



B. N. RATHI
SECURITIES LIMITED

36th Annual Report
2021-2022

CORPORATE INFORMATION**BOARD OF DIRECTORS**

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Gadila Sabitha Reddy

REGISTERED OFFICE

6-3-652, IV Floor, Kautilya,
Amrutha Estates, Somajiguda,
Hyderabad, Telangana - 500 082.
Ph. No. 040-40527777,
Fax : 40526283

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

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

BANKERS

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

AUDIT COMMITTEE

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

NOMINATION & REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

INDEPENDENT DIRECTORS

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

REGISTRAR & SHARE TRANSFER AGENTS

M/s. KFIN Technologies Limited,
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032.
Toll free No. 1800 309 4001

LISTED AT	: BSE Limited
DEMAT ISIN NUMBER IN NSDL & CDSL	: INE710D01010
WEBSITE	: www.bnrsecurities.com
INVESTOR E-MAIL ID	: investorgrievances@bnrsecurities.com
CORPORATE IDENTITY NUMBER	: L65993TG1985PLC005838

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the members of B.N. Rathi Securities Limited will be held on Friday 22nd July, 2022 at 10.00 A.M. through Video Conferencing (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31st, 2022, the Statement of Profit & Loss and Cash Flow Statement (including the consolidated financial statements) for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To declare dividend of 10% i.e, Re.1.00/- on equity shares for the financial year ended 31st March 2022.
3. To appoint a director in place of Mr. Chetan Rathi (DIN: 00536441) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. TO APPROVE CONTINUATION OF MR.HARI NARAYAN RATHI (DIN:00010968) AS A MANAGING DIRECTOR:

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

“**RESOLVED THAT** pursuant to Regulation 196(3) of the Companies Act 2013 and other applicable provisions and relevant Rules made there under, including any statutory modification(s) or re-enactment thereof, for the time being in force and Articles of Association of the Company, consent of the Members be and is hereby accorded for continuation of holding of office by Mr. Hari Narayan Rathi, Managing Director who shall attain the age of 70 years in the year 2023.

RESOLVED FURTHER THAT Mr. Chetan Rathi, Whole-Time Director be and is hereby authorized to do all such deeds necessary and incidental thereto including filing of requisite forms with Registrar of Companies, Telangana, Hyderabad.”

5. TO APPROVE ‘B.N. RATHI SECURITIES EMPLOYEE STOCK OPTION SCHEME 2022’:

To consider, and if thought fit, to pass, with or without modifications, the following resolutions as Special Resolution:

“**RESOLVED THAT** pursuant to section 62(1)(b) of the Companies Act, 2013 read with rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof, for the time being in force and subject to Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [“SEBI (SBEBSE) Regulations”], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [all together referred to as

“Applicable Law”], the Memorandum and Articles of Association of the Company and subject to such approvals, permissions, sanctions and subject to such conditions and modifications as may be prescribed or imposed by the above authorities while granting such approval, permissions and sanctions, and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include Nomination and Remuneration Committee of the Board herein after referred to as “the Committee”), approval of the members be and is hereby accorded to the Board/Committee of Directors to grant, offer and issue, in one or more tranches, to such permanent employees* as mentioned below (including joining employees) of the Company whether working in India or out of India and directors of the company whether whole-time directors or otherwise excluding Independent Directors (hereinafter collectively referred as the “Employees”) who are eligible to participate as per the Regulations and as may be decided by the Board/ Committee, under a plan titled “B.N. Rathi Securities Employee Stock Option Scheme 2022” (“ESOP 2022”/ “Scheme”) (hereinafter referred to as “the Scheme”) the salient features of which are detailed in the explanatory statement, such number of options which could rise to the issue of equity shares of the Company not exceeding 15,00,000 (Fifteen Lakhs Only) equity shares at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the SEBI (SBEBSE) Regulations/ Guidelines or any other applicable provisions as may be prevailing at that time, if any.

RESOLVED FURTHER THAT the options or equity shares shall be allotted in accordance with the Scheme directly to eligible employees of B.N. Rathi Securities Limited.

***Employee -**

- (i) a permanent employee as designated by the company, who is exclusively working in India or outside India; or
- (ii) a director of the company, whether a whole time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- (iii) an employee as defined in sub-clauses (i) or (ii), of a group company including subsidiary or its associate company, in India or outside India, or of a holding company of the company, but does not include—
 - (a) an employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds more than ten per cent of the outstanding equity shares of the company;

RESOLVED FURTHER THAT in case of any corporate action(s) such as sub-division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, if there is any change in the total number of paid-up equity shares, then the above ceiling of equity shares and the exercise price payable by the Employees shall be deemed to be increased or decreased in line with such change in total paid-up equity shares and/or face value thereof.

RESOLVED FURTHER THAT the Board of Directors may authorise Nomination & Remuneration Committee (“Committee”), to formulate, evolve, decide upon and bring into

effect ESOP 2022, on such terms and conditions as contained in relevant explanatory statement and to make any change(s), modifications, variations, revisions in the terms and conditions of the ESOP 2022 from time to time.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under Regulation 15 of the SEBI (SBEBSE) Regulations.

RESOLVED FURTHER THAT any new equity shares to be issued and allotted as aforesaid shall rank pari-passu inter-se with the then existing equity shares of the Company in all respects including payment of dividend.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under B.N. Rathi Securities Employee Stock Option Scheme 2022 on the Stock Exchanges where the shares of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/ Committee be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper including to appoint Merchant Bankers, Solicitors, Registrars and other advisors, Consultants or Representatives, being incidental to the effective implementation and administration of B.N. Rathi Securities Employee Stock Option Scheme 2022 and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board / Committee is authorized to do so for the purpose of giving effect to this resolution.”

6. To approve extending benefits of Employee Stock Option Scheme to the employees of Group Company(ies), Subsidiary, Associate and/or Holding Company(ies).

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [“SEBI (SBEBSE) Regulations”], the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred as “Applicable Laws”), the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary from any other authorities, if any, and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include the Nomination &

Remuneration Committee or any other Committee, to exercise its powers, including the powers conferred by this Resolution and SEBI (SBEBSE) Regulations to grant, offer and issue, in one or more tranches, to such eligible employees of the Group Company(ies), Subsidiary, Associate and/or Holding Company(ies) of the Company, who are eligible to participate as per the Applicable Laws and as may be decided by the Board/ Committee, under a scheme titled B.N. Rathi Securities Employee Stock Option Scheme 2022 (referred to as “ESOP 2022”/ “Scheme”) the salient features of which are detailed in explanatory statement, such number of options which could rise to the grant of equity shares of the Company, not exceeding 15,00,000 (Fifteen Lakhs Only) equity shares (including equity shares allotted to the employees of the Company) in aggregate at such price and on such terms and conditions as may be determined by the Board/Committee in accordance with the Applicable Law as may be prevailing from time to time.”

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

**Place : Hyderabad
Date : 18.05.2022**

**Sd/-
Laxminiwas Sharma
Chairman
DIN: 00010899**

ANNEXURE TO NOTICE**EXPLANATORY STATEMENT TO SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****FOR ITEM NO: -4****CONTINUATION OF SHRI HARI NARAYAN RATHI (DIN:00010968) AS MANAGING DIRECTOR UPON ATTAINING AGE OF SEVENTY YEARS**

The Shareholders of the Company at the 35th Annual General Meeting held on 11th August, 2021 approved reappointment of Shri. Hari Narayan Rathi (DIN: 00010968) as a Managing Director of the Company for a period 3 years effective from 01 October, 2021 to 30th September, 2024 under the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule-V of the Companies Act, 2013 and Articles of Association of the Company.

Shri. Hari Narayan Rathi, Managing Director will attain the age of 70 years on 22nd November, 2023. Based on the recommendations of the Nomination and Remuneration Committee the Board of directors of the Company at their meeting held on May 18th, 2022 approved the continuation of term of Shri Hari Narayan Rathi as Managing Director, upon attaining the age of 70 years subject to the approval of shareholders in the ensuing general meeting. The Company seeks consent of the members by way of special resolution for continuation of their holding of existing office after the age of 70 years during the currency of his term of appointment under the provisions of Section 196 (3) (a) of the Companies Act, 2013.

The Details required under Regulations 36(3) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard -2 enclosed as an Annexure to the notice

Save and except Mr. Hari Narayan Rathi (DIN: 00010968) Managing Director and Mr. Chetan Rathi, (DIN:00536441) Executive Director being his relative, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

FOR ITEM NO:- 5&6**TO APPROVE 'B.N. RATHI SECURITIES EMPLOYEE STOCK OPTION SCHEME 2022':**

B.N. Rathi Securities Limited ("the company") acknowledges that its growth may be attributed to the direction and contributions of the employees and would therefore like to provide them the option to participate and share in the wealth created similar to other stakeholders i.e., clients, investors, governments, and society. As a gesture aligned to this objective, an Employee Stock Option Scheme shall be implemented:

- a. To promote success of the Company by rewarding and motivating the employees;
- b. To attract and retain talents;
- c. To link interests of employees with Shareholders;
- d. To foster ownership; and
- e. To reward for loyalty.

Given the objectives, the Company proposes to implement an employee stock option scheme, namely the ‘**B.N. Rathi Securities Employee Stock Option Scheme 2022 (“ESOP 2022”/ “Scheme”)**’.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, [SEBI (SBEB) Regulations, 2021] the Company seeks your approval for implementation of the Scheme and grant options thereunder to the eligible employees.

Features of the proposed Scheme are specified under:

a) Brief description of the Scheme:

The Scheme seeks to reward eligible employees by way of granting options, which when exercisable results in equivalent equity shares of the Company, with a view to reward their association and loyalty which has resulted in corporate growth and value creation over a long period of time. The Scheme shall also be instrumental in making such eligible employees as co-owners with appropriate vesting period, which would motivate them for ensuring higher corporate growth and creation of value for all stakeholders.

The Company shall issue options to the eligible employees, which may be accepted by them within the grant period. Upon acceptance of the offer, the eligible employees shall be required to satisfy the vesting conditions specified in the ESOP 2022 and make payment of the exercise price and applicable taxes within the exercise period

The Nomination and Remuneration Committee or any other empowered committee of the Board of Directors of the Company, as constituted or reconstituted, shall act as the Compensation Committee (“Committee”) for the superintendence and undertaking the general administration of the Scheme. All questions of interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

b) Total number of Options/ Shares to be granted:

The maximum number of options to be granted shall not exceed 15,00,000 (Fifteen Lakhs) employee stock options.

As per the SEBI (SBEB) Regulations, 2021 in case of any corporate action(s) such as sub division, consolidation of shares, rights issues, bonus issues, reorganisation of capital structure of the Company and others, the Committee shall adjust the number of shares available for offer and purchase price payable by the eligible employees in such a manner that the total value of shares available for offer remain the same after any such corporate action(s).

c) Identification of classes of employees entitled to participate and be Beneficiaries in the Scheme:

The following classes of employees (“Employees”), subject to their selection as per eligibility criteria, as may be decided by the Committee, shall be entitled to participate in the Scheme:

- an employee as designated by the Company, exclusively working in India or out of India; or
- a Director of the Company, whether a whole time Director or not, including a non-executive

director who is not a promoter or member of the promoter group, but excluding an Independent Director; or

- an employee as defined in sub-Clause (a) and (b) above of a group company including subsidiary or its associate company, in India or outside India or of a holding company of the Company, but does not include:
 - i. an employee who is a Promoter or a person belonging to the Promoter Group; or
 - ii. a director who either himself or through his Relative or through anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

d) Requirements of vesting and period of vesting:

There would be a minimum vesting period of one year from the date of grant.

The options granted under the Scheme shall vest in one or more tranches commencing from completion of 1st year from the date of grant of options, unless otherwise specified by the Nomination and Remuneration Committee. In any event, the vesting period shall not be less than 1 year and not more than 5 years from the date of grant of options. Vesting may happen in one or more tranches. The Vesting schedule as decided will be stipulated in the Option letter to be issued to Individual employees.

e) Maximum period within which the units shall be vested:

The maximum period within which the vested options shall be exercised is 5 years from the date of grant.

f) Exercise price or pricing formula:

The price payable by the employee for exercising the Option granted under the Scheme is the price as may be decided by the Nomination and Remuneration Committee from time to time. However the Exercise Price shall not be less than the par value of the Equity Share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee.

g) Exercise period/offer period, and process of exercise/ acceptance of Shares:

It is the time period after vesting within which an employee can exercise his/her right to apply for shares against the vested option in pursuance of the scheme.

All Vested Options shall be respectively exercised in one or more tranches within a period of 5 years from the respective dates of Vesting, failing which the Options shall lapse.

Provided however, that in case of cessation of employment, the Vested Options shall lapse/ be exercised in accordance with the provisions of the scheme.

Once the offer is made, the eligible Employee who intends to participate in the Scheme shall be required to accept such offer within the offer period or the extended offer period, as the case may be. The offer shall lapse and shall be cancelled in case an eligible Employee fails to submit the acceptance of the offer before the closure of the offer period or extended offer period.

The eligible Employee shall submit the acceptance of the offer along such other documents as may be required under the Scheme to the Company in such form as may be prescribed.

After submission of acceptance of offer, the eligible Employees are required to satisfy vesting conditions as stated in the Scheme/ grant letter, and upon satisfaction of the vesting conditions, within the exercise period, make payment of the exercise price along with applicable taxes for obtaining the Shares under offer.

The commencement and closure dates of offer period, extended offer period and payment window, respectively, as decided by the Committee, shall be specified in the offer letter to be issued to the eligible employees.

h) Appraisal process for determining the eligibility of employees under the Scheme:

The appraisal process for determining the eligibility of the employees will be in accordance with the Scheme or as may be determined by the Committee at its sole discretion. The quantum of options offered will vary depending on the designation, level and grade, future potential of the eligible employee in success of the Company, etc.

i) Maximum number of Options to be offered per Employee and in aggregate:

Maximum number of options to be granted to an eligible employee will be determined by the Compensation Committee/ Nomination and Remuneration Committee on case to case basis in terms of the resolutions passed by the shareholders. However, the maximum number of options granted to any one employee / director in a year shall not exceed 1% of the paid-up capital of the company in aggregate in one financial year as may be determined by the Compensation Committee/Nomination and Remuneration Committee.

j) Maximum quantum of benefits to be provided per employee under the Scheme:

The Scheme does not contemplate any benefit other than allowing eligible employee to receive equity Shares of the Company upon exercise of options. In this context, the maximum benefit shall be the maximum number of Shares that can be offered as stated above.

k) Whether the Scheme is to be implemented and administered directly by the Company or through a trust:

This Scheme shall be administered by the Committee working under the powers delegated by the Board, in accordance with the SEBI Regulations.

l) Whether the Scheme involves new issue of shares by the Company or secondary acquisition by trust or both:

This scheme shall involve new issue of shares by the Company.

m) Accounting and Disclosure Policies:

The Company shall follow 'IND AS 102- Accounting for Share Based Payment and/or any relevant Accounting Standards as may be prescribed by the competent authorities from time to time, including the disclosure requirements prescribed therein in compliance of Regulation 15 of the SEBI (SBEB) Regulations.

n) Method of Options valuation:

The Company shall adopt Fair Value Method for valuation of options granted.

o) the conditions under which option vested in employees may lapse e.g. in case of termination of employment for misconduct;

In a case where the employment of an Optionee is terminated due to Cause (defined herein), all Options which are Vested or Unvested, on the date of termination shall stand cancelled forthwith and that Optionee shall not be permitted to Exercise any right to apply for Shares in respect of Options granted to him. Date of the cessation of employment of an Optionee shall mean the date of termination of the employment specified by the Employer in the letter of termination issued to that Optionee.

“Cause” shall mean, as determined by the NRC / Compensation Committee,

- (i) The continued failure of the Optionee to substantially perform his duties to the Company (other than any such failure resulting from retirement, death or disability as provided below); or
- (ii) The engaging by the Optionee in willful, reckless or grossly negligent misconduct which is determined by the NRC / Compensation Committee to be detrimental to the interest of the Company or any of its affiliates, monetarily or otherwise; or
- (iii) Fraud, misfeasance, breach of trust or wrongful disclosure by the Optionee of any secret or confidential information about the Company; or
- (iv) The Optionee is found to be of or becomes unsound mind; or
- (v) The Optionee commits an act of insolvency; or
- (vi) The Optionee is convicted by court of any offence; or
- (vii) The Optionee found to be involved in any activity of morale turpitude.

p) the specified time period within which the employee shall exercise the vested options in the event of a proposed termination of employment or resignation of employee; and

- In the event of resignation or termination of an employee, all the options or another benefit which are granted and yet not vested as on that day, shall expire:

Provided that an employee shall, subject to the terms and conditions formulated by the compensation committee under Securities And Exchange Board Of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021, be entitled to retain all the vested options or any other benefit covered by these regulations.

- In the event of separation from employment for reasons of normal retirement or a retirement specifically approved by the Company,
 - (i) all Vested Options should be Exercised by the Optionee immediately, but in no event later than six months from the date of such Optionees retirement, and
 - (ii) all Unvested Options will lapse as on the date of such retirement, unless otherwise determined by the NRC / Compensation Committee whose determination will be final and binding.

However, in case of retirement by an employee after the end of 5th year from the date of grant, all options (all tranches) will vest immediately on such retirement and will be

available for exercise not later than six months of such Optionee's retirement.

- In the event of cessation of employment by death or Permanent Incapacitation of an Optionee whilst in employment, all Options granted to such Optionee till the date of death or Permanent Incapacitation, shall vests in him / legal heir, as applicable, on that day. In case of the death or Permanent Incapacitation of any Optionee, all Options which are Vested Options on the date of death or permanent incapacitation shall be Exercised by the nominee /beneficiary, or the legal heir or such Optionee or his legal guardian as the case may be, before the expiry of one year from the date of the death or Permanent Incapacitation of such Optionee or the generally prescribed Exercise Period for such Options, whichever is earlier, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished. However, the Unvested Options can be Exercised only after one year from the date of Grant.

q) Mandatory lock-in period under the Scheme:

The Shares allotted/ transferred pursuant to the Exercise of the Vested Options shall not be subject to any lock-in period.

Consent of the shareholder is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI (SBEB) Regulations.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

A copy of the Scheme is available for inspection electronically during official hours on all working days till the conclusion of voting.

The Board of Directors recommends the passing of the proposed Special Resolutions nos. 5,6 & 7 for the approval of the Shareholders by way of Special Resolutions.

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

Sd/-

**Laxminiwas Sharma
Chairman
DIN: 00010899**

**Place : Hyderabad
Date : 18.05.2022**

NOTES:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19”, General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as “the Circulars”), in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM.
2. The Deemed Venue of the 36th AGM of the Company shall be its Registered Office.
3. Since the AGM will be held through VC/OAVM (e-AGM), the Route Map for venue of AGM is not annexed to the Notice.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum of the AGM under Section 103 of the Act.
5. In compliance with the MCA Circulars and SEBI Circular dated January 15, 2021 as aforesaid, Notice of the AGM along with the Annual Report (viz. Financial Statement) for Financial Year 2021-2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories/R&T Agent. Members may note that the Notice and Annual Report for Financial Year 2021-22 will also be available on the Company’s website www.bnrsecurities.com, website of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively and on the website of R&T Agent of the Company viz. KFin at <https://evoting.kfintech.com>.

Alternatively, Member may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy, DP ID (in case of electronic mode shares), folio No (in case of physical mode shares) via e-mail at the Email Id – einward.ris@kfintech.com for obtaining the Annual Report and Notice of e-AGM of the Company electronically.

6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
7. To avoid fraudulent transaction(s), the identity / signature of the Members holding shares in electronic /demat form is verified with the specimen signatures furnished by NSDL/ CDSL and members holding shares in physical form is verified as per the records of the R&T Agent of the Company. Members are requested to keep the same updated.
8. Pursuant to the provisions of the Act and other applicable Regulations, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on their behalf and the proxy need not be a Member of the Company. However since this AGM is being held pursuant to the MCA/SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by

the Members will also not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.

9. Corporate/institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG format) of the relevant Board Resolution/Authority Letter/ Power of Attorney etc. together with attested specimen signature of the duly authorised signatory(ies) who is /are authorised to vote, to the Scrutinizer through e-mail at compliance@bnrsecurities.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BN Rathi_EVENT No.'
10. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the e-AGM and will be available for 1000 members on a first-come first-served basis. This rule would however not apply to participation in respect of large Shareholders (Shareholders holding 2% or more shares of the Company), Promoters, Institutional Investors, Auditors, Key Managerial Personnel and the Directors of the Company including Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee.
11. Members are requested to notify change in their address, if any, immediately to the R&T Agent of the Company.
12. To receive faster communication by Company including Annual Reports and Notices, the Members are requested to register / update their e-mail address, Telephone Number/Mobile Number with their respective Depository Participants (DPs) where they hold their shares in electronic form. However if their shares are held in physical form, Members are advised to register their e-mail address with R&T Agent of the Company by clicking on the link <https://karisma.kfintech.com/emailreg> and following instructions thereof. Members are requested to support the green initiative efforts of the Company.
13. For ease of conduct, Members who would like to ask questions/express their views on the items of the businesses to be transacted at the AGM can send their questions / comments in advance by visiting URL <https://emeetings.kfintech.com> and clicking on the tab 'Post your Queries' during the period starting from July 18, 2022 (9.00 a.m. IST) to July 20, 2022 (5.00 p.m. IST) mentioning their name, demat account no./Folio no., Email Id, mobile number etc. The queries so raised must also be mailed at compliance@bnrsecurities.com. The queries should be precise and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.
14. The Company has been maintaining, inter alia, the following statutory registers at its Registered Office - Hyderabad:
 - i. Register of contracts or arrangements in which directors are interested under Section 189 of the Act.
 - ii. Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act.

In accordance with the MCA circulars, the said registers shall be made accessible during the AGM for inspection, through electronic mode and the Shareholders can view the statutory registers of the Company after log in to <https://emeetings.kfintech.com> and clicking the button next to Thumb symbol.

15. The Members approved the appointment of M/s. Seshachalam & Co. Chartered Accountants (FRN104767W) as Statutory Auditors of the Company, in their Annual General Meeting held on 10.08.2019, to hold office from conclusion of 33rd Annual General Meeting of the Company to the conclusion of its 38th Annual General Meeting to be held in calendar year 2024. Since the requirement of ratification of appointment of Statutory Auditors every year by the Members of Company has been dispensed with w.e.f. May 7, 2018 vide Companies (Amendment) Act, 2017, no resolution is being proposed for ratification of appointment of Statutory Auditors at the AGM.
16. Pursuant to the requirement of Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and respective provisions of Secretarial Standard-2, the brief profile/particulars of the Directors of the Company seeking their appointment or re-appointment at the Annual General Meeting (AGM) is annexed hereto.
17. The Explanatory Statement pursuant to Section 102 of the Companies Act 2013 ('Act') setting out details/material facts relating to the proposed special business(es) under Item Nos. 4 to 6 of the Notice is annexed hereto.
18. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their share holdings into dematerialized form. Members can contact the Company or its R&T Agent KFIN Technologies Limited for assistance in this regard.
19. In terms of circulars/regulations issued by SEBI, it is now mandatory to furnish a copy of PAN Card to the Company or its R&T Agent in case of transactions related to transfer of shares, deletion of name, transmission of shares and transposition of shares, hence members are requested to furnish copy of their PAN Card while proceeding for such transactions.
20. 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 the R&T Agent of the Company for enabling them to consolidate the shares with due process.
21. Register of Members and Share Transfer Books of the Company will remain closed from July 16, 2022 to July 22, 2022 (both days inclusive), for the purpose of AGM and for determining the name of members eligible for dividend on equity shares, if declared at AGM. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13 which can be downloaded from the Company website www.bnrsecurities.com. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's R&T Agent M/s KFin Technologies Pvt Ltd. in case the shares are held in physical form by sending an email to einward.ris@kfintech.com.
22. SEBI Listing Regulations have mandated the Companies to credit the dividends electronically to the Members' Bank account. Members who hold shares in electronic /

dematerialized form should inform their Depository Participant (DP) as well as to the Company and those Members holding shares in physical form should inform to the Company or its R&T Agent, their bank details viz. Bank Account Number, Name of the Bank and Branch details, IFSC Code and MICR Code to enable the Company to incorporate the same for dividend payments. Those Members who have earlier provided their bank details but if there is any change therein, they should also update the same instantly in the manner as aforesaid. The dividend warrant for those members who fail to update their bank details will be posted subject to the normal functioning of the postal services, considering the ongoing COVID-19 Pandemic situation.

23. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories or KFIN (RTA) to the Company will be printed on their dividend instruments as per the applicable regulations and the Company will not entertain any direct request from such Members for deletion/change in such bank details. Members may, therefore, give instructions regarding bank accounts in which they wish to receive the dividend, directly to their Depository Participants or KFIN, as the case may be.
24. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or after July 22, 2022 as under:
 - i. to all the Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories viz. National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as at the close of business hours on July 15, 2022 (viz. the “Record Date”);
 - ii. to all the Members in respect of shares held in physical form after giving effect to their valid transfer or transmission or transposition requests lodged with the Company, if any, as at the close of business hours on July 15, 2022.
25. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates as applicable to various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments made thereto from time to time. Some of the major features of the latest tax provisions on dividend distribution are stated as hereunder for a quick reference.

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is provided by the shareholder. If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income Tax Act, 1961.

However, no TDS shall be deducted on the dividend payable to a resident Individual if the total dividend to be received by them during Financial Year 2021-2022 does not exceed Rs. 5,000/-. Please note that this includes the previous dividend(s) paid, if any, and future dividend(s) which may be paid, during the Financial Year 2021-2022, if declared.

In cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no tax at source shall be deducted. Apart from the above, since the TDS/ Withholding rates are different for resident and non-resident shareholders, members are requested to confirm their residential status as per the

provisions of the Income Tax Act 1961, by sending an email at einward.ris@kfintech.com with cc to sabita@bnrsecurities.com Company shall arrange to email the soft copy of TDS certificate of the Members at their registered email ID in due course, post payment of the dividend amount and in remaining cases where no email ID is registered, TDS certificates shall be posted to the Members when the postal services function normally.

In view of above provisions, the shareholders are requested to update their PAN with the Company/R&T Agent (in case shares held in physical mode) and with the depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN but not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H in the aforesaid manner, to avail the benefit of non-deduction of tax at source, by sending email to sabita@bnrsecurities.com upto 5.00 p.m. (IST) on 21.07.2022.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F or any other document which may be required to avail the tax treaty benefits under the provisions of Income Tax Act, 1961 by sending an email to sabita@bnrsecurities.com upto 5.00 p.m. (IST) on 21.07.2022

26. Shareholders who have not yet en-cashed their dividend warrant(s) for the financial year 2014-2015 and/or any subsequent financial years, are requested to submit their claim to the R&T Agent of the Company immediately to avoid transferring of their unpaid dividend amount to IEPFA/c.

Members are further requested to note that pursuant to the provisions of Section 124 and 125 of Companies Act, 2013, the dividends if not en-cashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF) and the shares in respect of which dividends remain unclaimed for seven consecutive years are also liable to be transferred to the demat account of the IEPF Authority and no claim with the Company shall lie in respect thereof. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends /shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form IEPF-5 available on www.iepf.gov.in. With respect to procedure for making claim from IEPF, please refer to Corporate Governance Report separately annexed and forming part of the Annual Report.

The Company has uploaded the information in respect of unclaimed dividends on the website of the Company www.bnrsecurities.com for ready reference of the members.

27. Information and Instructions for e-voting and joining the e-AGM of Company are as follows:
1. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide to its Members, facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means. The Members may cast their votes using electronic voting system from any place (viz. 'remote e-voting'). The Company has engaged the services of Kfin Technologies Limited ("Kfin") as the Agency to provide e-voting facility to members.

2. The Board of Directors of the Company has appointed M/s. S .S Reddy & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.
3. Voting right of the Members shall be reckoned in proportion to their shares held in the paid-up equity share capital of the Company as on Friday, July 15, 2022 (the “Cut- off date”). Person who is not a member as on the cut-off date should treat the Notice for information purpose only.
4. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories (viz. CDSL/NSDL) as on the cut-off date i.e. Friday, July 15, 2022 only shall be entitled to avail the facility of remote e-voting for the resolutions placed in the AGM. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
5. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.
6. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting : From 9.00 a.m. (IST) on July 19th , 2022.

End of remote e-voting : At 5.00 p.m. (IST) on July 21st 2022.

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled/blocked thereafter by the e-voting service providers. Once the vote on a resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

The remote E-Voting process, in relation to the resolutions proposed at 36th AGM of the company has been segregated into 3 parts which is mentioned as hereunder:

- (i) E-Voting in case of Physical Shareholders & NonIndividual Shareholders (Physical / Demat)
- (ii) E-Voting in case of Individual Shareholders having shares in electronic / demat mode
- (iii) E-Voting in case of attending AGM and voting thereat.

INSTRUCTION FOR REMOTE E-VOTING

- (i) In case of Physical Shareholders & NonIndividual Shareholders (Physical/Demat) :
 - a) Initial password is provided in the body of the e-mail.
 - b) Launch internet browser and type the URL: [https:// evoting.kfintech.com](https://evoting.kfintech.com) in the address bar.
 - c) Enter the log in credentials i.e. User ID and password mentioned in your e-mail. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

- d) After entering the details appropriately, click on LOGIN.
- e) You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f) You need to login again with the new credentials.
- g) On successful login, the system will prompt you to select the EVENT. Select B N Rathi Securities limited
- h) On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the shares held will not be counted under either head.
- i) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio / demat account.
- j) Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can log in multiple times till you are confirmed that you have voted on the resolution.
- k) In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual available at the 'download' section of <https://evoting.kfintech.com> or call KFIN Technologies Ltd. on 1800 309 4001 (toll free).
- l) Any person who becomes a Member of the Company after sending the Notice of the meeting but on or before the cut-off date viz. Friday, July 15, 2022 may obtain the USER ID and Password for e-voting in the following manner or may write an email on einward.ris@kfintech.com for obtaining support in this regard.
- a. If the mobile number of the Member is registered against Folio No./DP ID Client ID, the Member may send SMS : MYEPWD E-Voting Event number+ Folio No. (in case of physical shareholders) or DP ID Client ID (in case of Dematted shareholders) to 9212993399.

1. Example for NSDL:	MYEPWD <SPACE> IN12345612345678
2. Example for CDSL:	MYEPWD <SPACE> 1402345612345678
3. Example for Physical:	MYEPWD <SPACE> XXXX1234567890

- b. If e-mail address or mobile number of the Member is registered against Folio No./ DP ID Client ID, then on the home page of <https://evoting.kfintech.com>, the Member may click “forgot password” and enter Folio No. or DP ID Client ID and PAN to generate a password.
- c. Member may call KFin toll free number 1-800- 3094-001 for all e-voting related matters.
- d. Member may send an e-mail request to einward.ris@kfintech.com for support related to e-voting matter.

(ii) IN CASE OF INDIVIDUAL SHAREHOLDERS HAVING SHARES IN ELECTRONIC/DEMAT MODE:

Such shareholder(s) may refer the e-voting process mandated for them vide SEBI circular dated 9th December, 2020 and should follow following process for remote e-voting:

Login method for e-Voting:

As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. The remote e-voting process of the Depositories viz NSDL and CDSL are different which are stated below to facilitate the members.

NSDL	CDSL
<p>1. User already registered for IDeAS facility: ** I. URL : https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under ‘IDeAS’ section. III. On the new page, enter existing User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p> <p>2. User not registered for IDeAS e-Services I. To register click on link : https://eservices.nsdl.com (Select “Register Online for IDeAS”) o r https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p> <p>II. Proceed with completing the required fields. ** (Post registration is completed,</p>	<p>1. Existing user who have opted for Easi/Easiest**</p> <p>I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com</p> <p>II. Click on New System Myeasi</p> <p>III. Login with user id and password.</p> <p>IV. Option will be made available to reach e-Voting page without any further authentication.</p> <p>V. Click on e-Voting service provider name to cast your vote.</p> <p>2. User not registered for Easi/Easiest</p> <p>I. Option to register is available at : https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>II. Proceed with completing the required fields.</p> <p>** (Post registration is completed, follow the process as stated in point no. 1 above)</p>

<p>follow the process as stated in point no. 1 above)</p> <p>3. First time users can visit the e-Voting website directly and follow the process below:</p> <p>I. URL: https://www.evoting.nsdl.com/</p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section.</p> <p>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>3. First time users can visit the e-Voting website directly and follow the process below:</p> <p>I. URL: www.cdslindia.com</p> <p>II. Provide demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the dematAccount.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.’</p> <p>V. Click on company name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
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Individual Shareholders (holding securities in demat/electronic mode) can also login through their Depository Participants (DPs) as per following process.

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Important note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at above mentioned website

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at</p> <p>toll free no.: 1800 1020 990 and 1800 22 44 30</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or</p> <p>contact at 022- 23058738 or 22-23058542-43.</p>

(iii) E-Voting in case of attending AGM and voting thereat:**Attending of E-AGM**

- a) Members will be able to attend the e-AGM through VC/OAVM facility provided by KFin at <https://emeetings.kfintech.com> by clicking on the tab 'video conference' and using their remote e-voting login credentials as provided by Kfintechologies Limited. The link for e-AGM will be available in Member's login where the EVENT and the name of the Company can be selected. Member's who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the instructions mentioned here in above.
- b) Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
- c) Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance/glitch/garbling etc. during the meeting.
- d) While all efforts would be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops etc. may at times experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.
- e). Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from July 18th , 2022 (9.00 a.m. IST) up to July 20th , 2022 (5.00 p.m. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes.

Members who want to get their pre-recorded video uploaded for display during the AGM of the Company, can also upload the same by visiting <https://emeetings.kfintech.com> and uploading their video in the 'Speaker Registration' tab, during July 18th , 2022 to July 20th, 2022, subject to the condition that size of such video should be less than 50 MB.

The Company reserves the right to restrict the number of speakers and display of videos uploaded by the Members depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date viz July 15th, 2022.

- f). Members who need technical or other assistance before or during the e-AGM can contact KFin by sending email at emeetings@kfintech.com or Helpline: 1800 309 4001 (toll free). For any other kind of support / assistance related to the AGM, members can also contact Mr. Venkatesh at phone number 9346237124 or may write to ITSUPPORT@BNRATHI.COM.
- g) Due to limitations of transmission and coordination during the Q&A session, the Company may dispense with the speaker registration during the e-AGM conference.

Voting at E-AGM (INSTAPOLL)

- a. Only those members/shareholders who hold shares as on the cut off date viz. July 15th, 2022 and who have not casted their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM.
- b. Members who have voted through remote e-voting will be eligible to attend the e-AGM.
- c. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013.
- d. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the “Vote” sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- e. Members to click on the “Instapoll” icon to reach the resolution page and follow the instructions to vote on the resolutions.
- f. The electronic voting system for e-voting at AGM, as provided by KFin Technologies Ltd, shall be available for 15 minutes from the conclusion of the meeting.

General Information:

- i. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting and make a consolidated Scrutiniser’s report of the total votes cast in favour or against, if any, and submit the report to the Chairperson of the Company or any person authorized in that respect within 2 working days of the conclusion of the AGM, who shall countersign the same and thereafter results of the voting will be declared. The results declared along with the scrutiniser’s report shall be placed on the Company’s website at www.bnrsecurities.com and on the website of R&T Agent KFin viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges viz BSE Limited. where the shares of the Company are listed. The resolutions shall be deemed to have been passed at the AGM of the Company subject to obtaining requisite votes thereto.
- ii. Process for registration of email id for obtaining Annual Report or other communications from company and process for updation of bank account mandate for receipt of dividend are stated as hereunder:

Physical Holding	<p>Submit a request to KFin at https://karisma.kfintech.com/email reg providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (selfattested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address, on or before 15.07.2022 in relation to 36th AGM. Alternatively Annual Report, consisted of AGM notice, can also be downloaded from Company website www.bnrsecurities.com.</p> <p>For updation of dividend mandate, please send following details to einward.ris@kfintech.com on or before 15.07.2022.</p>
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	<p>a) Name and Branch of the Bank in which you wish to receive the dividend,</p> <p>b) the Bank Account type,</p> <p>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions,</p> <p>d) 9 digit MICR Code Number,</p> <p>e) 11 digit IFSC Code and</p> <p>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder</p>
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

28. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Subsidiaries Companies whose Annual Accounts have been consolidated with the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
29. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

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

Sd/-
Laxminiwas Sharma
Chairman
DIN: 00010899

Place : Hyderabad
Date : 18.05.2022

BOARD'S REPORT

To the Members,

The Directors have pleasure in presenting before you the 36th Boards' Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2022.

FINANCIAL SUMMARY/HIGHLIGHTS:

The performance during the period ended 31st March, 2022 has been as under:

(Rs. In Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	3795.48	2096.53	3858.25	2972.78
Other income	441.79	324.72	464.02	338.75
Profit/loss before Depreciation, Finance Costs,	780.28	601.80	827.51	627.40
Exceptional items and Tax Expense	-	-	-	-
Less: Depreciation/ Amortisation / Impairment	30.61	22.90	31.10	23.26
Profit /loss before Finance Costs, Exceptional items and Tax Expense	749.67	578.90	796.41	604.14
Less: Finance Costs	123.65	72.19	125.31	72.19
Profit /loss before Exceptional items and Tax Expense	626.02	506.74	671.1	531.95
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	626.01	506.74	671.1	531.95
Less: Tax Expense (Current & Deferred)	158.70	161.41	170.39	168.25
Profit /loss for the year (1)	467.31	345.33	500.71	363.70
Total Comprehensive Income/loss (2)	4.08	5.05	4.08	5.05
Total (1+2)	471.39	350.38	504.79	368.75
Balance of profit /loss for earlier years		1056.06		1357.32
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	60.48	-	60.48

DIVIDEND

The Directors are pleased to recommend a Dividend of 10% i.e; Re. 1.00 per share on the Paid up Equity Share Capital of the Company in respect of the financial year 2021-22. The total outgo on account of dividend, stands at Rs. 84,00,000/- for which necessary provision has been made in the accounts.

Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ KFin Technologies Limited (incase of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to sabita@bnrsecurities.com by 11:59 p.m.IST on 21.07.2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to sabita@bnrsecurities.com . The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 15.07.2022.

REVIEW OF OPERATIONS:

The total revenue of the Company for the financial year under review on consolidated basis was Rs. 4322.27 lakhs as against Rs. 3311.53 lakhs for the previous financial year. The company recorded a net profit of Rs. 500.70 Lakhs for the financial year 2021-22 as against the net profit of Rs. 363.69 lakhs for the previous year.

On Standalone basis, the total revenue of the Company for the financial year 2021-22 was Rs. 4237.28 lakhs as against Rs. 3231.24 Lakhs for the previous financial year. The net profit for the financial year 2021-22 is Rs. 467.31 as against the net profit of Rs. 345.33 lakhs for the previous year.

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

BUSINESS UPDATE AND STATE OF COMPANY'S AFFAIRS:

The information on Company's affairs and related aspects is provided under Management Discussion and Analysis report, which has been prepared, inter-alia, in compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms part of this Report.

RESERVES:

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

The Closing balance of reserves, including retained earnings, of the Company as at March 31st 2022 is Rs. 24,71,29,996/-

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

During the period under review and the date of Board's Report there was no change in the nature of Business. However, the Board at its meeting held on 18.05.2022 approved to establish two new business verticals namely Merchant Banking division and Alternate Investment Fund subject to obtaining the necessary approval(s) from statutory authority(ies).

MATERIAL CHANGES AND COMMITMENTS:

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 18.05.2022)

REVISION OF FINANCIAL STATEMENTS

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

AUTHORISED AND PAID UP CAPITAL OF THE COMPANY:

The Authorized Share Capital of your Company was increased from Rs. 6,00,00,000 (Rupees Six Crores only) to Rs. 12,00,00,000 (Rupees Twelve Crores only) during the year under review.

Consequent to the above, the Authorized Share Capital of your Company as on March 31, 2022 stood at Rs. 12,00,00,000/- (Rupees Twelve Crores only) divided into 1,20,00,000 (One Crore Twenty Lakhs only) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

FURTHER ISSUE OF SHARE CAPITAL

During the year under review, your Company made the allotment of 33,60,000 equity shares of the face value of Rs. 10/- each of company for cash at a price of Rs. 22/- per equity share (including a share premium of Rs. 12/- per equity share aggregating upto Rs. 739.20 lakhs in the ratio of Two (2) Equity Share for every Three (3) fully paid-up Equity Share held by the Equity Shareholders on the Record Date (i.e. December 17, 2021 on rights basis).

Consequent to the above allotments, the issued, subscribed and paid-up share capital of your Company as on 31st March 2022 stood at Rs. 8,40,00,000/- (Rupees Eight Crores Forty Lakhs only) divided into 84,00,000 (Eighty Four Lakhs) equity shares of the face value of Rs. 10/- (Rupees Ten Only) each.

DEVIATIONS, IF ANY OBSERVED ON FUNDS RAISED THROUGH FURTHER ISSUES.

The proceeds of the rights issue were utilised towards the intended purposes as mentioned in the offer document. There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF):

In terms of the provisions of the Companies Act, the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the declaration to the credit of the Investor education and Protection Fund established by the Central Government. Accordingly, the Members are hereby informed that the 7 years period for payment of the dividend pertaining to financial year 2014-15 will expire on 17.07.2022 and thereafter the amount standing to the credit in the said account will be transferred to the “Investor Education and Protection Fund” of the Central Government.

The details of Dividend of earlier years remain unclaimed by the shareholders as on 31.03.2022 are as given below:

During Financial Year	Date of Declaration of Dividend	Last Date of Claiming the Dividend	Unclaimed amount as on 31.03.2022	Due date for transfer to Investor Education and Protection Fund (IEPF)
2015-16	18.07.2015	17.07.2022	3,15,652	16.08.2022
2016-17	06.08.2016	05.08.2023	1,94,892	17.08.2023
2017-18	05.08.2017	04.08.2024	2,69,900	04.09.2024
2018-19	09.08.2018	08.08.2025	1,49,772	08.09.2025
2019-20	10.08.2019	09.08.2026	1,43,186	09.09.2026
2020-21	13.02.2020	12.02.2027	1,59,406	12.03.2027
2021-22	11.08.2021	10.08.2028	1,56,636	10.09.2028

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

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

Pursuant to provisions of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, an amount of Rs. 2,54,979/- pertaining to unpaid and unclaimed dividend for the financial year 2013-14 has been transferred to IEPF during the year under report. Further, 13025 shares in respect of which dividend has not been paid or claimed for seven consecutive years have also been transferred to IEPF.

Before effecting transfer of shares to IEPF, company has informed all such members, whose shares were liable to be transferred to IEPF during financial year 2021-22 through letters and newspaper publication.

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

The last date for claiming dividend declared during financial year 2015-16 for the financial year is 17.07.2022 and remained unpaid is Rs. 315,652/-. Members may forward their claims for unclaimed dividend to the Company's RTA before they are due to be transferred to IEPF. No claim shall lie against the Company in respect of the dividend/shares so transferred.

DETAILS OF THE NODAL OFFICER

The Company has designated Ms. Sabitha Reddy as a Nodal Officer for the purpose of IEPF.

DIRECTORS OR KMP APPOINTED OR RESIGNED.

Mr. Chetan Rathi retires by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment along with other required details forms part of the Notice.

In continuation of his term Mr. Hari Narayan Rathi, Managing Director attaining the age of 70 years in November, 2023, the Board of directors upon recommendation of Nomination and Remuneration Committee approved to continue his directorship subject to the approval of shareholders in the ensuing General Meeting.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under: -

Name of the Director	Mr. Chetan Rathi	Mr. Hari Narayan Rathi
Date of Birth	08/03/1976	22/11/1953
Date of Appointment	01/04/2010	01/10/2010
Expertise in specific functional areas	He joined the Board of Directors of B.N. Rathi Securities Limited in the year 2010. Earlier he has worked with Piramal Group of companies for one year at Mumbai. He played an active role for the automation of Securities Pay in & Payout system of the Company.	Twice unanimously elected as President of Hyderabad Stock Exchange (HSE). He has vast experience in securities Market
Qualifications	MBA - Finance Graduate	Graduate in Science

Names of the Listed entities in which the person is holding Directorships or Board Committee Memberships	Nil	Nil
Inter se relationship among Directors	Mr. Chetan Rathi is son of Mr. Hari Narayan Rathi	Mr. Hari Narayan Rathi is the father of Mr. Chetan Rathi.
Number of shares held by them	9,14,890 equity shares	29,24,955 equity shares

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

The Company has received declarations from Mr. Laxminiwas Sharma, Mr. K. Harish Chandra Prasad and Mrs. Shanti Sree Bolleni, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and under regulation 16(1)(b) read with regulation 25 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

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

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

BOARD MEETINGS:

The Board of Directors duly met Six (6) times on 25.05.2021, 11.08.2021, 24.09.2021, 11.11.2021, 30.11.2021 and 12.02.2022 and in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

BOARD EVALUATION:

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

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

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

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

In a separate meeting of independent directors was conducted on 12.02.2022 to evaluate the performance of non-independent directors, the board as a whole and the Chairman of the Company, taking into account the views of executive directors and nonexecutive directors.

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

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

STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE AS PER RULE 5(2) & (3) OF THE COMPANIES (APPOINTMENT & REMUNERATION) RULES, 2014 :

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

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

RATIO OF REMUNERATION TO EACH DIRECTOR:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 a remuneration ratio of 9:1 is being paid to Mr. Chetan Rathi, Whole-Time director of the Company and a ratio of 11:1 is being paid to Mr. Hari Narayan Rathi, Managing Director of the Company.

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

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

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

NO FRAUDS REPORTED BY STATUTORY AUDITORS

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

CEO/ CFO CERTIFICATION:

The Managing Director and Chief Financial Officer Certification on the financial statements u/r regulation 17 (8) of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 for the year 2021-2022 is annexed in this Annual Report.

INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES/ JOINT VENTURES:

M/s. B N Rath Comtrade Private Limited and M/s B N Rath Industries Private Limited are wholly owned subsidiaries of the Company have made an income of Rs. 84.42 lakhs with a profit of Rs. 33.20 lakhs and Income of Rs. 0.96 lakhs with a profit of Rs. 0.19 lakhs respectively.

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act,

2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

DETAILS RELATING TO DEPOSITS, COVERING THE FOLLOWING:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2022 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

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

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

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

The Company complied with this requirement within the prescribed timelines.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not given loans, Guarantees or made any investments attracting the provisions of sec. 186 of Companies Act, 2013 during the year under review.

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

RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2021-22, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

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

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

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

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

- A. Conservation of Energy: Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.
- B. Technology Absorption: All the Factors mentioned in Rule 8 (3)(b) Technology absorption are not applicable to the Company.
- C. Foreign Exchange Earnings and Out Go:
Foreign Exchange Earnings: NIL
Foreign Exchange Outgo: NIL

COMMITTEES:

- (I). **AUDIT COMMITTEE:** The Audit Committee of the Company is constituted in line with the provisions of Regulation 18(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 177 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.
- (II). **NOMINATION AND REMUNERATION COMMITTEE:** The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19(1) of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.
- (III). **STAKEHOLDERS RELATIONSHIP COMMITTEE:** The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations with the Stock Exchanges read with Section 178 of the Companies Act, 2013 are included in the Corporate Governance report, which forms part of this report.

COMPOSITION OF CSR COMMITTEE AND CONTENTS OF CSR POLICY:

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company promotes ethical behaviour and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism and Whistle-blower policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. Employees may report their genuine concerns to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

STATUTORY AUDITORS AND STATUTORY AUDITORS REPORT:

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

The Auditors' Report for fiscal 2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2022 from the statutory auditors of the Company.

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

SECRETARIAL AUDIT REPORT:

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries (CP No. 7478) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2022.

The Secretarial Audit was carried out by M/s. S.S. Reddy & Associates, Company Secretaries (CP No. 7478) for the financial year ended March 31, 2022. The Report given by the Secretarial Auditor is annexed herewith as **Annexure- 4** and forms integral part of this Report.

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

INTERNAL AUDITORS:

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

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditor.

The Board has re-appointed by M/s Penmetsa & Associates, Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2022-23.

SECRETARIAL STANDARDS

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

Declaration by the Company

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2022.

ANNUAL RETURN:

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an annual return is uploaded on website of the Company www.bnrsecurities.com

DISCLOSURE ABOUT COST AUDIT:

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V, Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 is annexed herewith as Annexure- 5 to this report.

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

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

FAMILIARISATION PROGRAMMES:

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

INSURANCE:

The properties and assets of your Company are adequately insured.

CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:

During the year the paid-up capital of the Company is increased from 5,04,00,000 lacs to 8,40,00,000 due to which the Net worth of the Company has been increased to approximately Rs. 33.11 Crores as on 31.03.2022, Since the net worth of the company is more than 25 crores the corporate governance is applicable to the Company.

The Certificate(s) issued by M/s S.S Reddy & Associates, Practising Company Secretaries, pertaining to compliance of 'Corporate Governance' conditions as applicable to the Company and no Disqualification/ Debarment of its Directors from holding Directorship in the Company is annexed to Corporate Governance Report vide **Annexure –6** respectively.

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178:

The assessment and appointment of Members to the Board is based on a combination of criterion that includes ethics, personal and professional stature, domain expertise, gender diversity and specific qualification required for the position. The potential Board Member is also assessed on the basis of independence criteria defined in Section 149(6) of the Companies Act, 2013 and Regulation 27 of SEBI (LODR) Regulations, 2015. In accordance with Section 178(3) of the Companies Act, 2013 and Regulation 19(4) of SEBI (LODR) Regulations, 2015, on the recommendations of the Nomination and Remuneration Committee, the Board adopted a remuneration policy for Directors, Key Management Personnel (KMPs) and Senior Management. The Policy is attached as part of Corporate Governance Report. We affirm that the remuneration paid to the Directors is as per the terms laid down in the Nomination and Remuneration Policy of the Company.

CODE OF CONDUCT FOR THE PREVENTION OF INSIDER TRADING

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

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

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

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

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

As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual

Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

The committee was reconstituted on 14.02.2022 with the following members:

Committee:

Name	Designation
Deepika Mathur	Presiding Officer
Sabitha Reddy G	Member
Dasaripalla joji	External Member

All employees are covered under this policy. During the year 2021-22, there were no complaints received by the Committee.

Other Disclosures:

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

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

ACKNOWLEDGEMENTS:

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

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

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

Sd/-

**Laxminiwas Sharma
Chairman
DIN: 00010899**

**Place : Hyderabad
Date : 18.05.2022**

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is a set of principles, processes and systems to be followed by the Directors, Management and Employees of the Company for enhancement of shareholder value while keeping in view the interest of other stakeholders as well.

Company believes that good corporate governance is the foundation for being a truly sustainable Company.

Set procedures, guidelines and practices have been evolved to ensure timely disclosures of information regarding the financials, performance, significant events and governance etc. of the Company. The Company has adopted a code of conduct for its Board, Key Managerial Personnel (KMPs) and Senior Management Employees which has been communicated to them and they have affirmed the compliances of the same through their annual disclosures to the Company.

The Company lays emphasis on transparency across the entire spectrum of its business activities in a meaningful manner. The Company, as a conscientious corporate citizen, is fully committed to the principles of integrity, transparency and compliance with applicable regulations while dealing with the Government, Customers, Suppliers, Employees and other Stakeholders. Directors fully endorse and support the Corporate Governance practices in accordance with the provisions of Listing Regulations of SEBI.

DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2022. The Report is updated as on the date of the report wherever applicable.

BOARD DIVERSITY:

The Company recognizes and embraces the importance of a diverse Board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website.

1. BOARD OF DIRECTORS

A. COMPOSITION OF THE BOARD

The Company is managed and controlled through a professional body of Board of Directors which comprises of an optimum combination of Executive and Independent Directors headed by the Chairman & Independent Non-Executive Director. As on date of this report, the Board of Directors of the Company has 5 members (including three independent Non-Executive Directors) with vast experience and knowledge. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director.

The Board has been enriched with the advices and skills of the Independent Directors. The composition of the Board of Directors and details of number of Directorships/committee chairmanships/memberships attendance particulars is as under:

Dates on which Board meetings were held: 25.05.2021, 11.08.2021, 24.09.2021, 11.11.2021, 30.11.2021 and 12.02.2022.

Name	Category	Attendance at the AGM held on 11.08.2021	Attendance in Board Meetings		No. of Directorships in other companies		No. of committee positions held in other public companies	
			Held	Present	Chairman	Director	Chairman	Director
Shri Laxminiwas Sharma	Chairman & NED, Independent Director	Yes	6	6	-	2	-	-
Shri Hari Narayan Rathi	Managing Director	Yes	6	6	-	2	-	-
Shri Chetan Rathi	Whole-time Director	Yes	6	5	-	2	-	-
Shri K Harishchandra Prasad	NED & Independent Director	Yes	6	6	-	7	-	-
Smt Shanti Sree Bolleni	NED & Independent Director	Yes	6	6	-	2	-	-

B. A CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS:

Sl. No	Skills / Expertise / Competence of the Board of Directors are required in the context of business of the Company	Names of the Directors who have such skills / expertise / competence
1.	Trading	Hari Narayan Rathi Chetan Rathi
2.	Technology	Chetan Rathi
3.	Marketing	Chetan Rathi
4.	Regulatory	Hari Narayan Rathi Chetan Rathi
5.	Finance & Accounting	Laxminiwas Sharma Harishchandra Prasad Kanuri Shanti Sree Bolleni Hari Narayan Rathi Chetan Rathi
6.	Research & Development	Chetan Rathi
7.	Legal and General Management	Hari Narayan Rathi Chetan Rathi

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

Mr. Hari Narayan Rathi, and Mr. Chetan Rathi, Promoters & Directors of the Company are related to each other by virtue of their relationship as father and son respectively. Other Directors do not have any inter se relation with each other.

D. NUMBER OF SHARES AND HELD BY NON-EXECUTIVE DIRECTORS:

None of the Non-executive Directors hold equity shares of the Company, except K Harishchandra Prasad who holds 2500 Equity Shares of the Company.

E. INDEPENDENT DIRECTORS

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013.

The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013. It is also confirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

During the year under review, none of the Independent Directors have resigned from the Board of Directors of the Company.

F. INDEPENDENT DIRECTORS' MEETING: As per Clause 7 of the Schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent Directors) was held on 12.02.2022, and discussed the following:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company eligible to attend were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

G. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS:

Independent Directors are familiarized about the Company's operations and businesses. Interaction with the Business heads and key executives of the Company is also facilitated. Detailed presentations on important policies of the Company is also made to the directors.

The details of familiarisation programme held in FY 2021-22 are also disclosed on the Company's website at <https://www.bnrsecurities.com>.

H. INFORMATION SUPPLIED TO THE BOARD:

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety etc. The following information is provided to the Board as a part of the agenda papers: wherever applicable

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems, if any.
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any.
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I. DECLARATION BY BOARD

The Board has confirmed that in its opinion, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management

J. COMMITTEES OF THE BOARD:

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Risk Management Committee

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance are provided in this report below :

- 1. AUDIT COMMITTEE:** (Audit Committee constituted in terms of Section 177 of Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE:

The terms of reference of the Audit Committee encompasses the requirements of Section 177 of Companies Act, 2013 and as per Regulation 18 of SEBI (LODR) Regulations, 2015 and, inter alia, includes

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment, remuneration and terms of appointment, fixation of audit fee and approval for payment for any other services;
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding Rs. 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- Review with the management, the annual financial statements and Auditor's Report before submission to the Board with particular reference to;
 - Matters required to be included in the directors' responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Act;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;

- (f) Disclosure of any related party transactions;
- (g) Modified opinion(s) in the draft audit report;
- v. Review of the quarterly financial statements with the management before submission to the board for approval;
- vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions with related parties;
- ix. Scrutiny of inter-corporate loans and investments;
- x. Review of valuation of undertakings or assets of the company wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
- xviii. Review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate
- xx. Review of the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Management letters / letters of internal control weaknesses issued by the statutory auditors;

- c) Internal audit reports relating to internal control weaknesses;
- d) The appointment, removal and terms of remuneration of the Chief Internal Auditor;
- e) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations.
 - Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus in terms of Regulation 32(7) of the Listing Regulations.
- xxi. Carrying out any other function as may be referred to the Committee by the Board. xxii. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Laxminiwas Sharma	Chairman	NED(1)	4	4
Harishchandra Prasad	Member	NED(1)	4	4
Shanti Sree Bolleni	Member	NED(1)	4	4
Hari Narayan Rathi	Member	ED	4	4

NOMINATION AND REMUNERATION COMMITTEE (Nomination and Remuneration Committee)

constituted in terms of Section 178 of Companies Act, 2013 read with Regulation 19 of SEBI (LODR)

Regulations, 2015)

The terms of reference of the Nomination and Remuneration committee constituted in terms of Section 178 of Companies Act, 2013 and as per Regulation 19 of SEBI (LODR) Regulations, 2015 are as under:

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE

To approve the fixation/revision of remuneration of Executive Directors of the Company and while approving:

- a. To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- b. To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- c. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.

- d. To carry out evaluation of every Director's performance.
- e. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- f. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- g. To formulate the criteria for evaluation of Independent Directors and the Board.
- h. To recommend/review remuneration of the Managing Director and Whole-time Director(s) based on their performance and defined assessment criteria.
- i. devising a policy on diversity of board of directors;

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

C. REMUNERATION POLICY:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:

1. Scope:

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

2. Terms and References:

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

2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

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

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

3.1.3 The proposed appointee shall also fulfil the following requirements:

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

Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

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

3.2 Criteria of Independence

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

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

An independent Director in relation to a Company, means a Director other than a managing Director or a whole-time Director or a nominee Director

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
(ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the three immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the three immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
 - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three financial years immediately preceding the finance year in which he is proposed to be appointed;
 - (ii) Is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed of-
 - (A) a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten per cent or more of the gross turnover of more of the gross turnover of such firm;
 - (i) holds together with his relatives two per cent or more of the total voting power of the Company;

or

- (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipt from the Company any of its promoters, Directors or its holding subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
- (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations or this disciplines related to the Company's business.
- g. Shall possess such other qualifications as may be prescribed from time to time, under the Companies Act, 2013.
- h. who is not less than 21 years of age
- i. Who is not a non-independent Director of another company on the Board of which any non-independent director of the listed entity is an independent director.

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

3.3 Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their Directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the Company. The NR Committee shall take into account the nature of, and the time involved in a director service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed Company.

3.3.4 A Director shall not be a member in more than 10 committee or act as chairman of more than 5 committee across all companies in which he holds Directorships.

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

Remuneration policy for Directors, key managerial personnel and other employees:

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

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

Remuneration policy for Directors, key managerial personnel and other employees

1. Scope:

1. This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

2. Terms and Reference:

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

2.1 “Director” means a Director appointed to the Board of the Company.

2.2 “key managerial personnel” means

(i) The Chief Executive Officer or the managing Director or the manager;

(ii) The Company Secretary;

(iii) The Whole-time Director;

(iv) The Chief Financial Officer; and

(v) Such other office as may be prescribed under the companies Act, 2013

2.3 “Nomination and Remuneration committee” means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3. Policy:

3.1 Remuneration to Executive Director and key managerial personnel

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR)

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

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

(i) Basic pay

(ii) Perquisites and Allowances

(iii) Stock Options

(iv) Commission (Applicable in case of Executive Directors)

(v) Annual performance Bonus

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

3.2 Remuneration to Non – Executive Directors

3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per the provisions of the Companies Act.

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

3.3. Remuneration to other employees

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

D. MECHANISM FOR EVALUATION OF THE BOARD

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

The Directors were given six Forms for evaluation of the following:

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Executive Directors.

The Directors were requested to give following ratings for each criteria:

- 1. Could do more to meet expectations;
- 2. Meets expectations; and

3. Exceeds expectations.

The Directors have sent the duly filled forms to Board. Based on the evaluation done by the Directors, the Board has prepared a report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

E. REMUNERATION TO DIRECTORS

Name of the Director	Remuneration (Rs)	Sitting Fee (Rs)	Total (Rs)	No. of Shares held
Hari Narayan Rathi	60,00,000	-	60,00,000	29,24,955
Chetan Rathi	54,00,000	-	54,00,000	9,14,890
Laxminiwas Sharma	-	1,05,000	-	-
K Harishchandra Prasad	-	1,05,000	-	2500
Shanti Sree Bolleni	-	1,05,000	-	-

Except for the remuneration details mentioned above, there are no other pecuniary relationship or transactions of the non-executive director's vis-à-vis the listed entity in terms of salary, benefits, bonuses, stock options, pension, fixed component and performance linked incentives.

F. PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

The performance evaluation criteria for Independent Directors are already mentioned under the head "Board Evaluation" in Directors' Report.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE:

(Stakeholders Relationship Committee constituted in terms of Section 178(5) of Companies Act, 2013 read with Regulation 20 of SEBI (LODR) Regulations, 2015)

A. BRIEF DESCRIPTION OF TERMS OF REFERENCE: The Committee's role includes:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;

- iv. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Such other matter as may be specified by the Board from time to time.
- vi. Authority to review / investigate into any matter covered by Section 178 of the Companies Act, 2013 and matters specified in Part D of Schedule II of the Listing Regulations. During the Financial Year April 2021 to March 2022, Four (4) Stakeholders Relationship Committee Meeting was held.

The date on which the said meetings were held are 25.05.2021, 11.08.2021, 11.11.2021, 12.02.2022.

B. COMPOSITION AND ATTENDANCE FOR MEETINGS:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Shanti Sree Bolleni	Chairperson	NED(I)	4	4
Laxminiwas Sharma	Member	NED(I)	4	4
K Harishchandra Prasad	Member	NED(I)	4	4
Chetan Rathi	Member	ED	4	4

C. NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Gadila Sabitha Reddy, Company Secretary of the Company is the Compliance Officer of the Company

D. DETAILS OF COMPLAINTS/REQUESTS RECEIVED, RESOLVED AND PENDING DURING THE YEAR 2021-22

INVESTOR COMPLAINTS	
Particulars	Year ended 31.03.2022
Pending at the beginning of the year	0
Received during the year	9
Disposed of during the year	9
Remaining unresolved at the end of the year	0

4. Risk Management Committee: -

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

A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
K Harishchandra Prasad	Chariman	Independent, Non Executive
Shanti Sree Bolleni	Member	Independent, Non Executive
Chetan Rathi	Member	Executive

Role and responsibilities of the committee includes the following:

- Framing of Risk Management Plan and Policy.
- Overseeing implementation of Risk Management Plan and Policy
- Monitoring of Risk Management Plan and Policy
- Validating the process of risk management
- Validating the procedure for Risk minimisation.
- Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.

2. GENERAL BODY MEETINGS

A. LOCATION, DATE AND TIME OF LAST THREE AGMS AND SPECIAL RESOLUTIONS THEREAT AS UNDER:

Financial Year	Date	Time	Venue	Special Resolution Passed
2018-19	10.08.2019	10.00 am	FTCCI Surana Hall, Federation House, FTAPCCI Marg, Red Hills, Hyderabad - 500 004, Telangana	yes
2019-20	13.08.2020	10.00 am	Through Video conference	yes
2020-21	11.08.2021	10.00 am	Through video conference	yes

B. PASSING OF RESOLUTIONS BY POSTAL BALLOT

There were no resolutions passed by the Company through Postal Ballot during the Financial Year 2021-22.

3. DISCLOSURES**A. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

During the year under review, the Company had not entered in to any materially significant transaction with any related party. During the year, the Company had not entered into any other contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions that may have potential conflict with the interests of the Company at large. All the related party transactions during the year are in the ordinary course of business and on arm's length basis.

The policy on related party transactions is available in the Company's website www.bnrsecurities.com

B. COMPLIANCES:

There are no penalties imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets, during the last three years.

C. WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism as defined in Regulation 22 of SEBI (LODR) Regulations 2015 and in terms of Section 177 of the Companies Act, 2013.

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report. Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person has been denied access to the Chairman of the Audit Committee.

D. DISCLOSURE OF COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company is into stock Broking activities, member of stock exchanges (NSE, BSE and MCX). Hence the Company is not materially exposed to commodity price risks nor does the company do any commodity hedging.

E. DETAILS OF UTILIZATION OF FUNDS RAISED THOROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT.

During the year under review, no issue of shares was made either by way of preferential allotment/Qualified Institutional Placement

F. CERTIFICATE FROM PRACTICING COMPANY SECRETARY

The Company has obtained certificate from Practicing Company Secretary that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any

such authority. And the Certificate to this effect, duly signed by the Practicing Company Secretary is **annexed** to this Report.

G. RECOMMENDATIONS OF COMMITTEES

The Board has accepted and acted upon all the recommendations by the Audit & Nomination and Remuneration Committees.

H. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR.

The fees paid by the Company to its statutory Auditors is Rs. 5,15,000 Per annum

I. DISCLOSURE IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received during the financial year: Nil
- No. of complaints disposed off during the financial year: Nil
- No. of complaints pending at the end of the financial year: Nil

J. NON-COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT.

The company has complied with the requirement of Corporate Governance Report of sub-paras (2) to (10) of Schedule-V of the Securities Exchange Board of India (LODR) Regulations, 2015.

K. ADOPTION OF DISCRETIONARY REQUIREMENTS AS SPECIFIED IN PART E OF SCHEDULE II of SEBI (LODR) REGULATIONS, 2015.

The company has adopted discretionary requirements to the extent of Internal Auditors reporting to the Audit Committee.

L. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATIONS 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 ARE AS FOLLOWS:

Regulation	Particulars	Compliance Status
17	Board of Directors	yes
18	Audit Committee	yes
19	Nomination and Remuneration Committee	yes
20	Stakeholders Relationship Committee	yes
21	Risk Management Committee	yes
22	Vigil Mechanism	yes
23	Related Party Transactions	yes
24	Corporate Governance requirements with respect to subsidiary of Listed company	NA
25	Obligations with respect to Independent Directors	yes
26	Obligations with respect to Directors and Senior Management	yes
27	Other Corporate Governance Requirements	yes
46 (2) (b) to (i)	Website	yes

M. CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

N. DECLARATION ON CODE OF CONDUCT FOR THE YEAR 2021-22.

This is to confirm that the Board has laid down a code of conduct for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company. It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the Financial Year ended on March 31, 2022 as envisaged in Regulation 26(3) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015.

O. CEO/ CFO Certification

The Managing Director and CFO certification of the financial statements as specified in Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for the Financial Year 2021-2022 is provided elsewhere in this Annual Report

P. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with the mandatory requirements of SEBI (LODR) Regulations, 2015 and is in the process of implementation of non- mandatory requirements.

Q. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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

R. RECONCILIATION OF SHARE CAPITAL:

A qualified Practicing Company Secretary carry out audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. Reconciliation of Share Capital Audit Report confirms that the total paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held \with NSDL and CDSL.

S. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards notified under Section 133 of the Companies Act, 2013.

T. DETAILS OF NON-COMPLIANCE BY THE LISTED ENTITY, PENALTIES, STRICTURES IMPOSED ON THE LISTED ENTITY BY STOCK EXCHANGE(S) OR THE BOARD OR ANY STATUTORY AUTHORITY, ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS

There were no instances of non-compliance or imposing penalty, no structures were issued against the company by Stock Exchanges or SEBI or any other statutory/regulatory authority for any matter related to capital markets, during last three years.

WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS:

<https://www.bnrsecurities.com/static/announcements-notices.aspx>

DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH RIGHTS ISSUE:

During the year, company had, issued 33,60,000 equity shares of face value of Rs. 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of Rs. 22 per Rights Equity Share (including premium of Rs. 12 per Rights Equity Share). The rights were offered in ratio of 3:2.

There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

4. MEANS OF COMMUNICATION:

- i. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the Performa prescribed by Regulation 33 of SEBI (LODR), Regulations, 2015 within forty-five days/sixty days of the close of the respective period.
- ii. The approved financial results are forthwith sent to the listed Stock Exchanges and are published in the newspapers namely, The Business Standard and Nava Telangana within forty-eight hours of approval thereof.
- iii. As the Company's quarterly/half yearly financial results are uploaded on Company's website www.bnrsecurities.com, the same are not mailed to the Shareholders.

5. GENERAL SHAREHOLDERS INFORMATION:

Company Registration Details	The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L65993TG1985PLC005838
Date	22.07.2022
Time	10.00 a.m.
Venue of AGM	Through video conference
Dividend payment date	August 6 th , 2022 onwards after making adjustments of TDS in the dividend of members as per Income Tax Act 1961, if final dividend is approved by the members.

Tentative Schedule for considering Financial Results:	-
For the Quarter ending June,2022	July/August, 2022
For the Quarter ending September, 2022	October/ November, 2022
For the Quarter ending December,2022	January/ February, 2022
For the Quarter/year ending March, 2023	April/ May, 2023
Date of Book Closure	16 th July,2022 to 22 nd July, 2022
Name and address of each stock exchange(s) at which the Company's securities are listed	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 023
Confirmation of Payment of annual listing fees to stock exchanges	Paid to BSE, where the shares of the Company are listed
Scrip Code	523019
ISIN Number for NSDL & CDSL	INE710D01010
In case the securities are suspended from trading, the directors report shall explain the reason thereof In case the securities are suspended from trading, the directors report shall explain the reason thereof	The securities of the Company are not suspended from trading by the Stock Exchange
Branch Offices	Chennai, Coimbatore, Dhruvatar (Hyderabad)
Address for correspondence:	6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad – 500082. Ph. 04040527777, Website: www.bnrsecurities.com
List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Since the Company has not issued any Debt Instruments or Fixed Deposit Programme, therefore company has not obtained any Credit Ratings during the Financial Year.
Address for Correspondence	To be addressed to: M/s. KFin Technologies Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500032 Phone Number: 040-67162222,67161526, Website: www.kfintech.com Email- einward.ris@kfintech.com
Investor Correspondence / Query on Annual Report, etc.	G Sabitha Reddy Company Secretary and Compliance Officer 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad – 500082. Ph.04040527777, Website: www.bnrsecurities.com

A. Registrars & Transfer Agents:

M/s. KFin Technologies Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Hyderabad – 500032
 Phone Number: 040-67162222,67161526,
 Website: www.kfintech.com
 Email- einward.ris@kfintech.com

B. Share transfer system:

The transfers are normally processed within 10-12 days from the date of receipt, if the documents are complete in all respects. The Company Secretary has been empowered to approve the transfer of shares.

Effective April 1, 2019, SEBI has amended Regulation 40 of the SEBI Listing Regulations, which deals with transfer, transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository. Therefore, for effecting any transfer, the securities shall mandatorily be required to be in demat form.

Shares received for transfer by the Company or its Registrar and Share Transfer Agent in physical mode are processed and all valid transfers are approved.

According to SEBI, this amendment will bring the following benefits:

- It shall curb fraud and manipulation risk in physical transfer of securities by unscrupulous entities.
- Transfer of securities only in demat form will improve ease, convenience and safety of transactions for investors.

C. MARKET PRICE DATA:

MONTHLY HIGH/LOW OF MARKET PRICE OF THE COMPANY'S SHARES TRADED ON THE BSE LIMITED.

(Amount in Rs.)

S.No	Month	Open Price	High Price	Low Price	Close Price
1	Apr-21	24.65	26.45	20	22.3
2	May-21	25	35	21.65	28.95
3	Jun-21	29	40.4	27.1	36.25
4	Jul-21	37	47.9	34	42.2
5	Aug-21	41.5	48	33.2	36.55
6	Sep-21	36.05	43.9	35.1	39

7	Oct-21	38.25	40.4	35	36
8	Nov-21	36	42.6	35.25	37.85
9	Dec-21	39.65	60	31.05	34.35
10	Jan-22	35.8	49	34.05	41.8
11	Feb-22	43.65	52	34.05	36.45
12	Mar-22	36	39.5	29.55	33.9

D. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2022:
Shareholding of Promoter and Promoter Group

Category	Category & Name of the Shareholder	No of fully paid up equity shares held	Shareholding as a % of total no of shares	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(IV)	(VIII)	(XIII)		(XIV)
(1)	Indian					
(a)	Individuals/Hindu undivided Family	4880298	58.10	0	0.00	4880298
	CHETAN RATHI	914890	10.89	0	0.00	914890
	HARI NARAYAN RATHI	2924955	34.82	0	0.00	2924955
	CHANDA DEVI RATHI	670624	7.98	0	0.00	670624
	NISHA RATHI	369829	4.40	0	0.00	369829
(b)	Central Government/State Government(s)	0	0.00	0	0.00	0
(c)	Financial Institutions/Banks	0	0.00	0	0.00	0
(d)	Any Other	0	0.00	0	0.00	0
	Sub-Total (A)(1)	4880298	58.10	0	0.00	4880298
(2)	Foreign					
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0.00	0	0.00	0
(b)	Government	0	0.00	0	0.00	0
(c)	Institutions	0	0.00	0	0.00	0
(d)	Foreign Portfolio Investor	0	0.00	0	0.00	0

(e)	Any Other	0	0.00	0	0.00	0
	Sub-Total (A)(2)	0	0.00	0	0.00	0
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	4880298	58.10	0	0.00	4880298

SHAREHOLDING OF PUBLIC GROUP

Category	Category & Name of the Shareholder	No of fully paid up equity shares held	Shareholding as a % of total no of shares	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
	(I)	(IV)	(VIII)	(XIII)		(XIV)
(1)	Institutions					
(a)	Mutual Funds	0	0.00	NA	NA	0
(b)	Venture Capital Funds	0	0.00	NA	NA	0
(c)	Alternate Investment Funds	0	0.00	NA	NA	0
(d)	Foreign Venture Capital Investors	0	0.00	NA	NA	0
(e)	Foreign Portfolio Investors	0	0.00	NA	NA	0
(f)	Financial Institutions/Banks	0	0.00	NA	NA	0
(g)	Insurance Companies	0	0.00	NA	NA	0
(h)	Provident Funds/Pension Funds	0	0.00	NA	NA	0
(i)	Any Other					
	Sub Total (B)(1)	0	0.00	NA	NA	0
(2)	Central Government/State Government(s)/President of India	0	0.00	NA	NA	0
	Sub Total (B)(2)	0	0.00	NA	NA	0
(3)	Non-Institutions					
(a)	i. Individual shareholders holding nominal share capital up to Rs.2 lakhs	1934307	23.03	NA	NA	1758097
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs	1219189	14.51	NA	NA	1219189
	MAHENDRA GIRDHARILAL	348314	4.15	NA	NA	348314
	AMIT RATHI	128083	1.52	NA	NA	128083
	MANJU GAGGAR	93593	1.11	NA	NA	93593
	AJESH DALAL	199591	2.38	NA	NA	199591
(b)	NBFCs Registered with RBI	0	0.00	NA	NA	0

(c)	Employee Trusts	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)	0	0.00	NA	NA	0
(e)	Any Other					
	NON RESIDENT INDIANS	49904	0.59	NA	NA	49904
	CLEARING MEMBERS	6764	0.08	NA	NA	6764
	NON RESIDENT INDIAN NON REPATRIABLE	8789	0.10	NA	NA	8789
	BODIES CORPORATES	129297	1.54	NA	NA	128997
	I E P F	171452	2.04	NA	NA	171452
	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY M	171452	2.04	NA	NA	171452
	Sub Total (B)(3)	3519702	41.90			3343192
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)	3519702	41.90			3343192

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Shares pledged or otherwise encumbered	As a % of total Shares held	Number of equity shares held in dematerialized form
(I)	(II)	(III)	(IV)	(VIII)	(XIII)		(XIV)
(A)	Promoter & Promoter Group	4	4880298	58.10	0	0.00	4880298
(B)	Public	4918	3519702	41.90	NA	NA	3343192
(C)	Non Promoter-Non Public						
(C1)	Shares underlying DRs	0	0	NA	NA	NA	0
(C2)	Shares held by Employes Trusts	0	0	0.00	NA	NA	0
	Total:	4922	8400000	100.00	0	0.00	8223490

E. DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2022

Distribution Schedule - Consolidated As on 31-03-2022					
Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount in Rs.	% of Amount
1-5000	4,340	85.601578	545,491	545,491	545,491
5001- 10000	370	7.297830	293,030	293,030	293,030
10001- 20000	178	3.510848	268,797	268,797	268,797
20001- 30000	57	1.124260	145,293	145,293	145,293
30001- 40000	20	0.394477	71,793	71,793	71,793
40001- 50000	24	0.473373	110,795	110,795	110,795
50001- 100000	31	0.611440	219,043	219,043	219,043
100001& Above	50	0.986193	6,745,758	6,745,758	6,745,758
Total	5,070	100.00	8,400,000	8,400,000	8,400,000

F. DEMATERIALISATION & LIQUIDITY OF SHARES:

Dematerialization and Liquidity of Shares:

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is 523019. Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form.

Particulars	No. of Shares	% Share Capital
NSDL	15,41,407	18.35
CDSL	66,82,083	79.55
Physical	1,76,510	2.10
TOTAL	84,00,000	100.00

G. There are no outstanding global depository receipts or American Depository Receipts likely to impact on the Equity.

H. STOCK PERFORMANCE IN COMPARISON TO BSE SENSEX:



Day Chart Period from April 2021 to March 2022

BNRSEC, BSE

S&P BSE Sensex

COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

The Company is into financial markets, commodity price risk is minimal. There is no foreign exchange and hedging business activities.

OUTSTANDING GLOBAL DEPOSITORY RECEIPTS OR AMERICAN DEPOSITORY RECEIPTS OR WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has not issued these types of securities.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILIZATION OF FUNDS, WHETHER IN INDIA OR ABROAD

During the year under review, the Company has not issued any debt instrument or fixed deposit receipts etc. in India or abroad.

GREEN INITIATIVE IN THE COPORATE GOVERNANCE

As part of the green initiative process, the Company has taken an initiative of sending documents like notice calling Annual General Meeting, Corporate Governance Report, Directors Report, Audited financial Statements, Auditors Report, Dividend intimations etc., by email Physical copies are sent only to those shareholders who have made specific requests to receive the same. Shareholders are requested to register their email id with Registrar and Share Transfer Agent/concerned depository to enable the Company to send the documents in electronic form or inform the Company, in writing, in case they wish to receive the above documents in paper mode.

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

**Place: Hyderabad
Date: 18-05-2022**

**Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968**

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

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

Director	Total Remuneration	Ratio to median remuneration
Mr. Hari Narayan Rathi	60,00,000	11:1
Mr. Chetan Rathi	48,00,000	9:1

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

Name	Designation	Remuneration		Increase/ (Decrease) %
		FY 2021-22	FY 2020-21	
Laxminivas Sharma	Director	-	-	0%
Hari Narayan Rathi	Managing Director	60,00,000	57,00,000	5.26%
Harishchandra Prasad Kanuri	Director	-	-	NIL
Chetan Rathi	Wholetime Director/CFO	48,00,000	48,00,000	0.00%
Shanti Sree Bolleni	Director	-	-	NIL
Gadila Sabitha Reddy	Company Secretary	5,37,000	4,10,400	30.85%

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

Particulars	Remuneration		Increase/ (Decrease) %
	FY 2021-22	FY 2020-21	
Median Remuneration of all the employees per annum*	5,38,200	6,04,200	-11%

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

- 4.

Particulars	Number
The number of employees on the rolls of the company as on March 31, 2022	60

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

Particulars	Increase/ (Decrease) %
Average percentage increase in the remuneration of all Employees* (Other than Key Managerial Personnel)	-8.73%
Average Percentage increase in the Remuneration of Key Managerial Personnel	
Mr. Hari Narayan Rathi (Managing Director)	5.26%
Mr. Chetan Rathi (Wholetime Director/CFO)	0.00%
Mrs. Gadila Sabitha Reddy (Company Secretary)	30.85%

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

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

The Company is in compliance with its remuneration policy.

Annexure - 2
Form AOC – 1

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

1. Name of the Subsidiaries: B.N.Rathi Comtrade Private Limited
B.N. Rathi Industries Private Limited
2. Reporting Period: 01.04.2021 to 31.03.2022
3. Reporting Currency: Indian Rupee

S. No.	Particulars	B.N.Rathi Comtrade Private Limited	B.N. Rathi Industries Private Limited
		Amount in Rupees	Amount in Rupees
1.	Share Capital:	1,00,00,000	50,00,000
2.	Reserves and surplus for the year ending	3,95,93,971	(41,12,316)
3.	Total Assets	4,96,50,730	67,96,688
4.	Total Liabilities	4,96,50,730	67,96,688
5.	Investments	1,23,94,834	-
6.	Turnover (Income)	84,42,590	56,974
7.	Profit / loss before Taxation	44,90,272	19,013
8.	Provision for Taxation	11,69,871	(657)
9.	Profit / loss after Taxation	33,20,401	19,013
10.	Proposed Dividend	-	-
11.	% of Shareholding	100	100

1. Names of Subsidiaries which are yet to commence operation : NA
2. Names of subsidiaries which have been liquidated or sold during the year : NA

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

For and on behalf of the Board,

Sd/-
T. Bharadwaj
Partner

Sd/-
Laxminiwas Sharma
Chairman

Sd/-
Hari Narayan Rathi
Managing Director

Place: Hyderabad
Date: 18.05.2022

Sd/-
Chetan Rathi
Executive Director
cum CFO

Sd/-
Sabitha Reddy
Company Secretary

Annexure - 3**Form No. AOC-2**

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

This form pertains to the disclosure of particulars of contracts/arrangements entered into between the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis : Not Applicable
 - a) Name(s) of the related party and nature of relationship : Not Applicable
 - b) Nature of contracts/arrangements/transactions : None
 - c) Duration of the contracts/arrangements/transactions : Not Applicable
 - d) Salient terms of the contracts or arrangements or Transactions including the value, if any : Not Applicable
 - e) Justification for entering into such contracts or Arrangements or transactions : Not Applicable
 - f) Date(s) of approval of the Board : Not Applicable
 - g) Amounts paid as advances, if any : None
 - h) Date on which the special resolution was passed in General meeting as required under first proviso to Section 188 : Not Applicable

2. Details of material contracts or arrangement or transactions at arms length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/ transactions:	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any: Approved by Audit Committee and Board Meeting in last Financial Year:
1	Rent				
a)	Smt Chanda Devi Rathi	Office Premises on Rent	11months 01/04/2021 to 31/03/2022	Monthly Rent of Rs.60,000/-	25.05.2021
b)	Shri Govind Narayan Rathi HUF	Office Premises on Rent	11 months 01/04/2021 to 31/03/2022	Monthly Rent of Rs.20,000 /-	25.05.2021
2	Remuneration Paid:				
a)	Hari Narayan Rathi	Remuneration Paid	3 YEARS (01.04.2021 to 31.03.2024) Whole Time Director	Monthly Remuneration Rs. 60,00,000/-	25.05.2021
b)	Chetan Rathi	Remuneration Paid	3 years from 01.10.2021 to 30.09.2024, Managing Director	Rs. 54,00,000/-	25.05.2021
c)	Nisha Rathi	Remuneration Paid	Executive Director of B N Rathi Comtrade Private Limited	Rs. 9,00,000/-	25.05.2021

3. Details of contracts or arrangements or transactions not in the ordinary course of business

S.No	Particulars	Details
a)	Name(s) of the related party & nature of relationship	None
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	None
e)	Justification of entering into such contracts or arrangements or transactions	None
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in General Meeting as required under first proviso to Section 188	Not Applicable

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

Sd/-
T. Bharadwaj
Partner

Place: Hyderabad
Date: 18.05.2022

For and on behalf of the Board,

Sd/-
Laxminiwas Sharma
Chairman

Sd/-
Chetan Rathi
Executive Director
cum CFO

Sd/-
Hari Narayan Rathi
Managing Director

Sd/-
Sabitha Reddy
Company Secretary

FORM MR-3
SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

To

The Members of
B. N. Rathi Securities Limited
Hyderabad.

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

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. B.N. Rathi Securities Limited ("The Company") for the financial year ended on 31st March, 2022 according to the provisions of:
 - i. The Companies Act, 2013 (the Act) and the rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. Compliance status in respect of the provisions of the following Regulations and Guideline prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) is furnished hereunder for the financial year 2021-22: -
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event-based disclosures, wherever applicable.**

- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e., www.bnrscurities.com**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Complied with event-based disclosures, wherever applicable**
- iv. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable as the Company has not issued any Employee Stock Options during the year under review.**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the year under review.**
- vi. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However, the company has KFIN Technologies Limited as its Share Transfer Agent.**
- vii. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- ix. Other applicable laws include the following:
 - The Payment of Gratuity Act, 1972
 - Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - Employees State Insurance Act, 1948
 - Income Tax Act, 1961
 - Indian Stamp Act, 1899
 - Minimum Wages Act, 1948
 - Payment of Bonus Act, 1965
 - Payment of Wages Act, 1936
 - Shops and Establishments Act, 1948

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.

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

- a) During the year the Company has conducted 6 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meetings of Stakeholder Relationship Committee, 1 meeting of Nomination, Remuneration Committee and 1 meeting of Independent Directors and 3 Meetings of Right Issue Committee.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- (i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under review;
 - Foreign Direct Investment (FDI) of Rs. 3,02,852/- was attracted by the company during the financial year under review as part of funds raised through Rights Issue;
 - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- (ii) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

We further report that:

- i. The Company that Mr. Chetan Rathi is the Chief Financial Officer and Mrs. G. Sabitha Reddy is the Company Secretary and Compliance Officer of the Company.
- ii. The Company has internal auditors namely M/s. Penmetsa & Associates, Chartered Accountants, Hyderabad.
- iii. The website of the company contains applicable policies as specified by SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the provisions of Companies Act, 2013.
- iv. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- v. Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance or on shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- vi. As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

- vii. We, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- viii. We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.
- ix. The Company is a registered member of NSE and BSE apart from having DP connectivity with CDSL. From time to time there were inspection of books, accounts, records of the company by the above said authorities and the observations given there on have also been complied with by the Company.
- x. The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

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

Sd/-

**S. Sarveswara Reddy
Proprietor**

**M.NO. 12611;C.P.No: 7478
UDIN NO. A012611D000461455**

**Place: Hyderabad
Date: 18.05.2022**

ANNEXURE A

To

The Members of

M/s. B.N. Rathi Securities Limited

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

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

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

Sd/-

**S. Sarveswara Reddy
Proprietor**

**M.NO. 12611;C.P.No: 7478
UDIN NO. A012611D000461455**

**Place: Hyderabad
Date: 18.05.2022**

Annexure – 5**MANAGEMENT DISCUSSION & ANALYSIS****Overview**

We always want to look ahead and push ourselves to reinvent and reinnovate. We took this opportunity to be introspective and realised our core strengths. We do not see these restrictions as a hurdle but an opportunity to explore new markets and new fields. We believe that with over 34 years of combined management experience in the capital markets and corporate space in India enable us to be competent in this field, its activities in Broking. In this context the company has raised its capital through rights issue.

Industry Structure and Developments

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

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

Opportunities and Threats

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

Opportunities

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

Threats

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

Segment –wise or product wise performance

The Company carries on 100% Stock Broking which is its core activity.

Internal Control & Adequacy

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

Risk Management System

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

Risk and Concerns

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

Outlook

Company is focusing on service-based activities. We believe that with over 33 years of combined management experience in the capital markets and corporate space in India enable the company to be competent in this field The company has decided to venture into different business through investments in subsidiaries company.

Details of significant changes

Particulars	F.Y 2021-22	F.Y 2020-21	% of changes
Debtors Turnover	1.90	4.83	-60.72%
Inventory Turnover	-	-	-0.00%
Interest Coverage Ratio	7.21	9.57	-24.68%
Current Ratio	1.21	1.19	1.77%
Debt Equity Ratio	4.02	4.3	-6.55%
Operating Profit Margin (%)	0.19	0.19	-1.63%
Net Profit Margin(%)	0.16	0.17	-5.04%

DEBTORS TURNOVER: The debtors turnover ratio improved to 1.90 in FY 2021-22 as against 4.83 in the previous year primarily due to effective collection of receivables, high-quality customer base and additional regulatory compliance.

Details of any change in return on net worth as compared to the immediately previous financial year along with a detailed explanation thereof: There is a change in return on net worth due to raise in capital through rights issue and due to increase in profit.

Human Resource

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

Cautionary Statement

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

Annexure – 6**CERTIFICATE OF NON- DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of
B N Rathi Securities Limited
Hyderabad

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of B N Rathi Securities Limited having CIN L65993TG1985PLC005838 and having registered office at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda Hyderabad TG 500082 IN (here in after referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Laxminiwas Sharma	00010899	29/01/1990
2.	Hari Narayan Rathi	00010968	01/10/2010
3.	Harishchandra Prasad Kanuri	00012564	06/06/1994
4.	Chetan Rathi	00536441	01/04/2010
5.	Shanti Sree Bolleni	07092258	12/02/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

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

Sd/-

**S. Sarveswara Reddy
Proprietor**

**M.NO. 12611; C.P.No: 7478
UDIN NO. A012611D000461455**

**Place: Hyderabad
Date: 18.05.2022**

Annexure – 7**CERTIFICATE BY THE MANAGING DIRECTOR AND CFO OF THE COMPANY**

To

The Board of Directors
B N Rathi Securities Limited

Dear Sirs,

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2022 and to the best of our knowledge and belief;
 - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
 - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which I was aware and the steps that I have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
 - a) Significant changes in the internal control during the year;
 - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

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

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

**Sd/-
Chetan Rathi
CFO**

**Place: Hyderabad
Date: 02.05.2022**

Annexure – 8**DECLARATION ON CODE OF CONDUCT AS REQUIRED BY SCHEDULE V OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

I, Hari Narayan Rathi, Managing Director of B.N. Rathi Securities Limited (“the Company”) hereby state and affirm Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management of the company during Financial Year 2021-2022

For B N Rathi Securities Limited

Place: Hyderabad
Date: 18.05.2022

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

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

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
152377	NIL	NIL	158427

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF B.N.RATHI SECURITIES LIMITED
Report on the Audit of Standalone Ind AS Financial Statements**

Opinion

We have audited the standalone Ind AS financial statements of B.N. Rathi Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements

that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with relevant rules issued there under.

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - i. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - iv. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - v. On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
 - vi. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
 - vii. In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

- viii. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) the Company does not have any pending litigations which would impact its financial position other than those disclosed.
 - ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v) a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - b) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
 - c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJDUNB5484**

**Hyderabad
May18, 2022**

Annexure “1” to the Independent Auditors’ Report

Re: B.N.Rathi Securities Limited (‘the Company’)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Clause 1:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

The Company has maintained proper records showing full particulars of intangible assets.

- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Clause 2:

- (a) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) (a) of the Order is not applicable to the Company and hence not commented upon.
- (b) Company has not obtained any working capital limits in excess of `5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. Therefore, in our opinion the provisions of clause 3(ii) (b) of the Order is not applicable to the Company and hence not commented upon.

Clause 3:

- (a) During the year, the Company has not granted loans or advances in the nature of loans, stood guarantee or provided security to any of the parties. Therefore, in our opinion the provisions of clause 3(iii) of the Order is not applicable to the Company and hence not commented upon.
- (b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans provided are not prejudicial to the Company’s interest.
- (c) Company has not granted any loan to its subsidiaries and therefore clause 3 (iii)(c) is not applicable.
- (d) There are no amounts of loans granted to subsidiary companies, which are overdue for more than ninety days.
- (e) The Company had not granted loans to subsidiary companies which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited

Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

Clause 4:

- (a) There are no loans, guarantees and security in respect of which provisions of sections 185 of the Act is applicable. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Act are applicable, have been complied with by the Company.

Clause 5:

- (a) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

Clause 6:

- (a) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

Clause 7:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax, duty of excise and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, customs duty and other statutory dues which have not been deposited on account of any dispute.

Clause 8:

- (a) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

Clause 9:

- (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause 3(ix) (c) of the Order is not applicable to the Company.
- (d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.

Clause 10:

- (a) The Company has raised money during the year by way of right issue and has issued shares proportionately to the existing shareholders. Notice was dispatched well in advance and issue was open for the minimum period required.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

Clause 11:

- (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

Clause 12:

- (a) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

Clause 13:

- (a) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

Clause 14:

- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

Clause 15:

- (a) The Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

Clause 16:

- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

Clause 17:

- (a) The Company has not incurred cash losses in the current year and preceding financial year.

Clause 18:

- (a) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

Clause 19:

- (a) On the basis of the financial ratios disclosed in Standalone Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Clause 20:

- (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

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

**Sd/-
T. Bharadwaj
Partner**

**Membership No.:201042
UDIN:22201042AJDUNB5484**

**Hyderabad
May18, 2022**

Annexure “2” to the Independent Auditor’s report of even date on the standalone Ind AS financial statements of B.N.Rathi Securities Limited

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

TO THE MEMBERS OF B.N. RATHI SECURITIES LIMITED

We have audited the internal financial controls over financial reporting of B.N. Rathi Securities Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 18, 2022 expressed an unqualified opinion.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJDUNB5484**

**Hyderabad
May 18, 2022**

1. Corporate Information:

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

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

2. Significant Accounting Policies:

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

a) Basis of preparation:

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

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

b) Use of estimates and judgements:

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

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

c) Revenue Recognition:

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

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

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

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

Interest income is recognized using the effective interest rate method. The effective interest rate

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

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

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

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

d) Fair value measurement:

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

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

e) Property, plant and equipment:

i. Recognition and initial measurement:

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

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

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

h) Leases:

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

Company as a lessee

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

(i) Right-of-Use Assets

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

(ii) Lease Liabilities

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

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

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

i) Financial Instruments:**a. Financial Assets**

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

Investments in subsidiaries, associates and joint ventures

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

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit and loss are expensed in the statement of profit and loss.

Subsequent measurement

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

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

De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

j) Borrowing costs:

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

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

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

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

b. Defined contribution plans

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid

contributions, if any, are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

c. Defined benefit plans

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

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

l) Income Taxes:

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

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

m) Provisions, contingent liabilities and contingent assets:

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

Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

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

Contingent assets are neither recognized or disclosed. However, when realization of income is virtually certain, related asset is recognized.

n) Cash and cash equivalents:

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

o) Cash flow statement:

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

p) Earnings per share:

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

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

Standalone Balance Sheet
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	3	3,31,83,003	3,01,84,352
	(b) Intangible assets	4	12,61,119	7,39,819
	(c) Financial assets			
	- Investments	5	1,50,00,000	1,50,00,000
	- Loans	6	1,71,89,200	1,14,50,012
	- Other non-current financial assets	7	-	34,659
	(d) Deferred tax assets (Net)	8	32,08,029	26,86,623
	(e) Other non-current assets	9	25,20,883	30,85,443
	Total non-current assets [A]		7,23,62,234	6,31,80,907
2	Current assets			
	(a) Financial assets			
	- Investments	10	7,00,000	7,00,000
	- Loans	11	50,00,000	21,60,00,000
	- Trade receivables	12	10,55,40,924	7,79,87,276
	- Cash and cash equivalents	13	24,56,71,767	7,65,79,489
	- Bank balances other than above	14	97,88,14,444	69,51,64,046
	- Other current financial assets	15	1,63,83,512	88,50,918
	(b) Income taxes	16	32,58,741	-
	(c) Other current assets	17	96,26,424	66,03,497
	Total current assets [B]		1,36,49,95,812	1,08,18,85,226
	TOTAL ASSETS [A+B]		1,43,73,58,046	1,14,50,66,133
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	18	8,40,00,000	5,04,00,000
	(b) Other Equity	19	24,71,29,996	16,57,18,096
	Total equity [A]		33,11,29,996	21,61,18,096
2	Non-current liabilities			
	(a) Financial liabilities			
	- Borrowings	20	1,64,12,457	1,68,58,780
	- Other non current financial liabilities	21	-	39,743
	(b) Provisions	22	52,37,959	52,95,318
	Total non-current liabilities [B]		2,16,50,416	2,21,93,841
3	Current liabilities			
	(a) Financial liabilities			
	- Borrowings	23	-	5,12,20,479
	- Trade payables	24	1,07,56,03,688	84,29,40,456
	- Other current financial liabilities	25	4,86,066	6,42,671
	(b) Provisions	26	7,14,567	9,09,358
	(c) Income taxes	16	-	12,628
	(d) Other current liabilities	27	77,73,313	1,10,28,604
	Total current liabilities [C]		1,08,45,77,634	90,67,54,195
	TOTAL EQUITY AND LIABILITIES [A+B+C]		1,43,73,58,046	1,14,50,66,133
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 49		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

Sd/-
Sabitha Reddy
Company Secretary

Standalone Statement of Profit and Loss
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	For the period ended March 31, 2022	For the period ended March 31, 2021
I	REVENUE			
	Revenue from operations (Gross)	28	37,95,48,502	29,06,52,621
	Other income	29	4,41,79,718	3,24,71,733
	TOTAL REVENUE [I]		42,37,28,220	32,31,24,354
II	EXPENSES			
	Employee benefit expenses	30	5,61,69,165	5,54,50,760
	Finance costs	31	1,23,65,685	72,16,383
	Depreciation and amortization expense	3 & 4	30,61,524	22,90,432
	Other expenses	32	9,85,68,739	7,28,74,502
	Share of brokerage	-	19,09,61,633	13,46,18,479
	TOTAL EXPENSES [II]		36,11,26,746	27,24,50,556
III	Profit Before Tax		6,26,01,474	5,06,73,798
IV	Tax Expense:			
	- Current tax	33	1,63,91,523	1,32,72,846
	- Adjustment of current tax relating to earlier years		-	28,43,232
	- Deferred tax credit	33	(5,21,407)	24,941
V	Profit for the period		4,67,31,357	3,45,32,780
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of post-employment benefit obligations		4,07,977	5,10,028
	- Remeasurements of financial assets		565	(4,694)
	- Recognition of borrowings using effective interest rate		-	-
	Other comprehensive income for the year, net of tax		4,71,39,900	3,50,38,114
VII	Earnings per equity share Rs. 10/- each fully paid			
	- Basic	39	8.22	6.85
	- Diluted	39	8.22	6.85
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	3 to 49		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

Sd/-
Sabitha Reddy
Company Secretary

Standalone Cash Flow Statement
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		6,26,01,474	5,06,73,798
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		30,61,525	22,90,432
Interest expense other than lease liability		1,00,77,529	58,65,481
Interest expense on account of lease liability		10,329	49,951
Remeasurement of post employee benefits		4,07,977	5,10,028
Remeasurement of lease		(2,38,416)	(10,20,330)
Profit on sale of securities		-	-
Income from disposal of scrapped asset		(14,750)	-
Profit on sale of investments in mutual funds		-	-
Excess provision created written back		-	-
Dividend income		(13,024)	-
Interest income		(4,40,97,837)	(3,24,71,733)
Cash generated before working capital changes		3,17,94,807	2,58,97,627
Movements in working capital:			
Increase/(Decrease) in trade payables		23,26,63,232	45,88,66,784
Increase/(Decrease) in other current liabilities		(32,55,290)	(12,93,917)
Increase/(Decrease) in long term provisions		(57,359)	68,502
Increase/(Decrease) in short term provisions		(1,94,791)	5,04,079
(Increase)/Decrease in trade receivables		(2,75,53,648)	(3,55,12,842)
(Increase)/Decrease in other non-current financial assets		565	3,11,586
(Increase)/Decrease in non-current loans		(57,39,188)	(12)
(Increase)/Decrease in current loans		21,10,00,000	(11,00,00,000)
(Increase)/Decrease in other non-current assets		5,64,560	(11,91,405)
(Increase)/Decrease in other current financial assets		(77,05,888)	1,66,84,510
(Increase)/Decrease in other current assets		(30,22,927)	(14,62,231)
Cash generated from operations		42,84,94,073	35,28,72,681
Income taxes paid		(1,96,62,892)	(1,48,40,150)
Net cash flow (used in)/from operating activities (A)		40,88,31,181	33,80,32,531
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Net (Purchase) of property, plant and equipment, including intangible assets		(63,58,774)	(2,97,73,110)
Net (Purchase) of current investments		-	-
Net Sale of current investments		-	-
Dividend received		13,024	-
Interest received		4,40,97,837	3,24,71,733
Net cash flow (used in)/from investing activities (B)		3,77,52,087	26,98,623
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of)/Proceeds from long term borrowings		(4,14,584)	1,72,73,364
(Repayment of)/Proceeds from issue of shares [including premium]		7,39,20,000	-
(Investment)/Redemption of bank deposits		(28,36,50,398)	(44,97,17,014)
Dividends paid on equity shares and tax on equity dividend paid		(60,48,000)	-
Interest paid		(1,00,77,529)	(58,65,481)
Net cash flow (used in)/from financing activities (C)		(22,62,70,511)	(43,83,09,131)
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		22,03,12,757	(9,75,77,977)
E. Cash and cash equivalents			
at the beginning of the year	13	2,53,59,010	12,29,36,987
at the end of the year		24,56,71,767	2,53,59,010
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		9,68,90,053	1,57,37,917
- Deposits with original maturity of less than 3 months		14,87,50,000	6,08,00,000
Cash on hand		31,714	41,572
Less: Bank overdraft		-	(5,12,20,479)
Cash and cash equivalents at the end of the year		24,56,71,767	2,53,59,010
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	3 to 49		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

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

Sd/-
Sabitha Reddy
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	5,04,00,000	5,04,00,000
Changes in equity share capital during the year	3,36,00,000	-
Balance at the end of the reporting year	8,40,00,000	5,04,00,000

B. Other equity

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Movement in other equity is as follows:		
I. Capital Reserve	14,90,400	14,90,400
II. Securities Premium		
Opening Balance		
Add: Premium on account of shares issued under right issue	2,26,16,151	2,26,16,151
Closing Balance	4,03,20,000	-
	6,29,36,151	2,26,16,151
III. General Reserve	9,66,955	9,66,955
IV. Retained Earnings		
(i) Opening balance	14,06,44,590	10,56,06,476
(ii) Profit for the year	4,67,31,357	3,45,32,780
(iii) Other comprehensive income	4,08,542	5,05,334
(iv) Dividend paid	(60,48,000)	-
(v) Tax on distributed profits	-	-
	18,17,36,490	14,06,44,590
Total	24,71,29,996	16,57,18,096

Note 3: Property, Plant and Equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Buildings	2,76,27,796	2,76,27,796
Furniture and Fittings	2,95,005	1,32,053
Motor Vehicles	25,16,397	8,73,208
Computers and Data Processing Units	10,25,263	10,22,549
Office Equipment	17,18,543	5,28,746
Total	3,31,83,003	3,01,84,352

For the year ended March 31, 2022

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Carrying Amount						
As at April 01, 2021	2,76,27,796	8,68,498	86,57,542	39,09,862	28,53,751	4,39,17,449
Additions	-	2,04,910	23,41,852	10,26,167	15,80,896	51,53,826
Disposals	-	-	17,84,430	-	-	17,84,430
Balance as at March 31, 2022	2,76,27,796	10,73,408	92,14,964	49,36,030	44,34,648	4,72,86,845
II. Accumulated Amortization						
Upto April 01, 2021	-	7,36,445	77,84,334	28,87,314	23,25,005	1,37,33,098
Depreciation expense for the period	-	41,959	6,09,441	10,23,453	3,91,099	20,65,952
Eliminated on disposal of assets	-	-	16,95,208	-	-	16,95,208
Upto March 31, 2022	-	7,78,403	66,98,567	39,10,767	27,16,104	1,41,03,842
III. Net Carrying Amount [I-II]						
As at March 31, 2022	2,76,27,796	2,95,005	25,16,397	10,25,263	17,18,543	3,31,83,003
As at March 31, 2021	2,76,27,796	1,32,053	8,73,208	10,22,549	5,28,746	3,01,84,352

For the year 2020-21

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Carrying Amount						
As at April 01, 2020	-	8,68,498	86,57,542	27,25,378	26,57,742	1,49,09,161
Additions	2,76,27,796	-	-	11,84,484	1,96,009	2,90,08,289
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	2,76,27,796	8,68,498	86,57,542	39,09,862	28,53,751	4,39,17,449
II. Accumulated Amortization						
Upto April 01, 2019	-	6,90,321	74,29,364	23,59,229	20,75,559	1,25,54,473
Depreciation expense for the period	-	46,124	3,54,970	5,28,084	2,49,446	11,78,624
Eliminated on disposal of assets	-	-	-	-	-	-
Upto March 31, 2021	-	7,36,445	77,84,334	28,87,314	23,25,005	1,37,33,098
III. Net Carrying Amount [I-II]						
As at March 31, 2021	2,76,27,796	1,32,053	8,73,208	10,22,549	5,28,746	3,01,84,352
As at March 31, 2020	-	1,78,177	12,28,178	3,66,149	5,82,183	23,54,687

Note 4: Intangible Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Computer Software	12,61,119	7,39,819
Total	12,61,119	7,39,819

For the year ended March 31, 2022

Particulars	Computer Software
I. Gross Carrying Amount	
As at April 01, 2021	20,81,968
Additions	13,08,920
Disposals	-
Balance as at March 31, 2022	33,90,888
II. Accumulated Amortization	
Upto April 01, 2021	13,42,150
Amortization expense for the period	7,87,620
Eliminated on disposal of assets	-
Upto March 31, 2022	21,29,770
III. Net Carrying Amount [I-II]	
As at March 31, 2022	12,61,119
As at March 31, 2021	7,39,819

For the year 2020-21

Particulars	Computer Software
I. Gross Carrying Amount	
As at April 01, 2020	13,17,147
Additions	7,64,821
Disposals	-
Balance as at March 31, 2021	20,81,968
II. Accumulated Amortization	
Upto April 01, 2020	11,63,910
Amortization expense for the period	1,78,239
Eliminated on disposal of assets	-
Upto March 31, 2021	13,42,150
III. Net Carrying Amount [I-II]	
As at March 31, 2021	7,39,819
As at March 31, 2020	1,53,237

Note 5: Non-current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid-up)		
(i) Unquoted investments		
(a) Subsidiaries: [Refer note 36(iii)]		
B.N.Rathi Comtrade Private Limited [10,00,000 (31.03.2020: 10,00,000) equity shares of par value Rs. 10 each]	1,00,00,000	1,00,00,000
B.N.Rathi Industries Private Limited [5,00,000 (31.03.2020: 5,00,000) equity shares of par value Rs. 10 each]	50,00,000	50,00,000
Total	1,50,00,000	1,50,00,000

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

Note 6: Non-current loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security deposits		
- Security deposits with Stock Exchanges/Clearing Houses	1,71,89,200	1,14,50,012
Total	1,71,89,200	1,14,50,012

Note 7: Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Right to use asset	-	34,659
Total	-	34,659

Note 8: Deferred tax asset (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation	17,09,897	12,66,993
Employee benefits	14,98,132	14,19,630
Total	32,08,029	26,86,623

Note 9: Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	14,74,864	17,66,308
Prepaid expenses	10,46,019	13,19,135
Total	25,20,883	30,85,443

Note 10: Current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid-up)		
(i) Unquoted investments		
(a) Other investments:		
Mahesh Vidya Bhavan Limited[20,000 (31.03.2021: 20,000) equity shares of face value Rs. 10 each]"	2,00,000	2,00,000
Sevenhills Co-op Bank Limited [5,000 (31.03.2021: 5,000) equity shares of face value Rs. 10 each]"	5,00,000	5,00,000
Total	7,00,000	7,00,000

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	7,00,000	7,00,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

Note 11: Current loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security margin money with Stock Exchanges/ Clearing Houses	50,00,000	21,60,00,000
Total	50,00,000	21,60,00,000

Note 12: Trade receivables [Refer Note 40]

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Outstanding for a period exceeding six months	-	-
Others	10,55,40,924	7,79,87,276
Total	10,55,40,924	7,79,87,276

Note 13: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
- In current accounts	9,68,90,053	1,57,37,917
- Deposits with original maturity of less than 3 months	14,87,50,000	6,08,00,000
Cash on hand	31,714	41,572
Total	24,56,71,767	7,65,79,489

Note 14: Bank balances other than above

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In earmarked accounts		
- Unpaid dividend accounts	13,89,444	14,89,046
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	39,25,000	32,50,000
- Remaining maturity for less than 12 months	97,35,00,000	69,04,25,000
Total	97,88,14,444	69,51,64,046

Note 15: Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	44,55,823	19,15,238
Interest accrued but not due	1,09,02,093	61,12,127
Short term loans & advance	70,800	-
Advances to employees	9,20,137	6,15,600
Right to use	34,659	2,07,953
Total	1,63,83,512	88,50,918

Note 16: Current tax asset [Net of provisions]

Particulars	As at March 31, 2022	As at March 31, 2021
Advance income tax	1,96,50,264	1,32,60,218
Current tax liabilities	1,63,91,523	1,32,72,846
Total	32,58,741	(12,628)

Note 17: Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	6,12,979	8,05,161
Balances with government authorities (other than income taxes)	69,002	3,44,244
Other current assets	89,44,443	54,54,092
Total	96,26,424	66,03,497

Note 18: Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity shares of Rs.10 each	1,20,00,000	12,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid:				
Equity shares of Rs.10 each	84,00,000	8,40,00,000	50,40,000	5,04,00,000
	84,00,000	8,40,00,000	50,40,000	5,04,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2022				
- Number of shares	50,40,000	33,60,000	-	84,00,000
- Amount	50,40,000	3,36,00,000	-	84,00,000
Year ended March 31, 2021				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	50,40,000	-	-	5,04,00,000

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

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

(c) Issue of shares under right issue:

The Company had, issued 33,60,000 equity shares of face value of ₹ 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of ₹ 22 per Rights Equity Share (including premium of ₹ 12 per Rights Equity Share). The rights were offered in ratio of 3:2.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
Equity shares of Rs.10/- each fully paid				
Hari Narayan Rathi	29,24,955	34.82%	16,24,955	32.24%
Chetan Rathi	9,14,890	10.89%	4,98,534	9.89%
Chanda Devi Rathi	6,70,624	7.98%	3,12,406	6.20%

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

Note 19: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	14,90,400	14,90,400
Securities Premium	6,29,36,151	2,26,16,151
General Reserve	9,66,955	9,66,955
Retained Earnings	18,17,36,490	14,06,44,590
Total	24,71,29,996	16,57,18,096

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

Nature and purpose of other equity:
(a) Capital Reserve

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

(b) Securities Premium

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

This represents appropriation of profit by the company.

(d) Retained Earnings

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

Note 20: Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Term loan		
- From bank	1,64,12,457	1,68,58,780
Total	1,64,12,457	1,68,58,780

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

Note 21: Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	-	39,743
Total	-	39,743

Note 22: Non-current provisions [Refer Note 35]

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity	52,37,959	52,95,318
Total	52,37,959	52,95,318

Note 23: Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Working capital loan		
From bank		
Rupee loans	-	5,12,20,479
Total	-	5,12,20,479

Note 24: Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors - clients [Refer Note 40 & 41]	1,05,09,36,077	82,52,88,610
Sharing of brokerage payable	1,80,88,277	1,17,45,312
Outstanding liabilities	6,51,310	8,02,594
Other payables	59,28,024	51,03,940
Total	1,07,56,03,688	84,29,40,456

Note 25: Current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities	39,743	2,28,087
Current maturities of borrowings - Non current [Refer Note 20]	4,46,323	4,14,584
Total	4,86,066	6,42,671

Note: The term loan is secured by way of hypothecation of property purchased. The loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

Note 26: Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits [Refer Note 35]		
- Gratuity	7,14,567	9,09,358
Total	7,14,567	9,09,358

Note 27: Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend	13,89,444	14,89,046
Statutory remittances	31,27,288	34,17,696
Client margin deposits	31,81,029	59,22,119
Other deposits - Sub brokers	75,552	1,99,743
Total	77,73,313	1,10,28,604

Note 28: Revenue from operations (Gross)

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Income from broking operations	30,80,99,878	23,43,16,965
Other operating revenue	7,14,48,624	5,63,35,656
Total	37,95,48,502	29,06,52,621

Note 29: Other income

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Dividend income	13,024	-
Interest income on deposits	4,40,97,837	3,24,71,733
Prior period income	54,107	-
Income from disposal of scrapped asset	14,750	-
Total	4,41,79,718	3,24,71,733

Note 30: Employee benefit expense

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Salaries, allowances and wages	5,31,66,406	5,19,23,851
Contribution to provident and other funds	25,12,414	30,73,626
Staff welfare expenses	4,90,345	4,53,283
Total	5,61,69,165	5,54,50,760

Note 31: Finance costs

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Interest expense on:		
- Working capital	1,02,317	60,170
- Secured loan	12,64,348	4,72,917
- Others	87,10,864	53,32,394
- Lease liability	10,329	49,951
- Delayed remittance of income tax	1,06,742	1,33,684
Other borrowing costs	21,71,085	11,67,267
Total	1,23,65,685	72,16,383

Note 32: Other expenses

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Operating expenses:		
Transaction charges	4,55,21,291	4,25,23,376
Other operating expenses	2,35,02,608	1,27,29,964
Others:		
Power and fuel	13,78,429	10,32,386
Rent [Refer Note 37, 38]	20,68,064	13,65,665
Repairs and maintenance	25,03,024	7,18,793
Insurance	4,71,056	1,45,065
Rates and taxes	51,85,338	36,97,207
Right issue expenses	35,37,738	-
Communication	28,77,633	15,50,364
Travelling and conveyance	1,47,905	1,62,343
Printing and stationary	8,14,276	11,97,973
Business promotion	9,24,595	5,54,794
Loss on sale of PPE	8,972	-
Donations	9,99,000	1,22,000
Legal and professional	17,93,579	17,05,639
Loss on sale of investments	-	5,13,034
Auditor's remuneration:		
- Statutory audit	2,25,000	2,25,000
- Internal audit	2,00,000	2,00,000
- Tax audit	70,000	70,000
- Certification	2,20,000	2,20,000
General and other administration expenses	61,20,231	41,40,899
Total	9,85,68,739	7,28,74,502

Note 33: Income tax expense

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
(a) Major components of income tax expense:		
(i) Current Income Tax	-	-
- Current income tax charge	1,63,91,523	1,32,72,846
- Adjustments in respect of current income tax of previous year	-	28,43,232
	1,63,91,523	1,61,16,078
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(5,21,407)	24,941
	(5,21,407)	24,941
Income tax expense reported in the statement of profit or loss	1,58,70,116	1,61,41,019
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	6,26,01,474	5,06,73,798
Indian tax rate	25.17%	25.17%
Tax at the Indian tax rate	1,57,55,539	1,27,53,582
Effect of:		
Non-Deductible expenses for tax purposes	13,53,910	10,32,383
Deferred tax	(5,21,407)	24,941
Others	(7,17,927)	23,30,113
Total Income Tax Expense	1,58,70,115	1,61,41,019

34. Contingent liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
i) Bank Guarantees	24,90,00,000	19,00,00,000

35. Employee Benefits

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

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

Statement of Profit and Loss
Net employee benefit expenses recognized in the employee cost

Particulars	March 31, 2022	March 31, 2021
Current service cost	6,02,770	6,80,404
Interest cost on benefit obligation	3,99,495	3,82,419
Expected return on plan assets	(2,19,519)	(1,81,767)
Net actuarial loss/(gain) recognized in the year	(4,07,977)	(5,10,028)
Net benefit expense	3,74,769	3,71,028

Balance Sheet
Benefit liability

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	59,52,527	62,04,676
Fair value of plan assets	(33,65,735)	(32,18,863)
Plan liability	25,86,791	29,85,812

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

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	62,04,676	56,32,095
Current service cost	6,02,770	6,80,404
Interest cost	3,99,495	3,82,419
Benefits paid	(8,63,250)	-
Actuarial gain/(losses) on obligation	(3,91,164)	(4,90,242)
Closing defined benefit obligation	59,52,527	62,04,676

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

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	32,18,863	24,84,155
Adjustment to opening balance	3,782	1,47,495
Expected return	2,19,519	1,81,767
Contributions by employer	7,70,009	3,85,660
Benefits paid	(8,63,250)	-
Actuarial (losses)/gains	16,813	19,786
Closing fair value of plan assets	33,65,735	32,18,863

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

Particulars	March 31, 2022	March 31, 2021
Discount rate (%)	7.34%	6.92%
Expected rate of return on assets (%)	7.34%	6.92%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

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

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

36. Segment information

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 “Operating Segments”. The company earns its entire “revenue from external customers” in India, being company’s country of domicile. All non-current assets other than financials instruments and deferred tax assets are located in India. There are no single major customers on whom the company’s revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company’s revenue.

37. Related Party Disclosures

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

Nature of Relationship	Name of Related Party
Subsidiaries:	B. N. Rathi Comtrade Private Limited B. N. Rathi Industries Private Limited
Key Management Personnel (KMP):	Hari Narayan Rathi – Managing Director Chetan Rathi – Executive Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi - Wife of Mr. Hari Narayan Rathi Nisha Rathi – Wife of Ms. Chetan Rathi Anuradha Pasari – Daughter of Mr. Hari Narayan Rathi Govind Narayan Rathi – Brother of Mr. Hari Narayan Rathi

b) Transactions with related parties:

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Rent Paid:	7,60,000	9,60,000
-Chanda Devi Rathi	7,20,000	7,20,000
-Govind Narayan Rathi HUF	40,000	2,40,000
Remuneration Paid:	1,08,00,000	1,05,00,000
-Hari Narayan Rathi	60,00,000	57,00,000
-Chetan Rathi	48,00,000	48,00,000
Dividend Paid:	-	-
-Hari Narayan Rathi	19,49,946	-
-Chetan Rathi	5,98,241	-
-Chanda Devi Rathi	2,41,829	-
-Nisha Rathi	3,74,887	-
Service Rendered – Brokerage Received:	53,456.91	36,582.67
-Hari Narayan Rathi	236.75	2,656.93
-Chetan Rathi	1,585.07	850.30
-Chanda Devi Rathi	1,481.96	653.01
-Nisha Rathi	1,441.74	566.82
-Govind Narayan Rathi	45,935.22	24,511.01
-Anuradha Pasari	-	5,849.85
-Hari Narayan Rathi HUF	2,068.2	816.01
-Chetan Rathi HUF	707.97	678.74
Rental Deposit Recovered:	40,000	60,000
-Govind Narayan Rathi HUF	40,000	60,000
Loan taken:	3,30,00,000	-
-Hari Narayan Rathi	90,00,000	-
-Chetan Rathi	2,40,00,000	-
Loan repaid:	3,30,00,000	-
-Hari Narayan Rathi	90,00,000	-
-Chetan Rathi	2,40,00,000	-
Interest paid:	5,38,521	-
-Hari Narayan Rathi	1,89,370	-
-Chetan Rathi	3,49,151	-

c) Related party balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current investments:	1,50,00,000	1,50,00,000
- B. N. Rathi Industries Private Limited	50,00,000	50,00,000
- B. N. Rathi Comtrade Private Limited	1,00,00,000	1,00,00,000
Rent Deposit:	10,00,000	10,40,000
- Chanda Devi Rathi	10,00,000	10,00,000
- Govind Narayan Rathi HUF	-	40,000

38. Leases:
Operating Lease
Assets taken on cancellable operating lease

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating Lease – Cancellable	20,68,064	13,65,665
Total	20,68,064	13,65,665

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after taxation as per statement of profit and loss (for basic EPS)	4,67,31,357	3,45,32,780
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	4,67,31,357	3,45,32,780

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of weighted average equity shares considered for calculating of basic EPS	56,84,384	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	56,84,384	50,40,000

iii. Earnings per share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Basic (Rs.)	8.22	6.85
- Diluted (Rs.)	8.22	6.85

40. Balance Confirmations

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

41. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2022 and March 31, 2021 in the financial statements based on information received and available with the company.

42. During FY 2012-13, company entered into an agreement for sale of land with Mrs. Hari Gayathri, wife of Mr. Venkata Appa Rao Yeleswarapu, client of the company. Mr. Venkata Appa is liable to pay Rs. 34,43,070 to the company as on January 31, 2013. In the process of recovery, the company entered into an agreement for sale of land on February 01, 2013 with his wife for a consideration of Rs. 14,74,864. The consideration is to be treated as advance receivable by her from the company against the amount payable by her husband. The registration of land in favour of the company is pending. The company has decided to disclose the consideration under the head "Long term loans & advances" as 'Property pending for registration & possession.' The company has filed a suit for specific performance for the same. The status of the case is 'pending' and recovery of the same is doubtful.

43. Fair Value Measurements
i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2022	March 31, 2021
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	-	-
Fair Value Hierarchy		
Financial Assets	3	3
Other Financial Assets – Security Deposits	44,55,823	19,15,238
Financial Liabilities		
Borrowings	1,68,58,780	6,84,93,843

ii. Financial Instruments by category

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

Particulars	Mar-22			Mar-21		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	-	-	-	-	-	-
Other investments	-	-	1,57,00,000	-	-	1,57,00,000
Trade Receivables	-	-	10,55,40,924	-	-	7,79,87,276
Loans	-	-	2,21,89,200	-	-	22,74,50,012
Cash & Cash Equivalents	-	-	24,56,71,767	-	-	7,65,79,489
Other bank balances	-	-	97,88,14,444	-	-	69,51,64,046
Others	-	44,55,823	1,19,27,689	-	19,15,238	69,70,339.00
Total	-	44,55,823	1,37,98,44,024	-	19,15,238	1,09,98,51,162
Financial Liabilities						
Borrowings	-	-	1,68,58,780	-	-	6,84,93,843.26
Trade Payables	-	-	1,07,56,03,688	-	-	84,29,40,456
Total	-	-	1,09,24,62,468	-	-	91,14,34,299

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

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

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

44. Financial Instruments Risk Management

i. Market Risk

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

a. Interest rate risk

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

b. Price Risk

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

ii. Credit Risk

Credit risk is the risk that a counter party fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables. Ageing of receivables is as follows:

Particulars	March 31, 2022	March 31, 2021
Past due not impaired:	-	-
0-30 Days	9,68,44,343	7,58,13,225
31-90 Days	86,96,581	21,74,051
91-180 Days	-	-
Greater than 180 Days	-	-
Total	10,55,40,924	7,79,87,276

iii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
March 31, 2022				
Borrowings	1,68,58,780	-	-	1,68,58,780
Trade Payables	107,56,03,688	-	-	107,56,03,688
Total	109,24,62,468	-	-	109,24,62,468
March 31, 2021				
Borrowings	6,84,93,843	-	-	6,84,93,843
Trade Payables	84,29,40,456	-	-	84,29,40,456
Total	91,14,34,299	-	-	91,14,34,299

45. Capital Risk Management

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

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

Particulars	March 31, 2022	March 31, 2021
Non-Current borrowings	1,64,12,457	1,68,58,780
Current borrowings	4,46,323	5,16,35,063
Total Debt	1,68,58,780	6,84,93,843
As a percentage of total capital	4.84%	24.07%
Equity	33,11,29,996	21,61,18,097
As a percentage of total capital	95.16%	75.93%
Total Capital [Debt and Equity]	34,79,88,776	28,46,11,940

46. Issue of shares with rights:

During the year, company had, issued 33,60,000 equity shares of face value of ₹ 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of ₹ 22 per Rights Equity Share (including premium of ₹ 12 per Rights Equity Share). The rights were offered in ratio of 3:2.

There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Pursuant to IND AS 33, basic and diluted earnings per share for the previous periods have been restated for the bonus element in respect of right issue made during the quarter ended March 31, 2022.

47. Impact of Global Health Pandemic - COVID-19

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

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

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

48. Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 18, 2022, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

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

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

Sd/-
Sabitha Reddy
Company Secretary

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS
TO THE MEMBERS OF B. N. RATHI SECURITIES LIMITED**

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of B.N. Rathi Securities Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2022, of consolidated profit/loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Other Information

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

Auditor's Responsibility for the Audit of Consolidated Financial Statements

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

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

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

performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
 - e) On the basis of the written representations received from the directors of the Holding Company and subsidiary companies as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and subsidiary companies, none of the directors of the Group companies is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2", which is based on the auditors' reports of the Holding company and subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's internal financial controls over financial reporting.
 - g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Parent Company and its subsidiary company incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act. The provisions of section 197 read with Schedule V of the Act are not applicable to the other two subsidiaries incorporated in India for the year ended March 31, 2022;
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and

according to the explanations given to us:

- a. the Group does not have any pending litigations which would impact its financial position other than those disclosed.
- b. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
- c. there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.
- d. (i) The respective managements of the Parent Company and its subsidiaries which are companies incorporated in India, have represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Parent Company or its subsidiaries to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Parent Company or its subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The respective managements of the Parent Company and its subsidiaries, which are companies incorporated in India, have represented to us that, to the best of its knowledge and belief, no funds which are material either individually or in the aggregate have been received by the respective Parent Company or its subsidiaries from any person or entity, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Parent Company or its subsidiaries shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.
- e. The final dividend paid by the Parent Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Parent Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

The Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

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

Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJDUPF4141

Hyderabad,
May 18, 2022

Annexure “1” to the Independent Auditors’ Report

Re: B. N. Rathi Securities Limited (‘the Parent Company’)

In terms of the information and explanations sought by us and given by the Company and to the best of our knowledge and belief, we state that:

3(xxi) There are no qualifications or adverse remarks in the Companies (Auditors Report) Order (CARO) reports of the Company and its subsidiary companies included in the Consolidated Financial Statements.

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

Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJDUPF4141

Hyderabad,
May 18, 2022

ANNEXURE “2” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

We have audited the internal financial controls with reference to Consolidated Financial Statements of the Parent Company and its subsidiaries (the Parent Company and its subsidiaries together referred to as “the Group”), which are companies incorporated in India, as of March 31, 2022, in conjunction with our audit of the Consolidated Financial Statements of the parent company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of un authorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies, as adopted by each company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJDUPF4141

Hyderabad,
May 18, 2022

1. Group Information:

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

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

2. Significant Accounting Policies:

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

a) Basis of preparation:

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

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

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

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

Name of the consolidating entities	Country of Incorporation	Percentage Holding/Interest (%)	
		As at March 31, 2022	As at March 31, 2021
B. N. Rathi Comtrade Private Limited	India	100.00	100.00
B. N. Rathi Industries Private Limited	India	100.00	100.00

b) Use of estimates and judgements:

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

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

c) Revenue Recognition:

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

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

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

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

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

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

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

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

d) Fair value measurement:

The group measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

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

e) Property, plant and equipment:**i. Recognition and initial measurement:**

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

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

the group. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) Intangible Assets:

i. Recognition and initial measurement:

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

ii. Amortization and estimated useful lives:

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

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

iii. Transition to Ind AS:

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

g) Impairment of assets:

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

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

h) Leases:

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

Company as a lessee

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

(i) Right-of-Use Assets

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

(ii) Lease Liabilities

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

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

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

i) Financial Instruments:**a. Financial Assets**

Initial recognition and measurement

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

Subsequent measurement

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

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

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

De-recognition of financial assets

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

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

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

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

Subsequent measurement

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

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

De-recognition of financial liabilities

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

c. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right

must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counter party.

j) Borrowing costs:

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

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

k) Employee Benefits:

d. Short-term benefit plans

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

e. Defined contribution plans

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

f. Defined benefit plans

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

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

l) Income Taxes:

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

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

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

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

m) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:

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

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

n) Cash and cash equivalents:

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

o) Cash flow statement:

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

p) Earnings per share:

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

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

Consolidated Balance Sheet as at March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
A ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	3	3,33,63,127	3,03,18,702
(b) Intangible assets	4	12,61,119	7,39,820
(c) Financial assets			
- Investments	5	35,25,102	25,25,000
- Loans	6	2,35,89,200	1,24,50,012
- Other non-current financial assets	7	-	34,659
(d) Deferred tax assets (Net)	8	34,57,265	29,64,033
(e) Other non-current assets	9	25,20,883	30,85,443
Total non-current assets [A]		6,77,16,696	5,21,17,669
2 Current assets			
(a) Inventories	10	28,38,855	-
(b) Financial assets			
- Investments	11	1,30,94,834	1,05,58,602
- Loans	12	80,64,000	21,65,00,000
- Trade receivables	13	10,55,40,924	8,90,86,804
- Cash and cash equivalents	14	27,19,07,368	7,68,59,039
- Bank balances other than above	15	97,88,14,444	71,59,14,046
- Other current financial assets	16	1,75,83,512	88,50,918
(c) Income taxes	17	32,58,741	-
(d) Other current assets	18	99,86,094	73,39,710
Total current assets [B]		1,41,10,88,772	1,12,51,09,119
TOTAL ASSETS [A+B]		1,47,88,05,468	1,17,72,26,788
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	19	8,40,00,000	5,04,00,000
(b) Other Equity	20	28,26,11,655	19,78,60,342
Total equity [A]		36,66,11,655	24,82,60,342
2 Non-current liabilities			
(a) Financial liabilities			
- Borrowings	21	1,64,12,457	1,68,58,780
- Other non current financial liabilities	22	-	39,743
(b) Provisions	23	52,37,959	52,95,318
(c) Other non current liabilities	24	54,00,000	-
Total non-current liabilities [B]		2,70,50,416	2,21,93,841
3 Current liabilities			
(a) Financial liabilities			
- Borrowings	25	-	5,12,20,479
- Trade payables	26	1,07,56,03,688	84,29,40,456
- Other current financial liabilities	27	9,86,066	6,42,671
(b) Provisions	28	7,14,567	9,09,358
(c) Income taxes	29	59,623	31,037
(d) Other current liabilities	30	77,79,453	1,10,28,604
Total current liabilities [C]		1,08,51,43,397	90,67,72,605
TOTAL EQUITY AND LIABILITIES [A+B+C]		1,47,88,05,468	1,17,72,26,788
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 53		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

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

Sd/-
Sabitha Reddy
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	REVENUE			
	Revenue from Operations (Gross)	31	38,58,25,731	29,72,78,349
	Other Income	32	4,64,02,053	3,38,75,198
	TOTAL REVENUE [I]		43,22,27,784	33,11,53,547
II	EXPENSES			
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(28,38,855)	-
	Employee benefit expenses	34	5,86,44,040	5,67,70,218
	Finance costs	35	1,25,31,230	72,19,361
	Depreciation and amortization expense	3 & 4	31,10,551	23,25,656
	Other expenses	36	10,27,09,084	7,70,25,127
	Share of brokerage		19,09,61,633	13,46,18,479
	TOTAL EXPENSES [II]		36,51,17,683	27,79,58,841
III	Profit Before Tax		6,71,10,101	5,31,94,706
IV	Tax Expense:			
	- Current tax	37	1,75,33,776	1,38,85,478
	- Adjustment of current tax relating to earlier years		1,651	28,43,232
	- MAT credit entitlement availed		(2,864)	-
	- Deferred tax credit		(4,93,233)	96,949
V	Profit for the year		5,00,70,771	3,63,69,047
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	- Remeasurements of post-employment benefit obligations		4,07,977	5,10,028
	- Remeasurements of financial assets		565	(4,694)
	- Recognition of borrowings using effective interest rate		-	-
	Other comprehensive income for the year, net of tax		5,04,79,313	3,68,74,381
VII	Earnings per equity share Rs. 10/- each fully paid			
	- Basic	43	8.81	7.22
	- Diluted	43	8.81	7.22
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	1 to 53		

As per our report on even date

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

 Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

 Place: Hyderabad
Date: May 18, 2022

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

 Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

 Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

 Sd/-
Sabitha Reddy
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) for the period		6,71,10,101	5,31,94,706
Adjustment to reconcile profit before tax to net cash flows:			
Depreciation and amortisation		31,10,551	23,25,656
Interest expense other than lease liability		1,02,39,847	58,68,459
Interest expense on account of lease liability		10,329	49,951
Remeasurement of lease		(2,38,414)	(10,20,330)
Profit on sale of property, plant and equipment		(14,750)	-
Remeasurement of post employee benefits		4,07,977	5,10,028
Profit on sale of investments		(56,974)	-
Dividend income		(74,681)	(33,681)
Interest income		(4,48,92,785)	(3,37,52,533)
Cash generated before working capital changes		3,56,01,202	2,71,42,255
Movements in working capital:			
Increase/(Decrease) in trade payables		23,26,63,232	45,88,60,643
(Increase)/decrease in inventories		(28,38,855)	-
(Decrease)/increase in other financial liabilities		5,00,000	-
Increase/(Decrease) in other current liabilities		(32,49,151)	(12,93,918)
Increase/(Decrease) in long term provisions		(57,359)	68,502
Increase/(Decrease) in short term provisions		(1,94,791)	5,04,079
(Increase)/Decrease in trade receivables		(1,64,54,120)	(4,66,12,370)
(Increase)/Decrease in other non-current financial assets		565	3,11,588
(Increase)/Decrease in non-current loans		(1,11,39,188)	54,99,988
(Increase)/Decrease in current loans		20,84,36,000	(10,67,50,000)
(Increase)/Decrease in other non-current assets		5,64,560	(11,91,403)
(Increase)/Decrease in other current financial assets		(89,05,888)	1,66,84,510
(Increase)/Decrease in other current assets		(26,46,384)	(18,90,216)
Cash generated from operations		43,22,79,823	35,13,33,659
Income taxes paid		(2,07,62,718)	(1,52,32,545)
Net cash flow (used in)/from operating activities (A)		41,15,17,105	33,61,01,114
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets		(65,57,546)	(2,97,73,110)
Net (Purchase)/Sale of current investments		(24,79,258)	44,54,936
(Investment)/Redemption of bank deposits		(26,29,00,398)	(45,27,17,014)
Proceeds from sale of property, plant and equipment		1,03,972	-
Dividend received		74,681	33,681
Interest received		4,48,92,785	3,37,52,533
Net cash flow (used in)/from investing activities (B)		(22,68,65,764)	(44,42,48,974)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of)/Proceeds from short term borrowings		31,739	4,14,584
(Repayment of)/Proceeds from long term borrowings		(4,46,323)	1,68,58,780
(Repayment of)/Proceeds from advance taken		54,00,000	-
(Repayment of)/Proceeds from issue of shares [including premium]		7,39,20,000	-
(Investment)/redemption in debentures		(10,00,102)	(5,25,000)
Dividends paid on equity shares and tax on equity dividend paid		(60,48,000)	-
Interest paid		(1,02,39,847)	(58,68,459)
Net cash flow (used in)/from financing activities (C)		6,16,17,467	1,08,79,905
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		24,62,68,808	(9,72,67,955)
E. Cash and cash equivalents			
at the beginning of the year	14	2,56,38,560	12,29,06,515
at the end of the year		27,19,07,368	2,56,38,560
Components of cash and cash equivalents	2(n)		
Balance with banks			
- In current accounts		12,31,07,688	1,60,09,460
- Deposits with original maturity of less than 3 months		14,87,50,000	6,08,00,000
Cash on hand		49,680	49,579
Less: Bank overdraft		-	(5,12,20,479)
Cash and cash equivalents at the end of the year		27,19,07,368	2,56,38,560
Corporate information	1		
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Accompanying notes forming an integral part of the financial statements	1 to 53		

As per our report on even date

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

 Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

 Place: Hyderabad
Date: May 18, 2022

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

 Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

 Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

 Sd/-
Sabitha Reddy
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Equity shares of Rs. 10 each issued, subscribed and fully paid up		
Balance at the beginning of the reporting year	84,00,000	8,40,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	84,00,000	8,40,00,000

B. Other equity

Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Movement in other equity is as follows:		
I. Capital Reserve	14,90,400	14,90,400
II. Securities Premium		
Opening Balance	2,26,16,151	2,26,16,151
Add: Premium on account of shares issued under right issue	4,03,20,000	-
Closing Balance	6,29,36,151	2,26,16,151
III. General Reserve	11,46,655	11,46,655
IV. Retained Earnings		
(i) Opening Balance	17,26,07,136	13,57,32,755
(ii) Profit for the year	5,00,70,771	3,63,69,047
(iv) Other comprehensive income	4,08,542	5,05,334
(v) Proposed dividend and tax on the same	(60,48,000)	-
	21,70,38,449	17,26,07,136
Total	24,22,91,655	19,78,60,342

Note 3: Property, Plant and Equipment

Particulars	As at March 31, 2022	As at March 31, 2021
Building	2,76,27,796	2,76,27,796
Furniture and Fittings	3,54,036	2,04,022
Motor Vehicles	25,23,394	8,82,647
Computers and Data Processing Units	10,30,373	10,27,660
Office Equipment	18,27,528	5,76,577
Total	3,33,63,127	3,03,18,702

For the year 2021-22

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Block						
Opening Balance	2,76,27,796	31,52,504	87,24,004	44,82,959	33,87,593	4,73,74,856
Additions	-	2,04,910	23,41,852	10,26,167	16,75,696	52,48,626
Disposals	-	-	17,84,430	-	-	17,84,430
Balance as at March 31, 2022	2,76,27,796	33,57,414	92,81,426	55,09,127	50,63,290	5,08,39,052
II. Accumulated Depreciation						
Opening Balance	-	29,48,482	78,41,357	34,55,300	28,11,016	1,70,56,155
Depreciation expense for the year	-	54,896	6,11,883	10,23,453	4,24,746	21,14,979
Eliminated on disposal of assets	-	-	16,95,208	-	-	16,95,208
Balance as at March 31, 2022	-	30,03,378	67,58,032	44,78,753	32,35,762	1,74,75,926
III. Net Block [I-II]						
Carrying value as at March 31, 2022	2,76,27,796	3,54,036	25,23,394	10,30,373	18,27,528	3,33,63,127
Carrying value as at March 31, 2021	2,76,27,796	2,04,022	8,82,647	10,27,660	5,76,577	3,03,18,702

For the year 2020-21

Description of Assets	Buildings	Furniture and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipment	Total
I. Gross Block						
Opening Balance	-	31,52,504	87,24,004	32,98,475	31,91,584	1,83,66,568
Additions	2,76,27,796	-	-	11,84,484	1,96,009	2,90,08,289
Disposals	-	-	-	-	-	-
Balance as at March 31, 2021	2,76,27,796	31,52,504	87,24,004	44,82,959	33,87,593	4,73,74,856
II. Accumulated Depreciation						
Opening Balance	-	28,83,629	74,83,091	29,26,392	25,49,193	1,58,42,305
Depreciation expense for the year	-	64,853	3,58,266	5,28,908	2,61,823	12,13,850
Eliminated on disposal of assets	-	-	-	-	-	-
Balance as at March 31, 2021	-	29,48,482	78,41,357	34,55,300	28,11,016	1,70,56,155
III. Net Block [I-II]						
Carrying value as at March 31, 2021	2,76,27,796	2,04,022	8,82,647	10,27,660	5,76,577	3,03,18,702
Carrying value as at March 31, 2020	-	2,68,875	12,40,913	3,72,084	6,42,391	25,24,262

Note 4: Intangible Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Computer Software	12,61,119	7,39,820
Total	12,61,119	7,39,820

For the year 2021-22

Particulars	Computer Software
I. Gross Block	
Opening Balance	20,81,968
Additions	13,08,920
Disposals	-
Balance as at March 31, 2022	33,90,888
II. Accumulated Amortization	
Opening Balance	13,42,150
Amortization expense for the year	7,87,620
Eliminated on disposal of assets	-
Upto March 31, 2022	21,29,770
III. Net Block [I-II]	
Carrying value as at March 31, 2022	12,61,119
Carrying value as at March 31, 2021	7,39,819

For the year 2020-21

Particulars	Computer Software
I. Gross Block	
Opening Balance	13,17,147
Additions	7,64,821
Disposals	-
Balance as at March 31, 2021	20,81,968
II. Accumulated Amortization	
Opening Balance	11,63,909
Amortization expense for the year	1,78,239
Eliminated on disposal of assets	-
Balance as at March 31, 2021	13,42,149
III. Net Block [I-II]	
Carrying value as at March 31, 2021	7,39,820
Carrying value as at March 31, 2020	1,53,238

Note 5: Non-current investments

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Unquoted Investments		
Propspace Square Private Limited [4 (31.03.2021: 4) debentures of par value Rs. 5,00,000 each]	20,00,000	20,00,000
Owo Techonologies Private Limited	5,00,102	-
Joule Consulting Pvt Ltd-Callify[179 (31.03.2021: Rs. 5,00,000) 0.001% compulsory convertible preference shares of face value Rs. 10 each and issued at a premium of Rs. 2,788.5 each]"	5,00,000	-
Actionable Science Labs Private Limited [525 (31.03.2021: 525) debentures of par value Rs. 1,000 each]"	5,25,000	5,25,000
Total	35,25,102	25,25,000

Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	35,25,102	25,25,000
Aggregate amount of fair value changes in the value of investments	-	-
	-	-
Investments carried at cost		
Investments carried at amortized cost	35,25,102	25,25,000
Investments carried at fair value through profit and loss	-	-
	-	-

Note 6: Non-current loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Advance to related parties	54,00,000	-
Security Deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	1,81,89,200	1,24,50,012
Total	2,35,89,200	1,24,50,012

Note 7: Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Right to use asset	-	34,659
Total	-	34,659

Note 8: Deferred tax asset (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Depreciation	19,59,133	15,44,403
Employee benefits	14,98,132	14,19,630
Total	34,57,265	29,64,033

Note 9: Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	14,74,864	17,66,308
Prepaid expenses	10,46,019	13,19,135
Total	25,20,883	30,85,443

Note 10: Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Work-in-progress	28,38,855	-
Total	28,38,855	-

Note 11: Current Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid-up)		
(i) Quoted Investments		
Quoted investments in shares and securities (valued at fair value through profit and loss account)		
Investment in shares	1,23,94,834	90,13,054
Quoted investments in mutual funds (valued at cost)		
Birla Sun Life Mutual Fund[Nil (31.03.2021: 2715.95)]	-	8,45,548
(ii) Unquoted Investments		
(a) Other Investments:		
Mahesh Vidya Bhavan Limited[20,000 (31.03.2021: 20,000) equity shares of face value Rs. 10 each]"	2,00,000	2,00,000
Sevenhills Co-op Bank Limited [5,000 (31.03.2021: 5,000) equity shares of face value Rs. 10 each]"	5,00,000	5,00,000
.Total	1,30,94,834	1,05,58,602

Aggregate amount of quoted investments and market value thereof	1,23,94,834	98,58,602
Aggregate amount of unquoted investments	7,00,000	7,00,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	7,00,000	15,45,548
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	1,23,94,834	90,13,054

Note 12: Current Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Security margin money with Stock Exchanges/Clearing Houses	50,00,000	21,65,00,000
Security Deposits	10,00,000	-
Margin with exchanges	-	-
Staff Advances	-	-
Advance to others	20,64,000	-
Unsecured loan	-	-
Total	80,64,000	21,65,00,000

Note 13: Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Outstanding for a period exceeding six months	-	-
Others [Refer Note 44]	10,55,40,924	8,90,86,804
Total	10,55,40,924	8,90,86,804

Note 14: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
- In current accounts	12,31,07,688	1,60,09,460
- Deposits with original maturity of less than 3 months	14,87,50,000	6,08,00,000
Cash on hand	49,680	49,579
Total	27,19,07,368	7,68,59,039

Note 15: Bank balances other than above

Particulars	As at March 31, 2022	As at March 31, 2021
(i) In earmarked accounts		
- Unpaid dividend accounts	13,89,444	14,89,046
(ii) On deposit accounts		
- Remaining maturity for more than 12 months	39,25,000	32,50,000
- Remaining maturity for less than 12 months	97,35,00,000	71,11,75,000
Total	97,88,14,444	71,59,14,046

Note 16: Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	44,55,823	19,15,238
Deposit with others	12,00,000	-
Interest accrued but not due	1,09,02,093	61,12,127
Advances to related parties	-	-
Right issue	-	
Advance to suppliers	70,800	
Advance for land development charges	-	
Advances to employees	9,20,137	6,15,600
Right to use	34,659	2,07,953
Total	1,75,83,512	88,50,918

Note 17: Current tax asset [Net of provision]

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax	1,96,50,264	-
Current Tax Liabilities	1,63,91,523	-
Total	32,58,741	-

Note 18: Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	6,12,979	8,05,161
Balances with government authorities (other than income taxes)	3,84,807	4,31,989
MAT credit entitlement availed	2,864	-
Interest accrued on deposits with banks and others	41,001	1,48,468
Other current assets	89,44,443	59,54,092
Total	99,86,094	73,39,710

Note 19: Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity shares of Rs.10 each	1,20,00,000	12,00,00,000	60,00,000	6,00,00,000
Issued, subscribed and fully paid:				
Equity shares of Rs.10 each	84,00,000	8,40,00,000	50,40,000	5,04,00,000
Total	84,00,000	8,40,00,000	50,40,000	5,04,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2022				
- Number of shares	50,40,000	33,60,000	-	84,00,000
- Amount	50,40,000	33,60,000	-	84,00,000
Year ended March 31, 2021				
- Number of shares	50,40,000	-	-	50,40,000
- Amount	50,40,000	-	-	5,04,00,000

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

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

(c) Issue of shares under right issue:

The Company had, issued 33,60,000 equity shares of face value of ₹ 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of ₹ 22 per Rights Equity Share (including premium of ₹ 12 per Rights Equity Share). The rights were offered in ratio of 3:2.

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
Equity shares of Rs.10/- each fully paid				
Hari Narayan Rathi	29,24,955	34.82%	16,24,955	32.24%
Chetan Rathi	9,14,890	10.89%	4,98,534	9.89%
Chanda Devi Rathi	6,70,624	7.98%	3,12,406	6.20%

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

Note 20: Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Reserve	14,90,400	14,90,400
Securities Premium	6,29,36,151	2,26,16,151
General Reserve	11,46,655	11,46,655
Retained Earnings	21,70,38,449	17,26,07,136
Total	28,26,11,655	19,78,60,342

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

Nature and purpose of Other Equity:

(a) Capital Reserve

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

(b) Securities Premium

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

(c) General Reserve

This represents appropriation of profit by the company.

(d) Retained Earnings

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

Note 21: Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost		
Term loan		
- From bank	1,64,12,457	1,68,58,780
Total	1,64,12,457	1,68,58,780

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 5 instalments.

Note 22: Non-Current Financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liability	-	39,743
Total	-	39,743

Note 23: Non-Current Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
- Gratuity [Refer Note 39]	52,37,959	52,95,318
Total	52,37,959	52,95,318

Note 24: Other non current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from related parties	54,00,000	-
Total	54,00,000	-

Note 25: Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured - at amortised cost	-	-
Working capital loan	-	-
From bank	-	-
Rupee loans	-	5,12,20,479
Total	-	5,12,20,479

Note 26: Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors - clients [Refer Note 44 & 45]	1,05,09,36,077	82,52,88,610
Creditors - NSEL	-	-
Sharing of Brokerage payable	1,80,88,277	1,17,45,312
Creditors - Suppliers and other services	-	-
Outstanding Liabilities	6,51,310	8,02,594
Other Payables	59,28,024	51,03,940
Total	1,07,56,03,688	84,29,40,456

Note 27: Current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of borrowings - Non current [Refer Note 21]	4,46,323	4,14,584
Advance from customers	5,00,000	-
Lease liabilities	39,743	2,28,087
Total	9,86,066	6,42,671

Note: The term loan is secured by way of hypothecation of property purchased. The Loan is repayable in 239 equal monthly instalments. The applicable interest rate is 7.40%. The period of maturity with respect to balance sheet date is 2 instalments.

Note 28: Current Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits		
- Gratuity [Refer Note 39]	7,14,567	9,09,358
Total	7,14,567	9,09,358

Note 29: Current tax liability [Net of advance tax]

Particulars	As at March 31, 2022	As at March 31, 2021
Advance Income Tax	10,82,629	1,38,54,441
Current Tax Liabilities	11,42,252	1,38,85,478
Total	59,623	31,037

Note 30: Other Current Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend	13,89,444	14,89,046
Statutory remittances	31,33,428	34,17,696
Client margin deposits	31,81,029	59,22,119
Other deposits - Sub brokers	75,552	1,99,743
Total	77,79,453	1,10,28,604

Note 31: Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income from broking operations	30,80,99,878	23,43,16,965
Other operating revenue	7,77,25,853	6,29,61,384
Total	38,58,25,731	29,72,78,349

Note 32: Other Income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Dividend income	74,681	33,681
Interest income on deposits	4,47,28,781	3,37,40,422
Interest on loan	12,99,453	-
Interest received from mutual funds	2,463	-
Interest on debentures	1,64,004	12,111
Commission income	-	22,992
Profit on sale of Property, plant and equipment	14,750	-
Profit on sale of securities	56,974	-
Prior period income	54,107	-
Miscellaneous income	6,841	65,991
Total	4,64,02,053	3,38,75,198

Note 33: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories [At Close]	-	-
Work-in-progress	28,38,855	-
Inventories [At Commencement]		
Work-in-progress	-	-
Total	(28,38,855)	-

Note 34: Employee Benefit Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, allowances and wages	5,56,41,281	5,32,43,309
Contribution to provident and other funds	25,12,414	30,73,626
Staff welfare expenses	4,90,345	4,53,283
Total	5,86,44,040	5,67,70,218

Note 35: Finance Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on:	-	-
- Working Capital	2,64,635	63,148
- Secured loan	12,64,348	4,72,917
- Others	87,10,864	53,32,394
- Lease liability	10,329	49,951
- Delayed remittance of Income tax	1,08,081	1,33,684
Other borrowing costs	21,72,973	11,67,267
Total	1,25,31,230	72,19,361

Note 33: Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating expenses:		
Transaction charges	4,55,21,291	4,25,23,376
Other operating expenses	2,35,02,608	1,27,29,964
Others:		
Construction expenses	28,38,855	-
Power and fuel	13,81,221	10,32,386
Rent [Refer Note 41(b) & 42]	23,08,064	16,05,665
Repairs and maintenance	25,07,384	7,18,793
Bank charges	-	-
Insurance	4,72,158	1,46,156
Rates and taxes	52,07,838	37,00,907
Right issue expenses	35,37,738	-
Income Tax	-	-
Membership and subscription fees	-	25,00,000
Communication	28,77,633	15,50,364
Travelling and conveyance	1,49,300	1,62,340
Printing and stationary	8,14,276	11,97,974
Business promotion	9,24,595	5,54,794
Donations	9,99,000	1,22,000
Loss on sale of PPE	8,972	-
Loss on sale of investments	-	5,13,034
Legal and professional	27,98,379	27,62,329
Auditor's remuneration:		
- Statutory audit	2,48,600	2,48,600
- Internal audit	2,00,000	2,00,000
- Tax audit	70,000	70,000
- Certification	2,20,000	2,20,000
General and other administration expenses	61,21,172	44,66,445
Total	10,27,09,084	7,70,25,127

Note 37: Income Tax Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Major components of income tax expense:		
(i) Current Income Tax		
- Current income tax charge	1,85,40,999	1,38,85,478
- Adjustments in respect of current income tax of previous year	1,651	28,43,232
	1,85,42,650	1,67,28,710
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	(5,89,379)	96,949
	(5,89,379)	96,949
Income tax expense reported in the statement of profit or loss	1,79,53,271	1,68,25,659
(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:		
Profit/(Loss) before tax from continuing operations	7,07,40,444	5,32,04,514
Indian tax rate	25.17%	27.82%
Tax at the Indian tax rate	1,78,41,467	1,34,12,499
Effect of:		
Non-Deductible expenses for tax purposes	13,71,207	10,39,072
Tax exempt income	-	-
Income taxed at special rates	17,121	(8,757)
Deferred Tax	(6,19,006)	96,949
Others	(6,57,518)	22,85,896
Total Income Tax Expense	1,79,53,271	1,68,25,659

38. Contingent liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
i) Bank Guarantees	24,90,00,000	19,00,00,000

39. Employee Benefits

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

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

Statement of Profit and Loss
Net employee benefit expenses recognized in the employee cost

Particulars	March 31, 2022	March 31, 2021
Current service cost	6,02,770	6,80,404
Interest cost on benefit obligation	3,99,495	3,82,419
Expected return on plan assets	(2,19,519)	(1,81,767)
Net actuarial loss/(gain) recognized in the year	(4,07,977)	(5,10,028)
Net benefit expense	3,74,769	3,71,028

Balance Sheet
Benefit liability

Particulars	March 31, 2022	March 31, 2021
Present value of defined benefit obligation	59,52,527	62,04,676
Fair value of plan assets	(33,65,735)	(32,18,863)
Plan liability	25,86,791	29,85,812

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

Particulars	March 31, 2022	March 31, 2021
Opening defined benefit obligation	62,04,676	56,32,095
Current service cost	6,02,770	6,80,404
Interest cost	3,99,495	3,82,419
Benefits paid	(8,63,250)	-
Actuarial gain/(losses) on obligation	(3,91,164)	(4,90,242)
Closing defined benefit obligation	59,52,527	62,04,676

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

Particulars	March 31, 2022	March 31, 2021
Opening fair value of plan assets	32,18,863	24,84,155
Adjustment to opening balance	3,782	1,47,495
Expected return	2,19,519	1,81,767
Contributions by employer	7,70,009	3,85,660
Benefits paid	(8,63,250)	-
Actuarial (losses)/gains	16,813	19,786
Closing fair value of plan assets	33,65,735	32,18,863

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

Particulars	March 31, 2022	March 31, 2021
Discount rate (%)	7.34%	6.92%
Expected rate of return on assets (%)	7.34%	6.92%
Salary escalation (%)	4.00%	4.00%
Attrition rate (%)	5.00%	5.00%

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

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

40. Segment information

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

Information about the primary business segments

Particulars	For the year ended 31 March, 2022			For the year ended 31 March, 2021		
	Broking Activities	Property Development	Total	Broking Activities	Property Development	Total
Revenue	38,58,25,731	-	38,58,25,731	29,72,78,349	-	29,72,78,349
Inter-segment revenue	-	-	-	-	-	-
	38,58,25,731	-	38,58,25,731	29,72,78,349	-	29,72,78,349
Segment result	3,32,77,897	- 28,77,473	3,04,00,423	2,65,58,369	- 19,500	2,65,38,869
Interest Expense	1,25,31,230	-	1,25,31,230	72,19,361	-	72,19,361
Operating income	2,07,46,667	(28,77,473)	1,78,69,193	1,93,39,008	(19,500)	1,93,19,508
Other income			4,64,02,053			3,38,75,198
Profit before taxes			6,42,71,246	-	-	5,31,94,706
Tax expense			1,70,39,330			1,68,25,659
Profit for the year			4,72,31,916			3,63,69,047
Segment assets	1,46,87,50,040	67,96,688	1,47,55,46,727	1,17,63,57,210	8,69,578	1,17,72,26,788
Unallocable assets	32,58,741	-	32,58,741	-	-	-
Total assets	1,47,20,08,780	67,96,688	1,47,88,05,468	1,17,63,57,210	8,69,578	1,17,72,26,788
Segment liabilities	1,47,28,39,705	59,06,140	1,47,87,45,845	1,17,71,95,751	-	1,17,71,95,751
Unallocable liabilities	56,759	2,864	59,623	30,130	907	31,037
Total liabilities	1,47,28,96,464	59,09,004	1,47,88,05,468	1,17,72,25,881	907	1,17,72,26,788
Other information						
Capital expenditure- Tangible	2,90,08,289	-	2,90,08,289	11,88,478	-	11,88,478
Depreciation and amortisation	31,10,551	-	31,10,551	23,25,656	-	23,25,656
Unallocated amortisation	-	-	-	-	-	-
Total Depreciation and amortisation	31,10,551	-	31,10,551	23,25,656	-	23,25,656

41. Related Party Disclosures
a) Names of the related parties and nature of relationship (as per Ind AS 24):

Nature of Relationship	Name of Related Party
Key Management Personnel (KMP):	Hari Narayan Rathī – Managing Director Chetan Rathī – Executive Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathī - Wife of Mr. Hari Narayan Rathī Nisha Rathī – Wife of Mr. Chetan Rathī Anuradha Pasari – Daughter of Hari Narayan Rathī Govind Narayan Rathī – Brother of Hari Narayan Rathī

b) Transactions with related parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Rent Paid:	10,00,000	12,00,000
- Chanda Devi Rathī	9,60,000	9,60,000
- Govind Narayan Rathī HUF	40,000	2,40,000
Remuneration Paid:	1,17,00,000	1,14,00,000
- Hari Narayan Rathī	60,00,000	57,00,000
- Chetan Rathī	48,00,000	48,00,000
- Nisha Rathī	9,00,000	9,00,000
Dividend Paid:	31,64,903	-
- Hari Narayan Rathī	19,49,946	-
- Chetan Rathī	5,98,241	-
- Chanda Devi Rathī	2,41,829	-
- Nisha Rathī	3,74,887	-
Service Rendered – Brokerage Received:	53,456.91	36,582.67
- Hari Narayan Rathī	236.75	2,656.93
- Chetan Rathī	1,585.07	850.30
- Chanda Devi Rathī	1,481.96	653.01
- Nisha Rathī	1,441.74	566.82
- Govind Narayan Rathī	45,935.22	24,511.01
- Anuradha Pasari	-	5,849.85
- Hari Narayan Rathī HUF	2,068.2	816.01
- Chetan Rathī HUF	707.97	678.74
Unsecured loan taken	3,30,00,000	-
- Hari Narayan Rathī	90,00,000	-
- Chetan Rathī	2,40,00,000	-
Unsecured loan repaid	3,30,00,000	-
- Hari Narayan Rathī	90,00,000	-
- Chetan Rathī	2,40,00,000	-
Interest on unsecured loan	5,38,521	-
- Hari Narayan Rathī	1,89,370	-
- Chetan Rathī	3,49,151	-
Rental Deposit recovered	40,000	60,000
- Govind Narayan Rathī HUF	40,000	60,000

c) Related party balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Deposit:	15,00,000	15,40,000
- Chanda Devi Rathi	15,00,000	15,00,000
- Govind Narayan Rathi HUF	-	40,000

42. Leases:

Operating Lease

Assets taken on cancellable operating lease

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating Lease – Cancellable	23,08,064	16,05,665
Total	23,08,064	16,05,665

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after taxation as per statement of profit and loss (for basic EPS)	5,00,70,771	3,63,69,047
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	5,00,70,771	3,63,69,047

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of weighted average equity shares considered for calculating of basic EPS	56,84,384	50,40,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	56,84,384	50,40,000

iii. Earnings per share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Basic (Rs.)	8.81	7.22
- Diluted (Rs.)	8.81	7.22

44. Balance Confirmations

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

45. Due to Micro and Small Enterprises

The Group has no dues to Micro and Small Enterprises as at March 31, 2022 and March 31, 2021 in the financial statements based on information received and available with the group.

46. During FY 2012-13, company entered into an agreement for sale of land with Mrs. Hari Gayathri, wife of Mr. Venkata Appa Rao Yeleswarapu, client of the company. Mr. Venkata Appa is liable to pay Rs. 34,43,070 to the company as on January 31, 2013. In the process of recovery, the company entered into an agreement for sale of land on February 01, 2013 with his wife for a consideration of Rs. 14,74,864. The consideration is to be treated as advance receivable by her from the company against the amount payable by her husband. The registration of land in favour of the company is pending. The company has decided to disclose the consideration under the head "Long term loans & advances" as 'Property pending for registration & possession.' The company has filed a suit for specific performance for the same. The status of the case is 'pending' and recovery of the same is doubtful.

47. Fair Value Measurements
i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

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

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2022	March 31, 2021
Fair Value Hierarchy	1	1
Financial Assets		
Listed Equity Instruments	1,23,94,834	90,13,054
Investments in Mutual Funds	-	8,45,548
Fair Value Hierarchy	3	3
Financial Assets		
Other Financial Assets – Security Deposits	44,55,823	19,15,238
Other Investments	7,00,000	7,00,000
Financial Liabilities		
Borrowings	1,68,58,780	6,84,93,843

iii. Financial Instruments by category

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

Particulars	Mar-22			Mar-21		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Equity investments	-	-	12,00,000	-	-	7,00,000
Other investments	1,23,94,834	-	30,25,102	90,13,054	-	33,70,548
Trade Receivables	-	-	10,55,40,924	-	-	8,90,86,804
Loans	-	-	3,16,53,200	-	-	22,89,50,012
Cash & Cash Equivalents	-	-	27,19,07,366	-	-	7,68,59,037
Other bank balances	-	-	97,88,14,444	-	-	71,59,14,046
Others	-	44,55,823	1,31,27,689	-	19,15,238	69,70,339.00
Total	1,23,94,834	44,55,823	1,40,52,68,725	90,13,054	19,15,238	1,12,18,50,786
Financial Liabilities						
Borrowings	-	-	1,68,58,780	-	-	6,84,93,843
Trade Payables	-	-	1,07,56,03,688	-	-	84,29,40,456
Total	-	-	1,09,24,62,468	-	-	91,14,34,299

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

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

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

48. Financial Instruments Risk Management
i. Market Risk

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

a. Interest rate risk

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

b. Price Risk

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

ii. Credit Risk

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

Ageing of receivables is as follows:

Particulars	March 31, 2022	March 31, 2021
Past due not impaired:	-	-
0-30 Days	9,68,44,343	8,69,12,753
31-90 Days	86,96,581	21,74,051
91-180 Days	-	-
Greater than 180 Days	-	-
Total	10,55,40,924	8,90,86,804

iii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
March 31, 2022				
Borrowings	1,68,58,780	-	-	1,68,58,780
Trade Payables	107,56,03,688	-	-	107,56,03,688
Total	109,24,62,468	-	-	109,24,62,468
March 31, 2021				
Borrowings	6,84,93,843	-	-	6,84,93,843
Trade Payables	84,29,40,456	-	-	84,29,40,456
Total	91,14,34,299	-	-	91,14,34,299

49. Capital Risk Management

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

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

Particulars	March 31, 2022	March 31, 2021
Non-Current borrowings	1,64,12,457	1,68,58,780
Current borrowings	4,46,323	5,16,35,063
Total Debt	1,68,58,780	6,84,93,843
As a percentage of total capital	4.40%	21.62%
Equity	36,66,11,655	24,82,60,342
As a percentage of total capital	95.60%	78.32%
Total Capital [Debt and Equity]	38,34,70,435	31,67,54,185

50. Issue of shares with rights:

During the year, company had, issued 33,60,000 equity shares of face value of Rs. 10/- each ('Rights Equity Shares') to the Eligible Equity Shareholders at an issue price of Rs. 22 per Rights Equity Share (including premium of Rs. 12 per Rights Equity Share). The rights were offered in ratio of 3:2.

There is no deviation in use of proceeds from the objects stated in the Offer document for rights issue.

Pursuant to IND AS 33, basic and diluted earnings per share for the previous periods have been restated for the bonus element in respect of right issue made during the quarter ended March 31, 2022.

51. Impact of Global Health Pandemic - COVID-19

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

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

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

52. Event occurred after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of May 18, 2022, there were no subsequent events and transactions to be recognised or reported that are not already disclosed.

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

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: May 18, 2022

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

Sd/-
Laxminivas Sharma
Chairman
DIN: 00010899

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

Sd/-
Hari Narayan Rathi
Managing Director
DIN: 00010968

Sd/-
Sabitha Reddy
Company Secretary

DIRECTOR'S REPORT

To

The Members of B N Rathi Comtrade Private Limited,

We have pleasure in presenting the 14th Annual report together with Audited accounts for the year ended 31st March, 2022.

1. FINANCIAL RESULTS:

(Rs. In Lacs)

Particular	2021-22	2020-21
Revenue from operations	62,77,229	66,25,728
Other income	21,65,361	13,80,472
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	47,04,843	25,55,614
Less: Depreciation/ Amortisation/ Impairment	49,026	35,225
Profit /loss before Finance Costs, Exceptional items and Tax Expense	46,55,817	25,20,389
Less: Finance Costs	1,65,545	2,978
Profit /loss before Exceptional items and Tax Expense	44,90,272	25,17,411
Add/(less): Exceptional items		-
Profit /loss before Tax Expense	44,90,272	25,17,411
Less: Tax Expense (Current & Deferred)	11,69,871	6,83,733
Profit /loss for the year (1)	33,20,401	18,33,678
Total Comprehensive Income/loss (2)		-
Total (1+2)	33,20,401	18,33,678
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

TRANSFER TO RESERVES:

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

DIVIDEND:

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

STATE OF AFFAIRS/ COMPANY'S PERFORMANCE:

The total revenue of the Company for the financial year 2021-22 was Rs.62,77,229/- as against Rs. 66,25,728/- for the previous financial year. The company earned a profit of Rs. 32,20,401/- as against the profit of Rs. 18,33,676/- for the previous year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March, 2022 and the date of Board's Report. 16.05.2022

MATERIAL CHANGES AND COMMITMENTS:

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

REVISION OF FINANCIAL STATEMENTS

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

CAPITAL OF THE COMPANY:

Authorized Share capital and paid up share capital of the company stands at Rs. 1, 00, 00,000/- (Rupees one Crore Only) divided in to 10,00,000 equity shares of Rs.10/- each.

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

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2022.

DIRECTORS:

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

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

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

BOARD MEETINGS:

The Board of Directors met four times during the year on 22.05.2021, 10.08.2021, 10.11.2021 and 10.02.2022 and the maximum gap between any two meetings was less than four months, as stipulated under the provisions of Companies Act, 2013.

COMMITTEES:

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

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;

- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Internal financial controls:

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

No Frauds reported by statutory auditors

During the Financial Year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

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

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

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

The Company complied with this requirement within the prescribed timelines.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not taken any loan, guarantee or investment as specified under section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 23 to the financial statement which sets out related party disclosures.

CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

A. Conservation of Energy

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

B. Technology Absorption

- | | |
|---|-------|
| 1. Research and Development (R&D) | : Nil |
| 2. Technology absorption, adoption and innovation | : Nil |

C. Foreign Exchange Earnings and Out Go

- | | |
|---------------------------|-------|
| Foreign Exchange Earnings | : Nil |
| Foreign Exchange Outgo | : Nil |

RISK MANAGEMENT POLICY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company is not required to form such policy

STATUTORY AUDITOR AND AUDITORS' REPORT

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 11th Annual General Meeting till the conclusion of the 16th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

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

SECRETARIAL STANDARDS:

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

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

PARTICULARS OF EMPLOYEES:

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

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

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

EVENT BASED DISCLOSURES

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

ACKNOWLEDGEMENTS:

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

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

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

**Place: Hyderabad
Date: 16.05.2022**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF B.N. RATHI COMTRADE PRIVATE LIMITED

Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of B.N. Rathi Comtrade Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit/loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
- (e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The company has not declared or paid any dividend during the year.

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

**Sd/-
T. Bharadwaj
Partner**

**Membership No.:201042
UDIN:22201042AJHYLB5727**

Hyderabad, May 16, 2022

Annexure 1 to the Independent Auditors' Report

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Clause 1:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

The Company has maintained proper records showing full particulars of intangible assets.

- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Clause 2:

- (a) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) (a) of the Order is not applicable to the Company and hence not commented upon.
- (b) Company has not obtained any working capital limits in excess of 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. Therefore, in our opinion the provisions of clause 3(ii) (b) of the Order is not applicable to the Company and hence not commented upon.

Clause 3:

- (a) During the year, the Company has not granted loans or advances in the nature of loans, stood guarantee or provided security to any of the parties. Therefore, in our opinion the provisions of clause 3(iii) of the Order is not applicable to the Company and hence not commented upon.
- (b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans provided are not prejudicial to the Company's interest.
- (c) Company has not granted any loan to its subsidiaries and therefore clause 3 (iii)(c) is not applicable.
- (d) There are no amounts of loans granted to subsidiary companies, which are overdue for more than ninety days.
- (e) The Company had not granted loans to subsidiary companies which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

Clause 4:

- (a) There are no loans, guarantees and security in respect of which provisions of sections 185 of the Act is applicable. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Act are applicable, have been complied with by the Company.

Clause 5:

- (a) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

Clause 6:

- (a) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

Clause 7:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax, duty of excise and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, customs duty and other statutory dues which have not been deposited on account of any dispute.

Clause 8:

- (a) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

Clause 9:

- (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause 3(ix) (c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.

Clause 10:

- (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

Clause 11:

- (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

Clause 12:

- (a) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

Clause 13:

- (a) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

Clause 14:

- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

Clause 15:

- (a) The Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

Clause 16:

- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

Clause 17:

- (a) The Company has not incurred cash losses in the current year and preceding financial year.

Clause 18:

- (a) There has been no resignation of the statutory auditors during the year and accordingly, requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

Clause 19:

- (a) On the basis of the financial ratios disclosed in Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Clause 20:

- (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJHYLB5727**

Hyderabad, May 16, 2022

Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of B.N.Rathi Comtrade Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF B.N. RATHI COMTRADE PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of B.N. Rathi Comtrade Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 16, 2022 expressed an unqualified opinion.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJHYLB5727**

Hyderabad, May 16, 2022

1. Corporate Information:

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

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

2. Significant Accounting Policies:

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

a) Basis of preparation:

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

b) Basis of Measurement:

The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.

c) Use of estimates and judgements:

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management’s best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

d) Fair value measurement:

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

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

e) Property, plant and equipment:**i. Recognition and initial measurement:**

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

iv. Transition to Ind AS:

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

f) Impairment of assets:

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

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

g) Revenue Recognition:

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

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

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

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

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

h) Leases:

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

i) Financial Instruments:**a. Financial Assets**

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

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

De-recognition of financial assets

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

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

b. Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

j) Borrowing costs:

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

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

k) Income Taxes:

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

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant on-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Un-recognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit or losses recognized outside profit or loss (either in other comprehensive income or in equity).

l) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:

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

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

m) Cash and cash equivalents:

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

n) Cash flow statement:

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

o) Earnings per share:

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

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

Balance Sheet as at March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	Non-Current Assets			
	(a) Property, plant and equipment	3	1,80,123	1,34,349
	(b) Financial Assets			
	- Investments	4	35,25,102	30,25,000
	- Loans	5	64,00,000	10,00,000
	(c) Deferred tax assets (Net)	6	2,49,236	2,77,410
	Total Non-Current Assets [A]		1,03,54,461	44,36,759
2	Current Assets			
	(a) Financial Assets			
	- Investments	7	1,23,94,834	90,13,054
	- Loans	8	10,00,000	5,00,000
	- Trade receivables	9	-	1,10,99,528
	- Cash and cash equivalents	10	2,57,67,000	2,55,518
	- Bank balances other than above	11	-	2,07,50,000
	(b) Other current assets	12	1,34,435	2,36,213
	Total Current Assets [B]		3,92,96,269	4,18,54,313
	TOTAL ASSETS [A+B]		4,96,50,730	4,62,91,072
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	13	1,00,00,000	1,00,00,000
	(b) Other Equity	14	3,95,93,971	3,62,73,570
	Total Equity [A]		4,95,93,971	4,62,73,570
2	Current Liabilities			
	(a) Provisions	15	56,759	17,502
	Total Non-Current Liabilities [B]		56,759	17,502
	TOTAL EQUITY AND LIABILITIES [A+B]		4,96,50,730	4,62,91,072
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	1 to 31		

As per our report on even date

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

Sd/-
T Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Nisha Rathi
Executive Director
DIN: 02210852

Statement of Profit and Loss for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	For the period ended March 31, 2022	For the year ended March 31, 2021
I	REVENUE			
	Revenue from Operations (Gross)	16	62,77,229	66,25,728
	Other Income	17	21,65,361	13,80,472
	TOTAL REVENUE [I]		84,42,590	80,06,200
II	EXPENSES			
	Employee benefit expenses	18	24,74,875	13,19,458
	Finance costs	19	1,65,545	2,978
	Depreciation and amortization expense	3	49,026	35,225
	Other expenses	20	12,62,872	41,31,128
	TOTAL EXPENSES [II]		39,52,318	54,88,789
III	Profit Before Tax [I-II]		44,90,272	25,17,411
IV	Tax Expense			
	Income tax expense			
	- Current year	21	11,39,389	6,11,725
	- Earlier year		2,308	
	- Deferred tax credit		28,174	72,008
V	Profit for the period		33,20,401	18,33,677
VI	Earnings per equity share Rs. 10/- each fully paid			
	- Basic	25	3.32	1.83
	- Diluted	25	3.32	1.83
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	1 to 31		

As per our report on even date

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

 Sd/-
 T Bharadwaj
 Partner
 Membership No.: 201042

 Place: Hyderabad
 Date: 16th May, 2022

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

 Sd/-
 Chetan Rathi
 Director
 DIN: 00536441

 Sd/-
 Nisha Rathi
 Executive Director
 DIN: 02210852

Cash Flow Statement for the year ended March 31, 2022

(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		44,90,272	25,17,411
Adjustments:			
Depreciation		49,026	35,225
Interest expense		1,62,318	2,978
Interest income		(7,97,411)	(12,30,138)
Cash generated before working capital changes		39,04,205	13,25,476
Movements in working capital:			
(Decrease)/Increase in trade payables		-	(6,141)
Decrease/(Increase) in trade receivables		1,10,99,528	(1,10,99,528)
Decrease/(Increase) in loans and advances		(54,00,000)	55,00,000
Decrease/(Increase) in other current assets		1,01,779	72,025
Decrease/(Increase) in current loans		(5,00,000)	32,50,000
Cash generated from operations		92,05,512	(9,58,168)
Direct taxes paid (Net of refunds received)		(11,02,440)	(3,92,394)
Net cash flow (used in)/from operating activities [A]		81,03,072	(13,50,562)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of office equipment		(94,800)	-
(Investment) in shares		(33,81,780)	44,54,931
Interest received		7,97,411	12,30,138
Net cash flow (used in)/from investing activities [B]		(26,79,169)	56,85,069
C. CASH FLOWS FROM FINANCING ACTIVITIES			
(Investment)/redemption of bank deposits		2,07,50,000	(30,00,000)
(Investment)/redemption in debentures		(5,00,103)	(10,25,000)
Interest paid		(1,62,318)	(2,978)
Net cash flow (used in)/from financing activities [C]		2,00,87,579	(40,27,978)
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		2,55,11,482	3,06,529
E. Cash and cash equivalents			
at the beginning of the year	10	2,55,518	(51,011)
at the end of the year		2,57,67,000	2,55,518
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		2,57,64,136	2,47,583
Cash on hand		2,864	7,935
Cash and cash equivalents at the end of the year		2,57,67,000	2,55,518
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 31		

As per our report on even date

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

 Sd/-
 T Bharadwaj
 Partner
 Membership No.: 201042

 Place: Hyderabad
 Date: 16th May, 2022

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

 Sd/-
 Chetan Rathi
 Director
 DIN: 00536441

 Sd/-
 Nisha Rathi
 Executive Director
 DIN: 02210852

Statement of Changes in Equity for the period ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

A. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	10,00,000	1,00,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	10,00,000	1,00,00,000

B. Other Equity

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<i>Movement in other equity is as follows:</i>		
I. General Reserve	1,79,700	1,79,700
II. Retained Earnings		
(i) Opening Balance	3,60,93,870	3,42,60,193
(ii) Profit for the year	33,20,401	18,33,677
	3,94,14,271	3,60,93,870
Total	3,95,93,971	3,62,73,570

Note 3: Property, Plant and Equipment

Particulars	As at March 31, 2022	As at March 31, 2021				
Furniture's and Fittings	59,030	71,968				
Motor Vehicles	6,998	9,441				
Computers and Data Processing Units	5,110	5,110				
Office Equipments	1,08,984	47,830				
Total	1,80,123	1,34,349				
For the period 2021-22						
Description of assets	Furniture's and Fittings	Motor Vehicles	Computers and Data Processing Units	Office Equipments	Total	
I. Gross Carrying Amount						
As at April 01, 2021	22,84,006	66,462	5,73,097	5,33,842	34,57,407	
Additions	-	-	-	94,800	94,800	
Disposals	-	-	-	-	-	
Balance as at March 31, 2022	22,84,006	66,462	5,73,097	6,28,642	35,52,207	
II. Accumulated Amortization						
Upto April 01, 2021	22,12,038	57,021	5,67,987	4,86,012	33,23,058	
Depreciation expense for the period	12,937	2,442	-	33,646	49,026	
Eliminated on disposal of assets	-	-	-	-	-	
Upto March 31, 2022	22,24,976	59,464	5,67,987	5,19,658	33,72,084	
III. Net Carrying Amount [I-II]						
As at December 31, 2022	59,030	6,998	5,110	1,08,984	1,80,123	
As at March 31, 2021	71,968	9,441	5,110	47,830	1,34,349	

Note 4: Non-Current Investments [Refer Note 28(iii)]

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Investments in convertible debentures (fully paid-up)</i>		
Unquoted Investments		
- Propospace Square Private Limited [4 (31.03.2021: Rs. 20,00,000) debentures of par value Rs. 5,00,000 each]	20,00,000	20,00,000
- Joule Consulting Private Limited - Callify [179 (31.03.2021: Rs. 5,00,000) 0.001% compulsory convertible preference shares of face value Rs. 10 each and issued at a premium of Rs. 2,788.5 each]	5,00,000	5,00,000
- OWO Technologies Private Limited [2258 (31.03.2021: Rs. Nil) 0.001% compulsory convertible preference shares of face value Rs. 10 each and issued at a premium of Rs. 211.48 each]	5,00,102	-
- Actionable Science Labs Private Limited [525 (31.03.2021: Nil) debentures of par value Rs. 1,000 each]	5,25,000	5,25,000
Total	35,25,102	30,25,000
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	35,25,102	30,25,000
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	35,25,102	30,25,000
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

Note 5: Non-Current Loans [Refer Note 28(iii)]

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Unsecured, considered good</i>		
Security deposits		
- Security Deposits with Stock Exchanges/Clearing Houses	10,00,000	10,00,000
Advance to related parties [Refer Note 23(iii)]	54,00,000	-
Total	64,00,000	10,00,000

Note 6: Deferred Tax Asset (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Depreciation	2,49,236	2,77,410
Total	2,49,236	2,77,410

Note 7: Current Investments [Refer Note 28(iii)]

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Quoted investments in shares and securities</i> <i>[valued at fair value through profit and loss account]</i>		
Investment in shares	1,23,94,834	90,13,054
Total	1,23,94,834	90,13,054
Aggregate amount of quoted investments and market value thereof	1,23,94,834	90,13,054
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	-	-
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	1,23,94,834	90,13,054

Note 8: Current Loans [Refer Note 28(iii)]

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Unsecured, considered good</i>		
Security Deposits [Refer Note 23(iii)]	10,00,000	5,00,000
Total	10,00,000	5,00,000

Note 9: Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Unsecured, considered good</i>		
Outstanding for a period exceeding six months [Refer Note 26 & 29]	-	-
Others	-	1,10,99,528
Total	-	1,10,99,528

Note 10: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks		
- In current accounts	2,57,64,136	2,47,583
Cash on hand	2,864	7,935
Total	2,57,67,000	2,55,518

Note 11: Bank balances other than above

Particulars	As at March 31, 2022	As at March 31, 2021
On deposit accounts		
- Remaining maturity for more than 12 months	-	-
- Remaining maturity for less than 12 months	-	2,07,50,000
Total	-	2,07,50,000

Note 12: Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities	93,435	87,745
Interest accrued on deposits with banks and others	41,000	1,48,468
Total	1,34,435	2,36,213

Note 13: Share Capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised: Equity shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, subscribed and fully paid: Equity shares of Rs. 10 each	10,00,000	1,00,00,000	10,00,000	1,00,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000

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

Particulars	Opening Balance	Issued during the year	Opening Balance	Issued during the year
Equity shares				
Year ended March 31, 2022				
- Number of shares	10,00,000	-	10,00,000	-
- Amount	1,00,00,000	-	1,00,00,000	-
Year ended March 31, 2021				
- Number of shares	10,00,000	-	10,00,000	-
- Amount	1,00,00,000	-	1,00,00,000	-

(b) Rights, preferences and restrictions attached to shares

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

(c) Details of shares held by Holding Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
B. N. Rathi Securities Limited	10,00,000	100%	10,00,000	100%

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares held	Percentage of Holding	Number of Shares held	Percentage of Holding
B N Rathi Securities Limited	10,00,000	100%	10,00,000	100%

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

Note 14: Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	1,79,700	1,79,700
Retained Earnings	3,94,14,271	3,60,93,870
Total	3,95,93,971	3,62,73,570

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

Nature and purpose of Other Equity:
(a) General Reserve

This represents appropriation of profit by the company.

(b) Retained Earnings

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

Note 15: Provisions - current

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liability [Net of advance tax]		
Advance Income Tax	10,82,629	5,94,223
Current Tax Liabilities	11,39,389	6,11,725
Total	56,759	17,502

Note 16: Revenue from Operations (Gross)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Other operating revenue	62,77,229	66,25,728
Total	62,77,229	66,25,728

Note 17: Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on deposits with bank	6,30,944	10,66,134
Interest on deposits with others	-	38,551
Interest on debentures	1,64,004	1,64,004
Interest on loan	12,99,453	-
Dividend income	61,657	33,681
Interest received from mutual funds	2,463	-
Interest on income tax refund	-	12,111
Miscellaneous income	6,841	65,991
Total	21,65,361	13,80,472

Note 18: Employee Benefit Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and bonus [Refer Note 23(ii)]	24,74,875	13,19,458
Total	24,74,875	13,19,458

Note 19: Finance Costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense on:		
- Working Capital	1,62,318	2,978
- Delayed remittance of Income tax	1,339	-
Other borrowing costs	1,888	-
Total	1,65,545	2,978

Note 20: Other Expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Others:		
Rent [Refer Note 24]	2,40,000	2,40,000
Repairs and maintenance	4,360	-
Insurance	1,102	1,091
Rates and taxes	2,500	3,100
Membership and subscription fees	-	25,00,000
Legal and professional	10,02,400	10,49,590
Auditor's remuneration:		
- Statutory audit	11,800	11,800
Other expenses	710	3,25,547
Total	12,62,872	41,31,128

Note 21: Income Tax Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<u>(a) Major components of income tax expense:</u>		
(i) Current Income Tax		
- Current income tax charge	11,39,389	6,11,725
- Adjustments in respect of current income tax of previous year	2,308	-
	11,41,697	6,11,725
(ii) Deferred Tax		
- Relating to origination/reversal of temporary differences	28,174	72,008
	28,174	72,008
Income tax expense reported in the statement of profit or loss	11,69,871	6,83,733
<u>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</u>		
Profit/(Loss) before tax from continuing operations	44,90,272	25,17,411
Indian tax rate	26%	26%
Tax at the Indian tax rate	11,67,471	6,54,527
Effect of:		
Non-Deductible expenses for tax purposes	12,747	9,159
Tax exempt income	-	8,757
Income tax expense of prior years	2,308	-
Deferred tax relating to origination / reversal of temporary differences	28,174	72,008
Others	(40,829)	(43,203)
Total Income Tax Expense	11,70,127	6,83,733

22. Segment information

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financials instruments and deferred tax assets are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

23. Related Party Disclosures
a) Names of the related parties and nature of relationship (as per Ind AS 24):

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Key Management Personnel (KMP):	Nisha Rathi – Executive Director
	Chetan Rathi – Director
	Hari Narayan Rathi - Director
Relatives of Key Management Personnel (KMP):	Chanda Devi Rathi – Wife of Mr. Hari Narayan Rathi
Entity in which KMP has significant influence	B.N. Rathi Industries Private Limited

b) Transactions with related parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration Paid:	9,00,000	7,20,000
- Nisha Rathi	9,00,000	7,20,000
Rent Paid:	2,40,000	2,40,000
- Chanda Devi Rathi	2,40,000	2,40,000
Loan given:	54,00,000	-
- B N Rathi Industries Private Limited	54,00,000	-

c) Related party balances:

Particulars	As at March 31, 2022	As at March 31, 2021
Rent Deposit receivable:	5,00,000	5,00,000
- Chanda Devi Rathi	5,00,000	5,00,000
Loans and advances:	54,00,000	-
- B N Rathi Industries Private Limited	54,00,000	-

24. Leases:

Operating Lease

Assets taken on cancellable operating lease

The company is obligated under cancellable lease for office premises.

Total lease rental expenses recognized in the statement of profit and loss for the year are as follows;

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cancellable	2,40,000	2,74,500
Total	2,40,000	2,74,500

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after taxation as per statement of profit and loss (for basic EPS)	33,20,401	18,33,677
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	33,20,401	18,33,677

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of weighted average equity shares considered for calculating of basic EPS	10,00,000	10,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	10,00,000	10,00,000

iii. Earnings per share:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
- Basic (Rs.)	3.32	1.83
- Diluted (Rs.)	3.32	1.83

26. Balance Confirmations

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

27. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2022 and March 31, 2021 in the financial statements based on information received and available with the company.

28. Fair Value Measurements
i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2021	March 31, 2020
Fair Value Hierarchy	1	1
Financial Assets		
Listed instruments	1,23,94,834	90,13,054

iii. Financial Instruments by category

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

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
FINANCIAL ASSETS						
Equity instruments	-	-	-	-	-	-
Other Investments	1,23,94,834	-	35,25,102	90,13,054	-	30,25,000
Trade Receivables	-	-	-	-	-	1,10,99,528
Loans	-	-	74,00,000	-	-	15,00,000
Cash and cash equivalents	-	-	2,57,67,000	-	-	2,55,518
Other bank balances	-	-	-	-	-	2,07,50,000
TOTAL	1,23,94,834	-	3,66,92,102	90,13,054	-	3,66,30,046
FINANCIAL LIABILITIES						
Borrowings	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

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

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

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

29. Financial Instruments Risk Management

i. Market Risk

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

a. Interest rate risk

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

b. Price Risk

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

ii. Credit Risk

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

Ageing of receivables is as follows:

Particulars	March 31, 2022	March 31, 2021
Past due not impaired:		
0-30 Days	-	1,10,99,528
31-60 Days	-	-
61-90 Days	-	-
91-180 Days	-	-
Greater than 180 Days	-	-
Total	-	1,10,99,528

iii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
March 31, 2022				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-
March 31, 2021				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-

30. Capital Risk Management

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

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

Particulars	March 31, 2022	March 31, 2021
Current Borrowings	-	-
Total Debt	-	-
As a percentage of total capital	0.00%	0.00%
Equity	4,95,93,971	4,62,73,570
As a percentage of total capital	100.00%	100.00%
Total Capital [Debt and Equity]	4,95,93,971	4,62,73,570

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

As per our report on even date

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

Sd/-
T Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Nisha Rathi
Executive Director
DIN: 02210852

DIRECTOR'S REPORT

To

The Members of B N Rathi Industries Private Limited,

We have pleasure in presenting the 10th Annual report together with Audited accounts for the year ended 31st March, 2022.

1. FINANCIAL RESULTS:

(Rs. In Lakhs)

Particular	2021-22	2020-21
Revenue from operations		-
Other income	0.57	0.23
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	0.18	0.03
Less: Depreciation/ Amortisation/ Impairment		-
Profit /loss before Finance Costs, Exceptional items and Tax Expense	0.18	0.03
Less: Finance Costs		-
Profit /loss before Exceptional items and Tax Expense	0.18	0.03
Add/(less): Exceptional items		-
Profit /loss before Tax Expense	0.18	0.03
Less: Tax Expense (Current & Deferred)	0.01	0.01
Profit /loss for the year (1)	0.19	0.02
Total Comprehensive Income/loss (2)	-	-
Total (1+2)	-	-
Balance of profit /loss for earlier years	-	-
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	-	-

TRANSFER TO RESERVES:

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

DIVIDEND:

No Dividend is declared during the year.

STATE OF AFFIARS /COMPANY'S PERFORMANCE:

The Company has made a profit of Rs. 0.19 lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no material changes and commitments affecting Financial position of the company between 31st March 2022 and the date of Board's Report. (i.e. 16.05.2022)

REVISION OF FINANCIAL STATEMENTS

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

CAPITAL OF THE COMPANY:

Authorized Share capital of the Company stands at 1,50,00,000/- (Rupees Once Crore and Fifty Lakhs Only) divided into 15,00,000 equity shares of Rs. 10/- each and paid up share capital of the company stands at Rs. 50,00,000/- (Rupees Fifty Lakhs Only) divided in to 5,00,000 equity shares of Rs.10/- each.

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

There is no such amount of un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2022.

DIRECTORS:

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

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

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

BOARD MEETINGS:

The Board of Directors met 4 times during the year on 22.05.2021, 10.08.2021, 10.11.2021 and 10.02.2022 and the maximum gap between any two meetings was less than four months, as stipulated under Provisions of Companies Act, 2013.

COMMITTEES:

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

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Sec. 134(5) of the Companies Act, 2013 the Board of Directors of your Company hereby certifies and confirms that:

- a. In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the Annual accounts on a going concern basis.
- e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- f. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

INTERNAL FINANCIAL CONTROLS:

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

NO FRAUDS REPORTED BY STATUTORY AUDITORS:

During the financial year 2021-22, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no details is required to be disclosed under section 134(3) (Ca) of the Companies Act, 2013.

SUBSIDIARY COMPANY:

Your Company does not have any subsidiary.

PUBLIC DEPOSITS:

Your Company has not accepted any deposits falling within the meaning of Sec.73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year under review.

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

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2022, there has been no non-compliance with the requirements of the Act.

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

The Company complied with this requirement within the prescribed timelines.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The Company has not taken any loan, guarantee, or investment as specified under section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

Your Directors draw attention of the members to Note 20 to the financial statement which sets out related party disclosures

CORPORATE SOCIAL RESPONSIBILITY POLICY:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GO:

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

A. Conservation of Energy

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

B. Technology Absorption

- | | | |
|---|---|-----|
| 1. Research and Development (R&D) | : | Nil |
| 2. Technology absorption, adoption and innovation | : | Nil |

C. Foreign Exchange Earnings and Out Go

- | | | |
|---------------------------|---|-----|
| Foreign Exchange Earnings | : | Nil |
| Foreign Exchange Outgo | : | Nil |

RISK MANAGEMENT POLICY:

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY:

The company is not required to form such policy

STATUTORY AUDITOR AND AUDITORS' REPORT

The existing auditors M/s. Sesachalam & Co, Chartered Accountants, Hyderabad appointed as statutory auditors of the Company for the term of five years from the conclusion of 7th Annual General Meeting till the conclusion of the 12th Annual General Meeting to be held in the year 2024 with the approval of shareholders. The Auditors' Report for fiscal 2022 does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:

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

SECRETARIAL STANDARDS:

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

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS:

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

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

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

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

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

INSURANCE:

The company's properties have been adequately insured against major risks. All the insurable interests of your Company including inventories, buildings, plant and machinery, stock and liabilities under legislative enactments are adequately insured.

PARTICULARS OF EMPLOYEES:

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

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

EVENT BASED DISCLOSURES

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

ACKNOWLEDGEMENTS:

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

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

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

**Place: Hyderabad
Date: 16.05.2022**

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED****Report on the Audit of Standalone Ind AS Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of B. N. Rathi Industries Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued there under;
- (e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other person or entity identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v) The company has not declared or paid any dividend during the year.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.: 201042
UDIN: 22201042AJHYLB5727**

Hyderabad, May 16, 2022

Annexure 1 to the Independent Auditors' Report

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

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Clause 1:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

The Company has maintained proper records showing full particulars of intangible assets.

- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the Company has no immovable property. Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.
- (d) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

Clause 2:

- (a) To the best of our knowledge and as explained, the Company is not in business of sale of goods. Therefore, in our opinion the provisions of clause 3(ii) (a) of the Order is not applicable to the Company and hence not commented upon.
- (b) Company has not obtained any working capital limits in excess of 5 crores in aggregate from banks during the year on the basis of security of current assets of the Company. Therefore, in our opinion the provisions of clause 3(ii) (b) of the Order is not applicable to the Company and hence not commented upon.

Clause 3:

- (a) During the year, the Company has not granted loans or advances in the nature of loans, stood guarantee or provided security to any of the parties. Therefore, in our opinion the provisions of clause 3(iii) of the Order is not applicable to the Company and hence not commented upon.
- (b) During the year the investments made, guarantees provided, and the terms and conditions of the grant of all loans provided are not prejudicial to the Company's interest.
- (c) Company has not granted any loan to its subsidiaries and therefore clause 3 (iii)(c) is not applicable.
- (d) There are no amounts of loans granted to subsidiary companies, which are overdue for more than ninety days.
- (e) The Company had not granted loans to subsidiary companies which had fallen due during the year.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

Clause 4:

- (a) There are no loans, guarantees and security in respect of which provisions of sections 185 of the Act is applicable. Loans, investments, guarantees and security in respect of which provisions of section 186 of the Act are applicable, have been complied with by the Company.

Clause 5:

- (a) The Company has neither accepted any deposits from the public nor accepted any amount which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

Clause 6:

- (a) The Company is not in the business of sale of any goods or provision of such services as prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

Clause 7:

- (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs and other statutory dues applicable to it. The provisions relating to sales tax, service tax, value added tax, duty of excise and cess are not applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, customs duty and other statutory dues which have not been deposited on account of any dispute.

Clause 8:

- (a) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

Clause 9:

- (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause 3 (ix) (a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year. Accordingly, the requirement to report on clause 3(ix) (c) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associate or joint venture.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the requirement to report on clause 3(ix) (f) of the Order is not applicable to the Company.

Clause 10:

- (a) The Company did not raise moneys by way of initial public offer or further public offer (including debt

instruments) and term loans during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

Clause 11:

- (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

Clause 12:

- (a) The Company is not a Nidhi Company as per the provisions of the Act. Accordingly, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

Clause 13:

- (a) Transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable accounting standards.

Clause 14:

- (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

Clause 15:

- (a) The Company has not entered into any non-cash transactions with directors or persons connected with its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

Clause 16:

- (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

Clause 17:

- (a) The Company has not incurred cash losses in the current year and preceding financial year.

Clause 18:

- (a) There has been no resignation of the statutory auditors during the year and accordingly, requirement

to report on Clause 3(xviii) of the Order is not applicable to the Company.

Clause 19:

- (a) On the basis of the financial ratios disclosed in Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements, our knowledge of the Board of Directors' and management's plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Clause 20:

- (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of the Act.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJHYLB5727**

Hyderabad, May 16, 2022

Annexure 2 to the Independent Auditor's report of even date on the standalone Ind AS financial statements of B. N. Rathi Industries Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

TO THE MEMBERS OF B. N. RATHI INDUSTRIES PRIVATE LIMITED

We have audited the internal financial controls over financial reporting of B. N. Rathi Industries Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone Ind AS financial statements of the Company, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 16, 2022 expressed an unqualified opinion.

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

**Sd/-
T. Bharadwaj
Partner
Membership No.:201042
UDIN:22201042AJHYLB5727**

Hyderabad, May 16, 2022

1. Corporate Information:

B.N.Rathi Industries Private Limited (“BNRIPL” or “the Company”) was incorporated under the Companies Act, 1956 (“the Act”) on August 13, 2012. The registered office of the company is located at 6-3-652, IV Floor, Kautilya Amrutha Estates, Somajiguda, Hyderabad, Telangana – 500082.

The Company is involved in the business of property development and sale.

2. Significant Accounting Policies:

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

a) Basis of preparation:

The Ind AS Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“Act”) read with Companies (Indian Accounting Standards) Rules, 2015; and the other relevant provisions of the Act and Rules thereunder.

b) Basis of Measurement: The Ind AS financial statements have been prepared in accordance with Ind AS under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value.**c) Use of estimates and judgements:**

The preparation of the Ind AS financial statements of the Company in accordance with Indian Accounting Standards (Ind-AS) requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures along with contingent liabilities at the date of the financial statements.

These estimates are based upon management’s best knowledge of current events and actions; however, uncertainty about these assumptions and estimates could result in outcomes that may require adjustment to the carrying amounts of assets or liabilities in future periods. Appropriate revisions in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Revisions in estimates are recognized prospectively in the financial statements in the period in which the estimates are revised in any future periods affected.

d) Revenue Recognition:

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

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

Revenue on sale of property is recognized based on percentage completion method and upon transferring significant risks and rewards of ownership associated with the real estate property.

e) Fair value measurement:

The Company measures certain financial instruments at fair value at each reporting date. Certain accounting policies and disclosures require the measurement of fair values, for both financial and nonfinancial asset and liabilities.

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

f) Property, plant and equipment:**i. Recognition and initial measurement:**

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

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

ii. Depreciation, estimated useful lives and residual value:

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

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

iii. De-recognition:

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

g) Impairment of assets:

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

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

h) Leases:

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

i) Financial Instruments:**a. Financial Assets**

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition of financial assets

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

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

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

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

Subsequent measurement

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

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

De-recognition of financial liabilities

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

c. Offsetting financial instruments

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

j) Income Taxes:

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

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

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

k) Provisions, contingent liabilities and contingent assets:

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

Contingent liability is disclosed for:

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

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

l) Cash and cash equivalents:

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

m) Cash flow statement:

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

n) Earnings per share:

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

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

Balance Sheet as at March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	As at March 31, 2022	As at March 31, 2021
A	ASSETS			
1	Current Assets			
	(a) Inventories	3	28,38,855	-
	(b) Financial Assets			
	- Investments	4	-	8,45,548
	- Cash and cash equivalents	5	4,68,599	24,030
	- Loans	6	20,64,000	-
	- Other financial assets	7	12,00,000	-
	(c) Other current assets	8	2,25,234	-
	TOTAL ASSETS		67,96,688	8,69,578
B	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity Share Capital	9	50,00,000	50,00,000
	(b) Other Equity	10	(41,12,316)	(41,31,329)
	TOTAL EQUITY [A]		8,87,684	8,68,671
2	Liabilities			
	Non-current liabilities			
	(a) Other non current liabilities	11	54,00,000	-
	TOTAL NON-CURRENT LIABILITIES [B]		54,00,000	-
3	Current Liabilities			
	(a) Financial Liabilities			
	- Other financial liabilities	12	5,00,000	-
	(b) Income taxes	14	2,864	907
	(c) Other current liabilities	13	6,140	-
	TOTAL LIABILITIES [B]		5,09,004	907
	TOTAL EQUITY AND LIABILITIES [A+B]		67,96,688	8,69,578
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	1 to 26		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Chanda Devi Rathi
Director
DIN: 05278997

Statement of Profit and Loss for year ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars		Note	For the year ended March 31, 2022	For the year ended March 31, 2021
I	REVENUE			
	Other income	15	56,974	22,992
	TOTAL REVENUE [I]		56,974	22,992
II	EXPENSES			
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	16	(28,38,855)	-
	Other expenses	17	28,77,473	19,500
	TOTAL EXPENSES [II]		38,618	19,500
III	Profit Before Tax [I-II]		18,356	3,492
IV	Tax Expense			
	- Current year	18	2,864	907
	- Prior years		(657)	
	- MAT credit entitlement availed		(2,864)	
V	Profit for the year		19,013	2,585
VI	Other Comprehensive Income		-	-
VII	Earnings per Equity Share Rs. 10/- each fully paid			
	- Basic	21	0.04	0.01
	- Diluted	21	0.04	0.01
	Corporate information	1		
	Summary of significant accounting policies	2		
	Accompanying notes forming an integral part of the financial statements	1 to 26		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Chanda Devi Rathi
Director
DIN: 05278997

Cash Flow Statement for year ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/(Loss) before tax		18,356	2,585
Adjustments:			
Profit on sale of investments		(56,974)	-
Operating profit before changes in assets and liabilities		(38,618)	2,585
Changes in assets and liabilities			
(Increase)/decrease in inventories		(28,38,855)	-
(Increase)/decrease in other financial assets		(12,00,000)	-
(Increase)/decrease in other current assets		(2,25,234)	-
(Decrease)/increase in other financial liabilities		5,00,000	-
(Decrease)/increase in other current liabilities		6,140	-
(Decrease)/increase in short term provisions		1,957	907
(Increase)/decrease in loans - assets		(20,61,136)	-
Cash generated from operations		(58,55,746)	3,492
Direct taxes paid (Net of refunds received)		2,207	-
Net cash flow (used in)/from operating activities [A]		(58,57,953)	3,492
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in mutual funds		-	-
Redemption of Investments		9,02,522	-
Investment in Land		-	-
Net cash flow (used in)/from investing activities [B]		9,02,522	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption / (Investment) in bank deposits		-	-
(Repayment of)/Proceeds from advance taken		54,00,000	-
Net cash flow (used in)/from financing activities [C]		54,00,000	-
D. Net increase/(decrease) in cash and cash equivalents [A+B+C]		4,44,570	3,492
E. Cash and cash equivalents	5		
at the beginning of the year		24,030	20,538
at the end of the year		4,68,599	24,030
Components of cash and cash equivalents			
Balance with banks			
- In current accounts		4,53,499	23,960
Cash on hand		15,100	70
Cash and cash equivalents at the end of the year	2(i)	4,68,599	24,030
Corporate information	1		
Summary of significant accounting policies	2		
Accompanying notes forming an integral part of the financial statements	1 to 26		

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Chanda Devi Rathi
Director
DIN: 05278997

**Statement of Changes in Equity for year ended March 31, 2022**

(All amounts in Indian Rupees, unless otherwise stated)

A. Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
<i>Equity shares of Rs. 10 each issued, subscribed and fully paid up</i>		
Balance at the beginning of the reporting year	50,00,000	50,00,000
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	50,00,000	50,00,000

B. Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
I. Retained Earnings		
(i) Opening Balance	(41,31,329)	(41,33,914)
(ii) Profit for the year	19,013	2,585
Total	(41,12,316)	(41,31,329)

Notes to financial statements for the year ended March 31, 2022
(All amounts in Indian Rupees, unless otherwise stated)

Note 3: Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Work-in-progress	28,38,855	-
Total	28,38,855	-

Note 4: Current investments [Refer Note 23(ii)]

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted investments in mutual funds [valued at cost] - Birla Sun Life Mutual Fund [Nil (31.03.2021: 2715.95)]	-	8,45,548
Total	-	8,45,548

Aggregate amount of quoted investments and market value thereof	-	8,45,548
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in the value of investments	-	-
Investments carried at cost	-	8,45,548
Investments carried at amortized cost	-	-
Investments carried at fair value through profit and loss	-	-

Note 5: Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with banks - In current accounts - Deposits with original maturity of less than 3 months Cash on hand	4,53,499 - 15,100	23,960 - 70
Total	4,68,599	24,030

Note 6: Loans - current [Refer Note 23(iii)]

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good Advance to others	20,64,000	-
Total	20,64,000	-

Note 7: Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Deposit with others	12,00,000	-
Total	12,00,000	-

Note 8: Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Balance with government authorities MAT credit entitlement availed	2,22,370 2,864	- -
Total	2,25,234	-

Note 9: Share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorised:				
Equity shares of Rs. 10 each	15,00,000	1,50,00,000	15,00,000	1,50,00,000
	15,00,000	1,50,00,000	15,00,000	1,50,00,000
Issued, subscribed and fully paid:				
Equity Shares of Rs. 10 each	5,00,000	50,00,000	5,00,000	50,00,000
	5,00,000	50,00,000	5,00,000	50,00,000

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

Particulars	Opening Balance	Issued during the year	Bought back during the year	Closing Balance
Equity shares				
Year ended March 31, 2022				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000
Year ended March 31, 2021				
- Number of shares	5,00,000	-	-	5,00,000
- Amount	50,00,000	-	-	50,00,000

(b) Shares held by holding company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
B. N. Rathi Securities Limited	5,00,000	100.00%	5,00,000	100.00%

(c) Rights, preferences and restrictions attached to shares

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

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Percentage of Holding	Number of Shares	Percentage of Holding
B. N. Rathi Securities Limited	5,00,000	100%	5,00,000	100%

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

Note 10: Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings	(41,12,316)	(41,31,329)
Total	(41,12,316)	(41,31,329)

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

Nature and purpose of other equity:
(a) Retained Earnings

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

Note 11: Other non current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from related parties [Refer Note 20(b)]	54,00,000	-
Total	54,00,000	-

Note 12: Other financial liabilities - current

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	5,00,000	-
Total	5,00,000	-

Note 13: Income taxes

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liability [Net of advance tax]		
Advance Income Tax	-	-
Current Tax Liabilities	2,864	907
Total	2,864	907

Note 14: Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	6,140	-
Total	6,140	-

Note 15: Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Commission income	-	22,992
Profit from sale of mutual funds	56,974	-
Total	56,974	22,992

Note 16: Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories [At Close]		
Work-in-progress	28,38,855	-
Inventories [At Commencement]		
Work-in-progress	-	-
Total	(28,38,855)	-

Note 17: Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Construction expenses	28,38,855	-
Legal and professional	2,400	7,700
Rates and taxes	20,000	-
Conveyance	1,395	-
Power and fuel	2,792	-
Audit fee		
- Statutory audit	11,800	11,800
Miscellaneous expenses	231	-
Total	28,77,473	19,500

Note 18: Income Tax Expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<u>(a) Major components of income tax expense:</u>		
(i) Current Income Tax		
- Current income tax charge	-	907
- Adjustments in respect of current income tax of previous year	(657)	-
	(657)	907
Income tax expense reported in the statement of profit or loss	(657)	907
<u>(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</u>		
Profit/(Loss) before tax from continuing operations	18,356	3,492
Indian tax rate	26.00%	26.00%
Tax at the Indian tax rate	4,773	908
Effect of:		
Non-Deductible expenses for tax purposes	4,550	-
Tax exempt income	-	-
Income taxed at special rates	14,813	-
Others	4,834	-
Total Income Tax Expense	(657)	908

19. Segment Information

The company is operating in financial service sector in India. Thus, there are no reportable segments as defined in Ind AS 108 "Operating Segments". The company earns its entire "revenue from external customers" in India, being company's country of domicile. All non-current assets other than financials instruments are located in India. There are no single major customers on whom the company's revenue is dependent upon and revenue from none of the single customer is more than or equal to 10% of the company's revenue.

20. Related Party Disclosures

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

Nature of Relationship	Name of Related Party
Holding Company	B.N. Rathi Securities Limited
Entity in which KMP has significant influence	B.N. Rathi Comtrade Private Limited
Key Management Personnel (KMP):	Chanda Devi Rathi
	Hari Narayan Rathi
	Chetan Rathi
Relatives of Key Management Personnel (KMP):	Nisha Rathi- Wife of Mr. Chetan Rathi

b) Transactions with related parties:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Advance received:	54,00,000	-
- B.N. Rathi Comtrade Private Limited	54,00,000	-

c) Related party balances

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received:	54,00,000	-
- B N Rathi Comtrade Private Limited	54,00,000	-

21. Earnings per Share (EPS):

i. Reconciliation of earnings used in calculating earnings per share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after taxation as per statement of profit and loss (for basic EPS)	19,013	2,585
Less: Effect of dilutive potential ordinary shares	-	-
Net Profit for dilutive earnings per share	19,013	2,585

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Number of weighted average equity shares considered for calculating of basic EPS	5,00,000	5,00,000
Add: Dilutive effect of potential ordinary shares	-	-
Number of weighted average equity shares considered for calculating of diluted EPS	5,00,000	5,00,000

iii. Earnings per share:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
- Basic (Rs.)	0.04	0.01
- Diluted (Rs.)	0.04	0.01

22. Due to Micro and Small Enterprises

The Company has no dues to Micro and Small Enterprises as at March 31, 2022 and March 31, 2021 in the financial statements based on information received and available with the company.

23. Fair Value Measurements
i. Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Financial assets and financial liabilities measured at fair value

Particulars	March 31, 2022	March 31, 2021
Fair Value Hierarchy	1	1
Financial Assets		
Investments in Mutual funds	-	8,45,548

iii. Financial Instruments by category

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

Particulars	31-Mar-22			31-Mar-21		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
FINANCIAL ASSETS						
Other investments	-	-	-	-	-	8,45,548
Cash and cash equivalents	-	-	4,68,599	-	-	24,030
Loans	-	-	20,64,000	-	-	-
Other bank balances	-	-	-	-	-	-
Others	-	-	12,00,000	-	-	-
TOTAL	-	-	37,32,599	-	-	8,69,578
FINANCIAL LIABILITIES						
Trade Payables	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

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

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

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

24. Financial Instruments Risk Management
i. Market Risk

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

a. Interest rate risk

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

b. Price Risk

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

ii. Liquidity Risk

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

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

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

Particulars	Upto 1 year	From 1-3 years	More than 3 years	Total
<u>31-Mar-22</u>				
Borrowings	54,00,000	-	-	54,00,000
Trade Payables	-	-	-	-
Total	54,00,000	-	-	54,00,000
<u>31-Mar-21</u>				
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Total	-	-	-	-

25. Capital Risk Management

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

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

Particulars	31-Mar-22	31-Mar-21
Borrowings	54,00,000	-
Total Debt	54,00,000	-
As a percentage of total capital	85.88%	0.00%
Equity	8,87,684	8,68,671
As a percentage of total capital	14.12%	100.00%
Total Capital [Debt and Equity]	62,87,684	8,68,671

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

As per our report on even date

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

Sd/-
T. Bharadwaj
Partner
Membership No.: 201042

Place: Hyderabad
Date: 16th May, 2022

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

Sd/-
Chetan Rathi
Director
DIN: 00536441

Sd/-
Chanda Devi Rathi
Director
DIN: 05278997

If undelivered please return to :

B. N. RATHI SECURITIES LIMITED

6-3-652, IV Floor, Kautilya, Amrutha Estates,
Somajiguda, Hyderabad, Telangana - 500 082.