



B.N.RATHI SECURITIES LIMITED

BOARD OF DIRECTORS	Sri LAXMINIVAS SHARMA	- Chairman
	Sri K.HARISHCHANDRA PRASAD	- Director
	Sri VIJAY KUMAR TAORI	- Director
	Sri T. S. SURYANARAYANA MURTHY	- Director
	Sri HARI NARAYAN RATHI	- Managing Director
	Sri CHETAN RATHI	- Executive Director

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

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

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

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

**REGISTRARS & SHARE
TRANSFER AGENTS** Karvy Computershare Pvt. Ltd.
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081
Tel No.040-44655000 Fax No.040-23420814,

**DEMAT ISIN IN
NSDL & CDSL** INE710D01010



B.N.RATHI SECURITIES LIMITED

NOTICE

Notice is hereby given that the 27th Annual General Meeting of the Members of B N Rathi Securities Limited will be held on Thursday 8th August 2013 at 10.30 A.M. at Hotel Inner Circle, Raj Bhavan Road, Somajiguda, Hyderabad-500 0082. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2013 together with the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Vijay Kumar Taori, who retires by rotation and being eligible, offers himself for re-appointment
4. To appoint the Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Mr. T. S. Suryanarayana Murthy, who was appointed as an additional director of the company pursuant to the provisions of section 260 of the Companies Act, 1956 by the board of directors w.e.f 29.05.2013 and who holds the office up-to date of the ensuing annual general meeting and in respect of whom the company has received a notice in writing under section 257 read with section 190 of the said Act, along with requisite deposit proposing him as candidate for the office of director of the company, be and is hereby appointed as a director of the company whose period of office is liable to be determined by retirement of directors by rotation.".
6. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution** ;
Re- Appointment of Mr. Chetan Rathi as an Executive Director:
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII (as amended from time to time) to the said Act, Mr. Chetan Rathi be and is hereby re-appointed as an Executive Director of the Company for a period of 2 years with effect from 31.03.2013 with the following terms and conditions subject to the approval of the shareholders in the next General Meeting."
 - I. Salary : Rs. 65,000/- per month
 - II. In addition to the above the Executive Director is entitled to the following facilities:
 - a) Free use of the Company's car with driver.
 - b) Free telephone facility at residence.
 - c) Encashment of Leave as per the rules of the Company.
 - d) Club fee subject to maximum of two clubs. This will not include admission and life Membership fee.
 - e) Provident fund, superannuation benefits and gratuity as per the rules of the Company subject to the ceilings as per the guidelines for managerial remuneration in force from time to time.
 - f) Reimbursement of medical expenses incurred for self and family subject to a ceiling of one month's salary in a year or 2 months' salary over a period of 2 years.
 - g) Leave Travel Concession for self & family once in a year as per the rules of the company.

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

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 05.08.2013 to 08.08.2013 (Both days inclusive) for determining the names of members eligible for dividend, if approved, on equity shares. In respect of shares held in electronic form, dividend will be payable on the basis of beneficial ownership, as per details furnished by NSDL and CDSL, for this purpose.
4. Subject to the provisions of the Companies Act, 1956, dividend as recommended by the Board of Directors, if declared at the meeting, will be payable to those members whose names appear on the Company's Register of Members as on 08.08.2013.
5. The Company is presently using National – ECS (NECS) for dividend remittance. Members holding shares in physical form are requested to notify/send any change in their address/mandate/bank details; and Particulars of their bank account, in case the same have not been sent earlier to the Company's Registrar and Transfer Agent.
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz., NSDL and CDSL will be printed on the dividend warrants.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to send the same to the office of the Registrar and Transfer Agent of the Company.
8. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
9. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorising their representative to attend and vote at the Annual General Meeting.
10. In terms of Sections 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, in the year 2012-13, the Company would be transferring the unclaimed or unpaid Final Dividend for the year 2005-2006 to the IEPF on or before 28th October, 2013. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer of the said amounts to the IEPF.
11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
12. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
13. As part of Green Initiative in Corporate Governance the Ministry of Corporate Affairs (MCA), Government of India vide its Circular has allowed paperless compliances by Companies inter-alia stating that if the Company sends official documents to their shareholders electronically, it will be in compliance with the provisions of Section 53 of the Companies Act, 1956. Keeping in view shareholders are requested to update their E-Mail ID with their DP.

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

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

ITEM NO. 5

The members may note that Mr. T. S. Suryanarayana Murthy, was inducted into Board as Additional Director of the company, with effect from 29.05.2013 pursuant to the provisions of Section 260 of the Companies Act, 1956 and holds the office as such up to the date of ensuing Annual General Meeting. The company has received notice in writing from member of the company along with the requisite deposit under Section 257 read with section 190 of the Companies Act, 1956 proposing the candidature of the above said person for the Office of Director whose period of office is determinable by retirement of Directors by rotation.

As per the provisions of section 257 of the Act, any such proposal ought to be approved by the members in the General Meeting.

Hence, the Board recommends the resolution for your approval.

None of Directors except Mr. T. S. Suryanarayana Murthy may be deemed to be concerned or interested in the resolution.

ITEM NO. 6

The term of appointment of Mr. Chetan Rath as an Executive Director of the Company expired on 31.03.2013 and therefore, the Board of Directors in its meeting held on 06.02.2013, reappointed Mr. Chetan Rath as an Executive Director for a period of two years with effect from 31.03.2013 as per the terms and conditions explained in the resolution.

As per the provisions of Schedule XIII of the Companies Act, 1956, re-appointment of Mr. Chetan Rath as an Executive Director, requires the approval of the members in the General Meeting. Hence, the above resolution at item no.6 is submitted to the meeting for ratification by the members of the Company by passing Special Resolution.

Mr. Chetan Rath, aged 37 years has done masters in Business Management. He has vast knowledge and experience in securities market. His professional knowledge and expertise would be of immense useful for the efficient functioning of the technical department. He is on the Board of the Company since 01.04.2010. He is currently looking after day to day operations. He is also the director of B.N. Rath Comtrade Private Limited and B.N. Rath Industries Private Limited, subsidiaries of your company.

He does not hold any committee Memberships in any company.

The notice together with the explanatory statement attached herewith should be treated as an abstract of the terms of the agreement and memorandum of concern or interest under section 302 of the Companies Act, 1956.

The Board of Directors recommends the above resolution at item no.6 for the members' approval in the Annual General Meeting.

None of the Directors of the Company except Mr. Hari Narayan Rath and Mr. Chetan Rath are concerned or interested in this resolution.

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

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report together with Audited Statements of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS:

The Financial Results for the year ended 31st March, 2013 are summarised as under:

	(Rs. In. Lakhs)	
	2012-13	2011-12
Total Income	622.01	624.53
Total Expenditure	566.84	570.12
Profit before Tax	55.17	54.41
Provision for taxation	16.13	15.49
Profit after Tax	39.04	38.92
Transfer to General Reserves	-	-
Profit available for Appropriation	39.04	38.92
Provision for proposed Equity Dividend	25.20	25.20
Provision for Corporate Dividend Tax	4.28	4.09
Balance carried to Balance Sheet	9.56	9.63

DIVIDEND:

Your Directors are pleased to recommend a Dividend of Re. 1 per share i.e., @ 10% on the Paid up Equity Share Capital of the Company in respect of the financial year 2012-13. The total outgo on account of dividend, inclusive of dividend tax stands at Rs. 29.48 lakhs, for which necessary provision has been made in the accounts.

OPERATIONS:

The performance of the Company during the year under review has been satisfactory. The company got the Trading membership of MCX Stock Exchange in Equity and Derivatives Segment. The Company is also making all efforts to expand in the various parts of the country its trading terminals.

INSURANCE:

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

LISTING:

The Equity Shares of the Company are listed on BSE Limited (Stock Code 523019). The annual listing fees for the year 2013- 2014 has been paid to the Stock Exchange.

DIRECTORS:

Mr. B. N. Rathi, the Promoter Director passed away during the year. The Board placed on record its sincere appreciation for the valuable services rendered by him during his tenure as Director of the Company.

Mr. T. S. Suryanarayana Murthy was appointed as additional director on the board w.e.f. 29.05.2013. Mr. Chetan Rathi, Executive Director whose term of appointment expired on 31.03.2013 was re-appointed as an Executive Director for a term of two years w.e.f. 31.03.2013 subject to the approval of members.

In accordance with the Companies Act, 1956 and read with Articles of Association of the Company, Mr. Vijay Kumar Taori retires by rotation and is eligible for reappointment and your Board recommends the re-appointment of Mr. Vijay Kumar Taori.

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

Date : 29.05.2013
Place : Hyderabad.

LAKSHMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

BRIEF PROFILE OF MR. VIJAY KUMAR TAORI:

Particulars	Mr. Vijay Kumar Taori
Date of Birth	24.07.1947
Date of Appointment	30.04.2011
Qualifications	M A
No. of Shares held in the Company	Nil
Directorships held in other companies	Mahaveer Infoway Limited, Trimurthi Drugs & Pharmaceuticals Limited

BRIEF PROFILE OF MR. T. S. SURYANARAYANA MURTHY:

Particulars	Mr. T. S. Suryanarayana Murthy
Date of Birth	09.06.1945
Date of Appointment	29.05.2013
Qualifications	FCA
No. of Shares held in the Company	Nil
Directorships held in other companies	Pitti Laminations Limited

BRIEF PROFILE OF MR. CHETAN RATHI:

Particulars	Mr. Chetan Rathi
Date of Birth	08.03.1976
Date of Appointment	31.03.2013
Qualifications	M B A
No. of Shares held in the Company	1,74,267
Directorships held in other companies	Nil

CAPITAL OF THE COMPANY:

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

AUDITORS:

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

AUDITOR'S REPORT:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2013 and has noted that the same does not have any reservation, qualification or adverse remarks.

FIXED DEPOSITS:

The Company has not accepted any deposits from the public.

PARTICULARS OF EMPLOYEES:

None of the employees is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 and forming part of the Directors report for the year ended 31st March, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year 31.03.2013 and of the profits of the company for that period;
- 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;



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(iv) that they have prepared the annual accounts on a going concern basis.

STATUTORY COMPLIANCE:

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

UN PAID / UN CLAIMED DIVIDEND:

In terms of the provisions of Section 205C of the Companies Act, 1956 the Company is obliged to transfer dividends which remain unpaid or unclaimed for a period of seven years from the 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 2005-2006 will expire on October 28th, 2013 and thereafter the amount standing to the credit in the said account will be transferred to the "Investor Education and Protection Fund" of the Central Government.

COMPLIANCE CERTIFICATE:

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

CREDIT & GUARANTEE FACILITIES:

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

SUBSIDIARY COMPANIES:

B N Rathi Comtrade Private Limited, the wholly owned subsidiary of the Company, recorded a net profit of Rs. 35.94 Lakhs as against Rs. 42.47 Lakhs in the previous year.

During the financial year, your company acquired 100% of the equity capital of M/s B N Rathi Industries Pvt Ltd on 02.11.2012 and B N Rathi Industries Pvt Ltd has become a wholly owned subsidiary of your Company. B N Rathi Industries Pvt Ltd is in the process of commencing business.

CONSOLIDATED FINANCIAL STATEMENTS:

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

INTERNAL AUDIT:

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

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

ACKNOWLEDGEMENT:

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

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

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

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

Date : 29.05.2013
Place : Hyderabad.

LAXMINIVAS SHARMA
CHAIRMAN



B.N.RATHI SECURITIES LIMITED

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of **M/s B.N.RATHI SECURITIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. on the basis of written representations received from the directors as on 31st March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



B.N.RATHI SECURITIES LIMITED

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

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

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

- 1) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The fixed assets of the Company have been physically verified by the management at the year end and no serious discrepancies were noticed on such verification. No Fixed Assets disposed off however the Company has written off WDV of VSATs Assets Rs.12,63,778/- on the ground that the Assets have become obsolescence which do not affect the going concern assumption.
- 2) The stock of inventory has been physically verified by the management at reasonable intervals. In our opinion, and according to the information given to us, the procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. In our opinion the company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3) a) The Company has not granted secured or unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Act. However during the year the company has granted unsecured loan of Rs.40 Lakhs (Interest Free) to the Subsidiary Company M/s. B. N. Rath Comtrade Private Limited and the same has been repaid.

Rs.50,000/- (Interest Free) to the Subsidiary Company M/s. B. N. Rath Industries Private Limited.

b) The Company has not obtained unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- 4) In our opinion there are internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of stock (shares) and services requires improvement. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weakness in the aforesaid internal control systems.
- 5) In our opinion and according to the explanation given to us, the particulars of Contracts or arrangements required to be entered in the register under Section 301 of the Companies Act, 1956 have been entered and transactions aggregating during the Financial year to Rupees Five Lakhs or more in respect of each party have been made at prices which are reasonable having regard to prevailing market prices for such securities or the prices at which transactions for similar securities or services have been made with other parties. During the year, the company has paid Rs.10 lakhs towards Rental Deposit (Interest free) for Registered Office (Hyderabad) to the owner Smt. Chanda Devi Rath a related party.
- 6) The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA or any other relevant Provisions of the Companies Act, 1956 and the Rules framed there under.
- 7) In our opinion the Company has a system of internal audit which commensurate with its size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of the sub-section (1) of Section 209 of the Act for any of its products.
- 9) The Company is regular in depositing with appropriate authorities undisputed amount of Provident Fund, Investor Education and Protection Fund, Income Tax, Service Tax and other statutory dues as applicable and no undisputed amounts payable are outstanding as at 31st March, 2013 for a period of more than six months from the date they become payable.

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

Details of disputed Income Tax

The company has filed CIT Appeal against the order passed U/s.143 (3) in respect of Income Tax Demand of Rs.11, 45,465/- which is pending disposal.



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- 10) The Company has no accumulated losses as at 31st March, 2013 and it has not incurred cash losses in the financial year under report or in the immediately preceding financial year.
- 11) As per the explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks.
- 12) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- 14) The Company is a Member of NSE, BSE and MCX-SX renders services for investors in purchase and sale of shares and securities and also deals in shares and securities. The Company has maintained proper records of the transactions and contracts of purchases and sale of shares and other securities and timely entries have been made therein. The Company has held the shares in the name of the Company.
- 15) According to the information and explanations given to us and the representations made by the management, the Company has not given any guarantee for Loans taken by others from Banks or Financial Institutions. However during the year, the company has given Corporate Guarantee of Rs.1.70 Crores to HDFC on behalf of Subsidiary Company M/s. B. N. Rathi Comtrade Private Limited.
- 16) The Company has obtained Term Loan from a Bank during the year and the same was applied for the purpose for which the loan was obtained.
- 17) On the basis of our examinations of the books of account and the information and explanations given to us, in our opinion the funds raised on short-term basis have not been used for long term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) The Company has not issued any debentures during the year.
- 20) The Company has not raised any money by public issues during the year.
- 21) According to the explanation and information given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our Audit.

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

Date : 29.05.2013
Place: Hyderabad

G. KALYANDAS
Membership No.7102
Partner