958/-

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*As per our Report of even date*

For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2012  
Place: Hyderabad

**For and on behalf of the Board**

**LAXMINIVAS SHARMA**  
CHAIRMAN

**HARI NARAYAN RATHI**  
MANAGING DIRECTOR



## B N RATHI COMTRADE PRIVATE LIMITED

### DIRECTORS' REPORT

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

Yours Directors have pleased in presenting the 4<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2012

### FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2012 are summarised as under:

	(Rs. In Lakhs)	
	<u>2011-12</u>	<u>2010-11</u>
Total Income	<b>258.99</b>	168.99
Total Expenditure	<b>198.05</b>	127.34
Profit before Tax	<b>60.91</b>	41.65
Provision for Taxation	<b>18.44</b>	13.00
Profit after Tax	<b>42.47</b>	28.65
Balance Carried to Balance Sheet	<b>42.47</b>	28.65

### OPERATIONS:

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

### DIVIDEND:

Your directors express their inability to recommend any dividend for the financial year 2011-2012.

### 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:

As the Company is not having any employee during the year under review, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

### AUDITORS:

M/s. Kalyandas & Co., Statutory Auditors, retire at the conclusion of the 4<sup>th</sup> Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2012-2013.



## **B N RATHI COMTRADE PRIVATE LIMITED**

### **DIRECTORS RESPONSIBILITY STATEMENT:**

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

- (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 B N Rathi Comtrade Private Limited**

**Place : Hyderabad**  
**Date : 30.05.2012**

**Chetan Rathi**  
DIRECTOR

**Nisha Rathi**  
EXECUTIVE DIRECTOR



## B N RATHI COMTRADE PRIVATE LIMITED

### AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of M/s **B.N.RATHI COMTRADE PRIVATE LIMITED** as at 31<sup>st</sup> March, 2012, the Profit & Loss Account and also the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis-statements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. 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 it appears from our examination of the same.
- c) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report, are in agreement with the Books of Account of the Company.
- d) In our Opinion, the Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 subject to Notes on Accounts.
- e) As per the representations made by the Company and all its Directors, no Director is disqualified from being appointed as Director U/s 274(I)(g) of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations, given to us, the said accounts read with Significant Accounting Policies and Notes on the accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (i) in the case of the Balance Sheet, of the State of Affairs of the Company, as at 31<sup>st</sup> March, 2012 and
  - (ii) in case of the Statement of Profit and Loss, of the Profit of the Company for the year ended on that date and
  - (iii) in the case of the Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.
- g) 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:



## B N RATHI COMTRADE PRIVATE LIMITED

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. No Fixed Assets disposed off during the year and therefore do not affect the going concern assumption.
- 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 loan 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 (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) 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) The Company is regular in depositing with appropriate authorities undisputed amount of Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31<sup>st</sup> March, 2012 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, 2012 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) 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.





## B N RATHI COMTRADE PRIVATE LIMITED

- 14) The Company is a Member of MCX, NCDEX and NSEL renders services for investors in purchase and sale of commodities. The Company has maintained proper records of the transactions 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 obtained Term Loan from a Bank during the year and the same was applied for 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 **KAYANDAS & CO**  
Chartered Accountants  
Firm Reg No.001677S

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

Place : Hyderabad  
Date : 30.05.2012



## B N RATHI COMTRADE PRIVATE LIMITED

### Balance Sheet as at March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholder's Funds</b>			
(a) Share Capital	1	<b>1,00,00,000</b>	1,00,00,000
(b) Reserves and Surplus	2	<b>70,72,870</b>	28,66,371
<b>2. Non- Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		<b>33,397</b>	16,853
(b) Other Long Term Liabilities	3	<b>3,06,401</b>	2,54,535
<b>3 Current Liabilities</b>			
(a) Short Term Borrowings		-	-
(b) Trade Payables	4	<b>3,58,94,344</b>	2,41,55,124
(c) Other Current Liabilities	5	<b>7,77,383</b>	3,91,710
(d) Short-Term provisions	6	<b>18,27,248</b>	12,87,368
<b>Total</b>		<b><u>5,59,11,643</u></b>	<b><u>3,89,71,961</u></b>
<b>II ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Fixed Assets			
Tangible Assets	7	<b>31,85,434</b>	9,87,475
(b) Long term loans and advances	8	<b>62,50,000</b>	55,00,000
<b>2. Current Assets</b>			
(a) Trade receivables	9	<b>82,05,577</b>	64,49,755
(b) Cash and cash equivalents	10	<b>3,63,35,843</b>	2,48,93,465
(c) Short-term loans and advances	11	<b>19,34,789</b>	11,41,266
<b>Total</b>		<b><u>5,59,11,643</u></b>	<b><u>3,89,71,961</u></b>

#### Significant Accounting Policies and Notes on Financial Statements

As per our report of even date  
For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2012  
Place: Hyderabad

For and on behalf of the Board

**CHETAN RATHI**  
DIRECTOR

**NISHA RATHI**  
EXECUTIVE DIRECTOR



## B N RATHI COMTRADE PRIVATE LIMITED

### Statement of Profit and Loss for the year ended March 31, 2012

Particulars	Note No	Figures as at the end of current reporting period Rs.	Figures as at the end of previous reporting period Rs.
I Revenue from operations	12	<b>2,35,57,048</b>	1,60,02,715
II Other Income	13	<b>23,38,458</b>	8,96,437
III <b>Total Revenue (I+II)</b>		<b><u>2,58,95,506</u></b>	<b><u>1,68,99,152</u></b>
IV Expenses			
Employee Benefit Expense	14	<b>20,05,000</b>	9,06,500
Finance Costs	15	<b>1,09,054</b>	1,20,436
Depreciation and Amortization Expense	16	<b>3,25,651</b>	55,697
Other Administrative Expenses	17	<b>68,98,554</b>	37,59,521
Brokerage		<b><u>1,04,66,419</u></b>	<u>78,91,945</u>
<b>Total Expenses</b>		<b><u>1,98,04,678</u></b>	<b><u>1,27,34,099</u></b>
V Profit before tax (III - IV)		<b><u>60,90,828</u></b>	41,65,053
VI <b>Tax expense</b>			
(1) Current tax		<b>18,27,248</b>	12,87,001
(2) Deferred tax		<b>16,544</b>	12,760
VII Profit for the Year		<b><u>42,47,036</u></b>	<b><u>28,65,292</u></b>
VIII Earning per equity share Basic & Diluted		<b>4</b>	<b>3</b>

#### Significant Accounting Policies and Notes on Financial Statements

As per our Report of even date

For **KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2012  
Place: Hyderabad

For and on behalf of the Board

**CHETAN RATHI**  
DIRECTOR

**NISHA RATHI**  
EXECUTIVE DIRECTOR

**B N RATHI COMTRADE PRIVATE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 (Amount in Rs.000)**

<b>PARTICULARS</b>	<b>2011-2012</b>	<b>2010-2011</b>
<b>A.CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax and extraordinary items	<b>6091</b>	4165
Adjustments for:		
Depreciation	<b>326</b>	56
Interest expenses	<b>15</b>	43
Interest Income	<b>(1629)</b>	(737)
<b>Operating profit before working capital changes</b>	<b>4803</b>	3527
Trade and other Receivable	<b>(2510)</b>	(4547)
Trade payable & other liabilities	<b>12177</b>	19142
<b>Cash generated from operations</b>	<b>14470</b>	18122
Less : Direct Tax paid	<b>(1954)</b>	(1065)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>12516</b>	17057
<b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	<b>(2524)</b>	(896)
Interest Received (net of taxes)	<b>1466</b>	402
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1058)</b>	(494)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Interest paid	<b>(15)</b>	43
Preliminary Epenses absorbed by B N Rathi Securities Ltd.	-	(76)
Advance received from B N Rathi Securities Ltd.	-	(38)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(15)</b>	(71)
Net cash flow during the year A+B+C	<b>11443</b>	16492
Add : Cash and Cash equivalents as at 01-4-2011	<b>24893</b>	8401
Cash and Cash equivalents as at 31-3-2012	<b>36336</b>	24893

Note : Previous Year's figures have been re-arranged and re-grouped where ever necessary.

As per our report of even date

For **KALYANDAS & CO.,**

Firm Regd. No. 001677S

Chartered Accountants

**G. KALYANDAS**

Membership No.7102

Partner

Date : 30.05.2012

Place: Hyderabad

**For and on behalf of the Board**

**CHETAN RATHI**

DIRECTOR

**NISHA RATHI**

EXECUTIVE DIRECTOR



## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### Note : 1. Share Capital

	Current Year 31.03.2012	Previous Year 31.03.2011
Authorised 10,00,000 Equity Shares of Rs. 10/- each	<u>1,00,00,000</u>	<u>1,00,00,000</u>
Issued, Subscribed & Paid up 10,00,000 Equity Shares of Rs. 10/- each, Fully paid	<u>1,00,00,000</u>	<u>1,00,00,000</u>
<b>Total</b>	<u>1,00,00,000</u>	<u>1,00,00,000</u>

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.2012		As at 31st March.2011	
	No. of shares held	%of Holding	No. of shares held	%of Holding
M/s B N Rathi Securities Ltd	9,99,980	99.99	9,99,980	99.99

#### Note : 2. Reserve & Surplus

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Surplus: Profit & Loss Account	<b>28,66,371</b>	1,079
	Add/(Less):Income tax of earlier	<b>40,537</b>	-
	Add: Profit for the year	<b>42,47,036</b>	<u>28,65,292</u>
	<b>Total</b>	<u><b>70,72,870</b></u>	<u>28,66,371</u>

#### Note : 3. Other long term Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Clients Margin Deposits	<b>3,06,401</b>	2,54,535
	<b>Total</b>	<u><b>3,06,401</b></u>	<u>54,535</u>



## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### Note : 4. Trade Payables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	Total Outstanding Dues of Creditors		
	a) Creditors - Clients	3,41,55,808	2,37,89,717
	b) Creditors - Services	17,38,537	3,65,407
	<b>Total</b>	<b>3,58,94,344</b>	<b>2,41,55,124</b>

#### Note : 5. Other Current Liabilities

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Outstanding Liabilities	7,77,383	3,91,710
	<b>Total</b>	<b>7,77,383</b>	<b>3,91,710</b>

#### Note : 6 Short Term Provisions

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1.	Provision for Taxation	18,27,248	12,87,368
	<b>Total</b>	<b>18,27,248</b>	<b>12,87,368</b>



**B N RATHI COMTRADE PRIVATE LIMITED**

**Note :7. Fixed Assets  
Fixed Assets**

**Notes on Financial Statements for the year ended March 31, 2012**

Sr. No	Particulars	Gross Block			Depreciaton			Net Block		
		Value at the beginning	Addition During theyear	Deduction During theyear	Value at the end	Value at the beginning	Addition During the year	Deduction During theyear	WDV as on 31.03.2012	WDV as on 31.03.2011
1	<b><u>Tangible Assets</u></b>									
	Computer	52,901	2,46,750	-	2,99,651	12,109	67,149	-	79,258	40,792
	Air Conditioner	148,77	-	-	14877	176	2,045	-	2,221	14,701
	Photo Copier	-	-	-	-	-	-	-	-	-
	VSAT's	1,24,000	-	-	1,24,000	20,625	14,379	-	35,004	1,03,375
2	Furnitures & Fixtures	1,87,231	21,98,960	-	23,86,191	2,878	73,714	-	76,592	1,84,353
3	Office Equipment	59,261	77,900	-	1,37,161	911	16,673	-	17,584	58,350
4	Vehicles	6,09,216	-	-	6,09,216	23,312	15,1691	-	1,75,003	5,85,904
	<b>Total : ( Current Year )</b>	<b>10,47,486</b>	<b>25,23,610</b>	<b>-</b>	<b>35,71,096</b>	<b>60,011</b>	<b>3,25,651</b>	<b>-</b>	<b>3,85,662</b>	<b>9,87,475</b>
	<b>Previous Year</b>	<b>1,51,531</b>	<b>8,95,956</b>	<b>-</b>	<b>10,47,486</b>	<b>4,314</b>	<b>55,697</b>	<b>-</b>	<b>60,011</b>	<b>1,47,216</b>



## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### Note : 8. Long Term Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>I</b>	<b>Security Deposits</b>		
	Secured, Considered good		
	a) MCX-(Interest free) Security Deposit	<b>15,00,000</b>	15,00,000
	b) MCX-Membership Fee	<b>20,00,000</b>	20,00,000
	c) NCDEX-Membership Deposit	<b>500000</b>	5,00,000
	d) NCDEX-Interest free Security Deposit	<b>15,00,000</b>	15,00,000
	e) NSEL-Membership Deposit	<b>7,50,000</b>	7,50,000
	<b>Total</b>	<b><u>62,50,000</u></b>	<b><u>55,00,000</u></b>

#### Note : 9. Trade Recievables

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	<b>Less than six months</b>		
	Secured, Considered good	<b>82,05,577</b>	64,49,755
	<b>Total</b>	<b><u>82,05,577</u></b>	<b><u>64,49,755</u></b>





## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### Note : 10. Cash & Cash Equivalents

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
<b>A.</b>	<b>Balances with Banks</b>		
i)	Bank Balances	<b>18,58,928</b>	20,53,995
ii)	Bank Fixed deposits with more than Twelve months maturity		
(a)	for Bank Guarantee	<b>45,00,000</b>	45,00,000
(b)	for Overdraft	<b>50,00,000</b>	5,000,000
(c)	for Margin-MCX	<b>70,00,000</b>	7,000,000
(d)	for Margin-NSEL	<b>3,75,000</b>	-
(e)	Accrued Interest	<b>7,14,908</b>	334871
	<b>Sub Total : A</b>	<b><u>1,94,48,836</u></b>	<b><u>1,88,88,865</u></b>
<b>B.</b>	<b>Cash-in-hand</b>	<b>12,007</b>	4,600
<b>C.</b>	<b>Others</b>		
(i)	Additional Margin with-MCX	<b>60,00,000</b>	40,00,000
(ii)	Additional Margin with -NCDEX	<b>1,00,00,000</b>	20,00,000
(iii)	Additional Margin with -NSEL	<b>8,75,000</b>	-
	<b>Sub Total : C</b>	<b><u>1,68,75,000</u></b>	<b><u>60,00,000</u></b>
	<b>Total (A+B+C)</b>	<b><u>3,63,35,843</u></b>	<b><u>2,48,93,465</u></b>

#### Note : 11. Short Terms Loans and Advances

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
	Unsecured considered good		
1.	Income Tax & TDS	<b>18,63,001</b>	10,73,812
2.	Staff advance	<b>8,500</b>	-
3.	Prepaid expenses	<b>63,288</b>	67,454
	<b>Total</b>	<b><u>19,34,789</u></b>	<b><u>11,41,266</u></b>

**B N RATHI COMTRADE PRIVATE LIMITED****Notes on Financial Statements for the year ended March 31, 2012****Note. 12. Revenue from Operations**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Brokerage	2,35,57,048	1,60,02,715
	<b>Total:</b>	<b>2,35,57,048</b>	<b>1,60,02,715</b>

**Note : 13. Other Income**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Other Income	3,72,694	-
2	Profit on stock in Trade/Invesment	3,37,146	1,59,699
3	Bank Fixed Deposits	16,28,618	7,36,738
	<b>Total</b>	<b>23,38,458</b>	<b>8,96,437</b>

**Note : 14. Employment Benefit Expenses**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Managerial Remuneration	3,00,000	50,000
2	Salaries	16,56,000	8,26,000
3	Bonus	49,000	30,500
	<b>Total</b>	<b>20,05,000</b>	<b>9,06,500</b>

**Note : 15. Financial Cost**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Interest on OD Facility	14,888	42,687
2	Bank Gurantee Charges	94,166	77,749
	<b>Total</b>	<b>1,09,054</b>	<b>1,20,436</b>

**Note : 16. Depreciation & Amortization Expenses**

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Depreciation	3,25,651	55,697
	<b>Total</b>	<b>3,25,651</b>	<b>55,697</b>



## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### Note : 17. Other Administrative Expenses

Sr. No.	Particulars	Current Year 31.03.2012	Previous Year 31.03.2011
1	Rent, Rates & Taxes	2,12,726	2,22,854
2	Printing & Stationery	1,46,017	86,950
3	Postage & Courier Charges	1,39,850	-
4	Consultancy fee / Professional	5,28,000	66,000
5	Travelling Expenditure	10,631	-
6	Telephone & Internet charges	1,95,082	58,945
7	Advertisement	5,000	-
8	Audit Fee		
	(a) Statutory Audit	14,000	14,000
	(b) Other Services	23,500	-
9	VSAT Charges	73,980	29,830
10	Transaction Charges	45,51,870	27,82,724
11	Annual Subscription & Membership fee	1,25,000	1,21,855
12	Annual Maintenance Charges	1,67,729	3,54,531
13	Filing Fee	500	2,000
14	Electricity Charges	1,39,877	-
15	Generator Maintenance charges	16,367	-
16	Vehicle Maintenance	78,563	4,686
17	Office Maintenance	81,976	-
18	Repairs & Maintenance	6,957	-
29	Stock Exchange & SEBI fee	28,011	-
20	Insurance	20,531	-
21	Business Promotion Expenses	99,630	1,885
22	Donations	71,000	-
23	Leased Lines Charges	1,46,817	-
24	Misc Expenses	14,940	13,260
	<b>Total</b>	<b>68,98,554</b>	<b>37,59,521</b>

18. Information required to be furnished pursuant to clause 4-A.4-C and 4-D of part -II Schedule VI to the Companies Act, 1956 is not provided as the same is not applicable to the Company.

19. 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 .

20. Contingent Liability:

on behalf of the Company.HDFC Bank & Axis Bank have given Bank Guarantees of Rs.90 Lakhs (Previous Year Rs. 90 Lakhs) to MCX AND NCDEX .

21. Provision for Income tax is Rs 18,27,248/- made for the year.



## B N RATHI COMTRADE PRIVATE LIMITED

### Notes on Financial Statements for the year ended March 31, 2012

#### 22. Related Party Disclosure:

**Key Management Personnel :** Nisha Rathi

**Relatives of Key Management Personnel:**

Sri Badri Narayan Rathi Grand Daughter of Nisha Rathi

Smt.Chanda Devi Rathi Mother In Law of Nisha Rathi

Sri Chetan Rathi Husband of Nisha Rathi

Sri Kamal Narayan Rathi Uncle of Nisha Rathi

Smt Mayuri Rathi Co Sister of Nisha Rathi

Smt Sunita Devi Rathi Aunti of Nisha Rathi

Sri Govind Narayan Rathi Uncle of Nisha Rathi

Related Party Transactions during the year 2011-2012

(Amount in Rupees)

Particulars	Enterprises having common key management personnel	Key management personnel	Relatives of key management personnel	Total
Rent paid	-	-	180000	180000
Remuneration	-	300000	-	300000
Services rendered	-	331	158449	158780

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

#### Significant Accounting Policies

1. Basis of Preparation of Financial Statements:  
The Financial Statements are prepared on historical cost convention, on going concern basis, on accrual basis and in accordance with the applicable accounting standards.
2. Income/ Expenses:  
Items of Income and Expenditure are on accrual basis subject to notes on accounts.
3. Fixed Assets:  
Fixed Assets are valued at cost less accumulated depreciation
4. 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.
5. Investments:  
The company has not made any Investments during the year.
6. Subsidiary:  
The Company is the subsidiary of B N Rathi Securities Limited

vide our separate report of even date

**KALYANDAS & CO.,**  
Firm Regd. No. 001677S  
Chartered Accountants

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

Date : 30.05.2011  
Place: Hyderabad

**For and on behalf of the Board**

**CHETAN RATHI**  
DIRECTOR

**NISHA RATHI**  
EXECUTIVE DIRECTOR



**B.N.RATHI SECURITIES LIMITED**

**B.N.RATHI SECURITIES LIMITED**

**Regd. Off :** 6-3-652, IV Floor "Kautilya" Amrutha Estates, Somajiguda,Hyderabad - 500082

**ATTENDANCE SLIP**

26<sup>th</sup> Annual General Meeting :

DP ID : \_\_\_\_\_

**Name of Attending Member (Block Letters)**

Client ID : \_\_\_\_\_

Regd.Folio No. \_\_\_\_\_

I Certify that I am a registered shareholder/proxy for the registered shareholder of the Company I hereby record my presence at the 26<sup>th</sup> ANNUAL GENERAL MEETING of the Company on 31<sup>st</sup> July 2012 at 10.00 A.M. at Surana Udyog Auditorium Federation House, FAPCCI, Red Hills, Hyderabad-500 004.

Member's / Proxy's name in Block Letters

Member's / Proxy's Signature

Note : Please fill this attendance slip and hand it over at the ENTRANCE OF THE HALL.

( TEAR HERE)-

**B.N.RATHI SECURITIES LIMITED**

**Regd. Off :** 6-3-652, IV Floor "Kautilya" Amrutha Estates, Somajiguda,Hyderabad - 500082

**FORM OF PROXY**

I/We.....of.....

in the district of .....being a member/members of the above named company hereby appoint .....or failing him .....of

.....in the district of .....as my/our proxy to vote for me/us on my/our behalf at the 26<sup>th</sup>ANNUAL GENERAL MEETING of the Company to be held on 31<sup>st</sup> July 2012 at 10.00 A.M. at Surana Udyog Auditorium Federation House, FAPCCI, Red Hills, Hyderabad-500 004.

Signed this .....day .....2012

Signature.....

Regd. Folio No.....





**B.N.RATHI SECURITIES LIMITED**

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