

B.N. RATHI SECURITIES LIMITED



16th Annual Report
2001 - 2002



B.N.RATHI SECURITIES LIMITED

BOARD OF DIRECTORS

Sri LAKSHMINIVAS SHARMA- Chairman
Sri B.N. RATHI
Sri K. HARISHCHANDRA PRASAD
Sri K.N. RATHI
Sri H.N. RATHI - Managing Director

AUDITORS

Kalyandas & Co.,
Chartered Accountants
15, Venkateshwara Colony,
Narayanaguda,
Hyderabad - 500 029.

BANKERS

HDFC Bank Ltd.
Canara Bank.
State Bank of Hyderabad.

REGISTERED OFFICE

4-5-173, Hasmath Gunj,
Sultan Bazar,
Hyderabad - 500 095.

STOCK EXCHANGES (LISTED)

The Hyderabad Stock Exchange Ltd.,
3-6-275,
Himayatnagar,
Hyderabad - 500 029.

The Stock Exchange, Mumbai.
Phiroze jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.

REGISTRAR FOR DEMAT

Karvy Consultants Ltd.,
46, Avenue 4, Street no 1,
Banjara Hills,
Hyderabad-500 034



B.N.RATHI SECURITIES LIMITED

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of B.N. Rathi Securities Limited will be held at Rajasthani Graduates Association, 5-4-790/1, 1st Floor, Abids, Hyderabad-500 001 on 26th September, 2002 at 10.15 a.m to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2002 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri B.N. Rathi, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri K. Harishchandraprasad, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"Resolved that Mr.H.N.Rathi, be and is hereby re-appointed as Managing Director for a further period of five years with effect from 1st October, 2002 on the following terms and conditions,

- i) Remuneration : Rs 40,000/- (Rupees Forty thousand Only) per month.
- ii) Perquisites:
 - a) Medical Reimbursement - Medical expenses incurred by the Managing Director for self and family including dependent parents subject to a Ceiling of one month's salary per year or three month's in a block of three years to be reimbursed.
 - b) Leave Travel concession - self and family including dependent parents to and from any place in India once in a year in accordance with rules of the company.
 - c) Club Fees - Fees of Club to a maximum of two Clubs will be allowed.
 - d) Personal Accident - For an amount to cover within the annual insurance premium which does not exceed Rs. 5000/-
 - e) Provident Fund - Company's Provident Fund shall be twelve percent of the salary. It will not be a perquisite.
 - f) Gratuity - Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
 - g) Car - Use of Company's Car with driver for Company's business. This will not be considered as a perquisite.
 - h) Telephone at Residence - Free use of telephone at residence for official purpose. This will not be considered as perquisite.



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- i) Leave - On full pay and allowances as per rules of the company but not more than one month's leave for every eleven months service to be allowed. Leave not availed would be allowed to be encashed.
- j) Entertainment Expenses - The appointee shall be entitled to reimbursement of entertainment expenses actually and properly incurred for the business of the company.

By Order of the Board
for **B.N. Rathi Securities Limited**

Place : Hyderabad.
Date : 30.07.2002

H.N. Rathi
Managing Director

NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and a proxy need not be a member. The Proxies duly stamped and executed, should be lodged with the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 17th September, 2002 to 26th September, 2002(Both days inclusive)
3. Members/Proxies attending the meeting, should bring their copy of Annual Report to the meeting.
4. Members are requested to intimate the Company, changes if any in their addresses as registered with the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956.

Item No.5

Shri H.N. Rathi's present five years term of office as the Managing Director of the Company expires on 30th september, 2002. Shri H.N. Rathi has been in office as Managing Director since 1st October 1997, thus completing a period of five years. During the tenure of Shri H.N. Rathi as the Managing Director, the Company has made considerable progress in all the spheres and has since acquired good name and reputation in business.

The Directors confidently feel that the company should continue to avail the services of Shri H.N. Rathi as he is a very able and experienced person. Hence, the Board of Directors at their meeting held on 30-07-2002 has considered it necessary to re-appoint Shri H.N.Rathi as the Managing Director of the Company for a further period of five years with effect from 1st October,2002, subject to the approval of the members of the company. The remuneration proposed to be paid to Shri H.N.Rathi is within the limits of Schedule XIII as amended.

The Directors therefore, recommend passing the relevent Resolution as mentioned at Item No.5 of the Notice.

Except Shri H.N. Rathi himself, B.N. Rathi and K.N. Rathi as relatives, no other Director is interested in the resolution.



B.N.RATHI SECURITIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 16 th Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2002.

FINANCIAL RESULTS

The Financial Results for the year ended 31st March, 2002 are summarised as under:

	(Rs. In Lakhs)	
	2001-'02	2000-'01
Total Income	73.96	102.61
Total Expenditure	67.66	85.87
Profit before Tax	06.30	16.74
Provision for Taxation	02.50	07.00
Income Tax of Earlier Year	—	00.17
Profit after Tax	03.80	09.57
Balance transferred to General Reserve	03.80	09.57

OPERATIONS:

The Company's operations at capital market segment of National Stock Exchange of India Ltd., Mumbai, The Stock Exchange, Mumbai and The Hyderabad Stock Exchange Ltd., continue to be less due to market conditions. The Company has also got permission to start trading in Futures & Options segment at NSE and has commenced operation from 15/04/2002

LISTING:

The Company's Equity Shares are listed at The Hyderabad Stock Exchange Ltd., and The Stock Exchange, Mumbai (Stock Code 23019). The Company is managing the share transfer work in-house. The Company has paid the Listing fees for the year 2002-2003.

DIRECTORS:

In accordance with our Articles and the provisions of the Companies Act, 1956, Shri B.N. Rath and Shri K. Harishchandra Prasad retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

AUDITORS:

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

DEPOSITORY SYSTEM:

The Company's equity shares have been inducted into the Depository System of NSDL&CDSL. Facilities for dematerialisation of the company's shares have been already operational bearing the ISIN number INE710D01010.



B.N.RATHI SECURITIES LIMITED

RESPONSIBILITY STATEMENT:

The Directors confirm :

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

FIXED DEPOSITS :

Your Company has not accepted any deposits from the public during the year.

PARTICULARS OF EMPLOYEES:

None of the employees are covered under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31st March, 2002.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

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

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the valuable co-operation and support received from the Government Authorities, Securities and Exchange Board of India, Financial Institutions, Banks, National Stock Exchange of India Limited, The Hyderabad Stock Exchange Limited and The Stock Exchange Mumbai.

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

Your Directors also like to express their thanks to the shareholders for the confidence which they reposed in them.

For and on behalf of the Board of Directors

Lakshminivas Sharma
Chairman

Place : Hyderabad
Date : 30.07.2002

H.N. Rathi
Managing Director



B.N.RATHI SECURITIES LIMITED

COMPLIANCE CERTIFICATE

Registration No. of the Company : 5838 Nominal Capital : Rs 150 Lacs

To,
The Members
B N RATHI SECURITIES LIMITED,
HYDERABAD.

I/We have examined the registers, records, books and papers of M/s. B N RATHI SECURITIES LIMITED (Company) as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002 (Financial year). In my /our opinion and to the best of my /our information and according to the examinations carried out by me/us and explanations furnished to me/us by the company, its officers and agents, I/ We certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure A to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and the returns as stated in Annexure B to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being Public limited Company, Comments are not required.
4. The Board of Directors duly met Five times on 23rd January 2001, 12th June 2001, 25th July 2001, 31st October 2001 and 20th November 2001, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including circular resolutions passed in the meeting book maintained for the purpose.
5. The Company closed its Register of Members, and /or Debenture holder's from 15th September 2001 to 28th September 2001 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31/03/2001 was held on 28/09/2001 after giving due notice to the members of the company and the resolutions passed there at were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loans to Directors or persons or firms or Companies referred to U/s 295 of the Act.
9. The company has duly complied with the provisions of the Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.