



# **Rids Securities Ltd.**

**15<sup>th</sup> ANNUAL REPORT  
2008-2009**

**BOARD OF DIRECTORS:**

Shri Naran Bhati

Shri Mihir Shah

Shri Deepinder Mohan

Shri Jeetendra Wala

**AUDITORS:**

M/S. Kiritbhai Soni & Associates

Chartered Accountants.

Ahmedabad.

**BANKERS:**

Indian Bank,

Ashram Road, Ahmedabad.

**REGISTERED OFFICE:**

54, Empire Tower,

Near Associated Petrol Pump,

C. G. Road, Ahmedabad - 380 006.

**REGISTRAR AND TRANSFER AGENT:**

M/s. Sharex (Dynamic) India Pvt. Ltd.

17-B, Dena Bank Building,

Horniman Circle, Fort,

Mumbai - 400 023.

**NOTICE**

NOTICE is hereby given that the 15th Annual General Meeting of the members of Rids Securities Limited, will be held on Thursday, the 10th day of September, 2009 at 2.00 p.m., at 54, Empire Tower, Near Associated Petrol Pump, C. G. Road, Ahmedabad - 380 006, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Profit and Loss Account, Cash Flow Statement for the period ended as on 31st March 2009, Balance Sheet as on that date, and the Report of the Directors' and Auditors thereon.
2. To appoint a Director in place of Shri Deepinder Mohan and Shri Mihir Shah who retires by rotation and being eligible offer themselves for reappointment.

**SPECIAL BUSINESS**

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

"RESOLVED THAT subject to the provisions of Sections 224,225 and other applicable provisions, if any, of the Companies Act, 1956, Messers Koshal & Associates, Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the company to hold the office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, in place of the retiring auditors Messers Kiritbhai Soni & Associates, Chartered Accountants, Ahmedabad, to examine and audit the accounts of the Company for the financial year 2009-10, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the auditors."

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

"RESOLVED THAT pursuant to Sections 81, 81(1A) and other applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), Reserve Bank of India (RBI), the Securities and Exchange Board of India (SEBI) and/or any other competent authorities and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, where the shares of the Company are listed and in accordance with the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, the guidelines, rules, regulations issued by the GOI, RBI, SEBI and/or any other competent authorities and clarifications thereon, issued from time to time, and subject to all such other approvals, permissions, consents and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions, which may be agreed to by the Board of Directors of the Company, (which term shall include any Committee constituted / to be constituted by the Board for exercising the powers conferred on the Board by this resolution), consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, whether within India or outside India, with or without premium, whether rupee denominated or denominated in any foreign currency, such number of equity/preference shares (Cumulative or Non-Cumulative, Redeemable or Non-Redeemable) and/or Foreign Currency Convertible Bonds (FCCBs) and/or Fully/Partially Convertible Bonds/Loans or non convertible debentures/Bonds and/or Global Depository Receipts (GDRs) and/or American Depository Receipts (ADRs) and/or Qualified Institutional Placements (QIPs) and/or any other equity and/or preference or equity related instrument/security and/or any other instruments/securities in the nature of Shares/Bonds and/or warrants, convertible into equity shares at the option of the Company and/or the holder(s) of such securities, and/or securities linked to equity shares and/or securities with or without detachable/non-detachable warrants with a right exercisable by the warrant-holder to subscribe for the equity shares and/or warrants with an option exercisable by the warrant-holder to subscribe for equity shares, and/or any instrument or securities representing either equity shares and/or convertible securities linked to equity shares, naked or otherwise, convertible into shares or otherwise, either in registered or bearer forms, (hereinafter referred to as

"Financial Instruments") or any combination of the financial instruments in the International/Domestic market, upto Rs.100,00,00,000/- (Rupees One Hundred Crores only) to Indian or foreign investors (whether institutions, incorporated bodies, mutual funds and / or individuals, or otherwise and whether or not such investors are members of the Company), members, employees, non-resident Indians, Foreign Institutional Investors(FIIs), Qualified Institutional Buyers (QIBs), Companies, Mutual Funds, Banks, Indian/Foreign Financial Institutions, other entity(ies) and such other persons through public issue(s), private placement(s), preferential allotment, rights issue, qualified institutional placements, exchange of securities, issue of shares under ESOP Plan, Conversion of loan or otherwise in the course of offerings in Indian and/or International Market or in any other manner or a combination thereof at such time or times, at such price or prices, at a discount or at par to or at a premium to market price, or prices in such manner and on such terms and conditions including security, rate of interest, Dividend etc. as may be decided and deemed appropriate by the Board at the time of such issue, offer or allotment considering the prevailing market conditions and other relevant factors, wherever necessary in consultation with the lead managers, and/or underwriters and /or other advisors to the extent and in the manner as may be decided by the Board in this behalf.

RESOLVED FURTHER THAT in the event that securities are issued under Chapter XIII A of SEBI DIP Guidelines, the 'Relevant Date' for the purpose of pricing of the securities shall be 30 days prior to the date on which the Special Resolution in terms of Section 81(1A) of the Companies Act, 1956 approving the proposed issue of securities is passed in the general meeting, i.e. August 10, 2009.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the Financial Instruments may have all or any term or combination of terms in accordance with prevalent market practice including but not limited to terms and conditions relating to payment of interest, dividend, premium or redemption at the option of the Company and/or holders of any securities, including terms for issue/offer of additional equity shares or variations of the price or period of conversion of securities into equity shares or issue/offer of equity shares during the period of the securities or terms pertaining to voting rights or option(s) for early redemption of securities and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets. For the purpose of giving effect to the above, the Board be and is hereby authorised to determine the form, terms and timing of the issue(s)/offer(s), including the class of investors, to whom the securities are to be allotted, number of securities to be allotted in each tranche, issue/offer price, face value, premium amount on issue/ conversion of securities/exercise of warrants/redemption of securities, rate of interest, redemption period, listings on one or more stock exchanges in India and/or overseas as the Board in its absolute discretion deems fit and to make and accept any modification in the proposal as may be required by the authorities involved in such issues/offers in India and/or overseas, to do all acts, deeds, matters and things as may be necessary and to settle any questions or difficulties that may arise in regard to the issue(s)/offer(s) and the Board is hereby authorized in its absolute discretion in such a manner as it may deem fit, to dispose of such of the Financial Instruments as are not subscribed.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to make appointments as may be required of Managers (including Lead Managers), Merchant Bankers, Underwriters, Guarantors, Financial and/or Legal Advisors, Depositories, Custodians, Principal Paying/ Transfer/ Conversion Agents, Listing Agents, Registrars, Trustees and all other agencies, whether in India or overseas and to enter into and execute all such arrangement(s)/ agreements(s) with any such Managers (including Lead Managers)/ Merchant Bankers/ Underwriters/ Guarantors/ Depositories/ Custodians /Legal advisors/ Principal Paying/Transfer/ Conversion Agents, Listing Agents, Registrars, Trustees and all such agents or body as may be involved or concerned in such offering of Financial Instruments and to remunerate all such agents including by way of payment of commission, brokerage, fees, expenses incurred in relation to the issue/offer of securities and other expenses, if any.

RESOLVED FURTHER THAT the preliminary as well as the final Offer Document for the aforesaid issue/ offer be finalized, approved and signed by the Directors of the Board for and on behalf of the Company with authority to amend, vary, modify the same as may be considered desirable or expedient and for the purpose aforesaid to give such declarations, affidavits, undertakings, certificates, consents, authorities as may be necessary and required from time to time.

RESOLVED FURTHER THAT the Financial Instruments to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of the Financial Instruments or exercise of options as may be necessary in accordance with the terms of the offer aforesaid, subject to the provisions of the Company's Articles of Association and all such shares shall rank pari passu with the existing equity shares of the Company in all respects, in accordance with the law applicable at the time of such issue, offer or allotment as the case may be.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or question that may arise in the issue and allotment of the Financial Instruments and/or fresh shares, to effect any modification to the foregoing in the best interest of the Company and its shareholders and to execute all such writings and instrument as the Board may in its absolute discretion deem necessary or desirable.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors or any Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution."

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

"RESOLVED THAT the Board of Directors (hereinafter referred to as "the Board" may constitute for this purpose), be and is hereby authorised, in accordance with Section 293(1)(d) of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and the Articles of Association of the Company, to borrow any sum or sums of money (including non fund based facilities) from time to time at their discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate either domestically or internationally, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed upto a sum of Rs.100,00,00,000/- (Rupees One Hundred Crores only) over and above the aggregate of the then paid up capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) and that the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

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

"RESOLVED THAT, Mr. Jeetendra Wala, who was appointed by the Board as an Additional Director of the Company on 12th December, 2008 and who in terms of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, who being eligible, offers himself for appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956 signifying his intention to propose Mr. Jeetendra Wala as a candidate for the office of the Director, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

**Registered Office:**

54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

Date : 11/08/2009

Place : Ahmedabad

For and on Behalf of the Board  
of **RIDS SECURITIES LTD.**

Sd/-  
Chairman

**NOTES:**

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- (b) The Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business mentioned in the above notice is annexed hereto.
- (c) The Register of Members and Share Transfer Books of the Company will remain closed from 3rd September, 2009 to 10th September, 2009 (both days inclusive).
- (d) Members holding shares of the Company under more than one Ledger Folio are requested to send to the Registrar & Share Transfer Agents of the Company, details of all such folios together with the Share Certificates for consolidating the folios into one. The Share Certificates will be returned to the shareholders after making the requisite endorsement thereon.
- (e) Members are requested to notify change in their address along with pin code number.
- (f) Members are requested to bring their copy of the Annual Report to the Meeting, as copies of the Report will not be distributed at the Meeting.
- (g) Members seeking further information about the Accounts and/or Operations of the Company are requested to send their queries to the Company at its Registered Office at least TEN days before the date of the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 3:**

Messers Kiritbhai Soni & Associates, Chartered Accountants, Ahmedabad have expressed their unwillingness to be re-appointed as the Statutory Auditors of the Company, with effect from the conclusion of the ensuing Annual General Meeting of the Company.

In view of the above, the Board of Directors propose the appointment of Messers Koshal & Associates Chartered Accountants, Mumbai as the Statutory Auditors of the Company in place of Messers Kiritbhai Soni & Associates, Chartered Accountants, Ahmedabad for the financial year 2009-10, i.e. with effect from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

The Company has received a special notice from a member of the Company, in terms of the provisions of the Act, signifying his intention to propose the appointment of Messers Koshal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. As required the said auditors have forwarded certificates to the Company stating that the appointment, if made, will be within the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Further they have confirmed that they are not disqualified to be appointed as the auditors under Section 226 of the Companies Act, 1956.

The Members approval is being sought to the appointment of Messers Koshal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors and to authorize the Board of Directors, on the recommendation of the Audit committee, to determine the remuneration payable to the Auditors.

None of the Directors of the Company is concerned or interested in the said resolution.

**ITEM NO. 4:**

The Company needs to raise funds for normal capital expenditure, expansion, acquisition/s, general corporate purposes, working capital requirements etc. The Board of Directors have proposed that it would be necessary for the Company to raise funds not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crores only) in the manner as set out in the Resolution No.4 of the Notice.

The resolution set out in Item No.4 is an enabling resolution conferring authority on the Board to do all the acts and deeds which may be required to issue/offer securities of appropriate nature at an opportune time, including the size, structure, price and timing of the issue/offer at the appropriate time(s). The detailed terms and conditions for the international and/or domestic offering will be determined in consultation with the lead managers, consultants, advisors, underwriters and/or other such intermediaries as may be appointed for the issue/offer. Wherever necessary and applicable, the pricing of the issue/offer will be finalized in accordance with the applicable guidelines in force of the Government of India, RBI, SEBI and other relevant authorities. Since the pricing of the offering can be decided only at a later stage, it's not possible to state the price or the exact number of securities or instruments to be issued.

Section 81 of the Companies Act, 1956 and the listing agreements provide, inter alia, that whenever it is proposed to increase the subscribed capital of the Company by further issue/offer and allotment of shares, such shares shall be offered to existing shareholders of the company in the manner laid down in the section, unless the shareholders decide otherwise in the general meeting. Accordingly, the consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and all other provisions of the Companies Act, 1956 and in terms of provisions of the listing agreements executed by the Company with the Stock Exchanges, authorizing the Board to issue securities, as stated in the resolution which would result in issuance of further securities of the Company to persons other than existing members of the Company in accordance with the terms and nature of the securities.

The Resolution in the accompanying Notice being proposed as a Special Resolution is essentially an enabling one and relates to a proposal to create, issue, offer and allot equity shares/depository receipts/foreign currency convertible bonds and/or other appropriate securities upto an amount not exceeding Rs. 100 Crores inclusive of premium in the course of domestic/international offerings. Such securities are proposed to be issued to any eligible person including but not limited to resident investors and foreign investors (whether individuals, mutual funds, incorporated bodies, institutions or otherwise), Foreign Financial Institutions and Qualified Institutional Buyers, etc.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI DIP Guidelines. The Board of Directors may in its discretion adopt this mechanism as prescribed under Chapter XIII A of SEBI DIP Guidelines without the need for fresh approval from the shareholders.

The 'Relevant Date' for the purpose of determination of minimum price as per Chapter XIII A of the SEBI DIP Guidelines for issue of securities shall be 30 days prior to the date on which the shareholders Resolution in terms of Section 81(1A) of the Companies Act, 1956 approving the proposed issue of securities is passed i.e. August 10, 2009.

Your directors commend the resolution for your approval as a special resolution.

None of the Directors of the Company is in any way concerned or interested in the proposed Resolution at Item No.4 except to the extent of their holding of equity shares in the Company and/or of their relatives and/ or companies/ concerns in which they may be interested.

**ITEM NO. 5:**

In terms of the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company, cannot except with the consent of the Company in general meeting, borrow moneys, apart from temporary loans obtained from Company's bankers in the ordinary course of business, in excess of aggregate of the paid up capital and its free reserves that is to say reserves not set apart for any specific purpose. Keeping in view the Company's business requirements and its growth plans, it is considered desirable to increase the said borrowing limits. The Board of Directors accordingly recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the Members as ordinary resolution.

**ITEM NO. 6:**

Mr. Jeetendra Wala was appointed as Additional Director of the Company with effect from 12th December, 2008. According to the provisions of Section 260 of the Companies Act, 1956, he holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member signifying his intention to propose the appointment of Mr. Jeetendra Wala as Director at the forthcoming Annual General Meeting. Hence, necessary resolution is placed before the meeting for member's approval.

Mr. Jeetendra Wala is a Chartered Accountant by profession, having 26 years of rich experience.

Mr. Jeetendra Wala is deemed to be interested in the proposed resolution to the extent of his appointment as a Director. No other Director is interested in the Resolution. Directors recommend the resolution as proposed in the Notice for member's approval.

None of the directors of the Company is, in any way, concerned or interested in the said resolution

**Registered Office:**

54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

Date : 11/08/2009

Place : Ahmedabad

For and on Behalf of the Board  
of **RIDS SECURITIES LTD.**

Sd/-  
Chairman

**DIRECTORS' REPORT**

To,  
The Members,  
**RIDS SECURITIES LIMITED**  
Ahmedabad.

Your Directors have pleasure in presenting herewith their 15th Annual Report together with the Audited Statements of Accounts for the period ended 31st March 2009.

**FINANCIAL RESULTS**

(Rs. in Thousands)

	<b>2008-09</b>	<b>2007-08</b>
Sales	3920.09	64727.00
Closing Stock	1384.79	299.88
Other Income	-	406.00
<b>TOTAL</b>	<b>5304.88</b>	<b>65432.88</b>
Profit Before Interest, Depreciation and Taxation	966.57	4909.96
Depreciation	236.75	503.01
Provision for Taxation and Deferred Tax	297.82	1500.80
<b>PROFIT FOR THE YEAR</b>	<b>462.00</b>	<b>2906.15</b>

**DIVIDEND**

In view of lesser profits available for appropriation and to conserve the resources your Directors do not recommend any dividend.

**PRESENT OPERATIONS**

During the year under consideration your company has achieved turnover of Rs. 39.20 Lacs (P.Y. 647.27 Lacs), which resulted in profit to the tune of Rs. 7.59 Lacs before providing for Taxation. The Company is implementing the different projects undertaken for the development of Arid Land & Trading in Agricultural Products and thus making an huge impact in overall growth of the company.

The Scheme of Amalgamation of Tricom Agrochem Limited (Transferor Company) with effect from "appointed date" of 1st April, 2008 with Rids Securities Limited (Transferee Company) is awaiting member's approval under section 391 to 394 of the Companies Act, 1956. The approval of the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, is awaited & thus the amalgamation though effective from the "appointed date" i.e. 1st April, 2008 shall be operative from "effective date", i.e. last of the dates on which the sanctions/ approvals or order as specified in the Scheme of Amalgamation are obtained & / or filed. Once the approval of both the High Court is received & other legal formalities are completed, the amalgamation will be effective & all the assets, liabilities and reserves of Tricom Agrochem Limited (Transferor Company) will be transferred to the Company. Pending approvals & sanction of the Scheme from the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, Company's accounts have been prepared independently without incorporating the figures of Tricom Agrochem Limited. The effect of the above Amalgamation will be given in the Annual Accounts of the Company, in the financial year in which all the sanctions/ approvals or orders as specified in the Scheme of Amalgamation are obtained and/ or filed.

The amalgamation of both the Companies would help to combine the activities and operations into a single company for synergistic linkages besides the benefit of financial resources of each other.

**LISTING**

The Shares of the Company are listed at Ahmedabad Stock Exchange Limited and Bombay Stock Exchange Limited. The company has paid listing fees to both the Stock Exchanges for the year 2009-10.

**DIRECTORS**

Mr. Jeetendra Wala was appointed as Additional Director of the Company on 12th December, 2008. He holds office upto the date of the ensuing Annual General Meeting. A notice has been received from a member signifying his intention to propose the appointment of Mr. Jeetendra Wala as a Director liable to retire by rotation.

In accordance with the Articles of Association of the Company, Shri Deepinder Mohan and Shri Mihir Shah of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.



**RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of Companies Act, 1956 it is hereby confirm.

- a) that in the preparation of the annual accounts for the financial year ended 31st March, 2009 the applicable accounting standards have been followed and there is no material departures from the same;
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the Directors have prepared the annual accounts for the financial year ended 31st March, 2009 on 'a going concern' basis.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS/OUTGO.**

The information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988, are not applicable.

**PARTICULARS OF EMPLOYEES**

There are no employees covered by Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and hence, no particulars are attached.

**AUDIT COMMITTEE**

The Company has constituted an Audit Committee pursuant to the provision of the Section 292A of the Companies Act, 1956, and Clause 49 of Listing Agreement, details of which is given separately in the Report on Corporate Governance.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

This has been dealt with in the separate annexure to this report.

**CORPORATE GOVERNANCE**

A separate report on Corporate Governance as prescribed by Clause 49 of the Listing Agreement of the relevant Stock Exchanges forms part of the Annual Report 2008-2009 along with Auditors' statement on its compliance.

**AUDITORS**

The Company has received a letter from the Auditors of the Company, Messers Kiritbhai Soni & Associates, Chartered Accountants, Ahmedabad expressing their inability to be re-appointed as the Statutory Auditors of the Company, with effect from the conclusion of the ensuing Annual General Meeting of the Company.

Therefore the Board of Directors on the recommendations of the Audit Committee have, at its meeting held on 11th August, 2009 proposed the appointment of Messers Koshal & Associates Chartered Accountants, Mumbai as the Statutory Auditors of the Company in place of Messers Kiritbhai Soni & Associates, Chartered Accountants, Ahmedabad for the financial year 2009-10, i.e. with effect from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, subject to the approval of the members.

The Company has received a special notice from a member of the Company, in terms of the provisions of the Act, signifying his intention to propose the appointment of Messers. Koshal & Associates, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting. As required the said auditors have forwarded certificates to the Company stating that the appointment, if made, will be within the limits specified in sub-section (1B) of Section 224 of the Companies Act, 1956. Further they have confirmed that they are not disqualified to be appointed as the auditors under Section 226 of the Companies Act, 1956.

The said resolution is being placed before the Members at the ensuing Annual General Meeting for their approval.

**PERSONNEL**

Industrial relations continued to be cordial and harmonious during the year under review. Directors wish to place on record their appreciation for the co-operation received from the staff and workers at all levels.

**ACKNOWLEDGMENT**

Your Directors express their gratitude to the continuous support of the Government Authorities, valued Customers and devoted workers for their continuous contribution to the growth and progress of the Company. The Directors also take this opportunity to thank the members for the confidence reposed in the management.

**Registered Office:**

54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

For and on Behalf of the Board  
of **RIDS SECURITIES LTD.**

Date : 11/08/2009  
Place : Ahmedabad

Sd/-  
Chairman

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Pursuant to Clause 49 of Listing Agreement, a Management Discussion & Analysis Report is given below:-

**BUSINESS STRUCTURE AND DEVELOPMENTS**

As you are aware the Company basically concentrates on the Agricultural Commodities and rural economy. Various Incentives are provided by the Government of Gujarat for the agricultural development in the state. Looking to the same the company sees prosperous future in the forthcoming years. Your directors have also started to concentrate on the development of the Agricultural Activities through Contract Farming, Agro Warehousing and allied agricultural activities in the forthcoming years.

**OUTLOOK ON OPPORTUNITIES, THREATS, RISK AND CONCERNS**

The Company is implementing the different projects undertaken for the development of Arid Land & Trading in Agricultural Products. This would create a huge impact in overall growth of the company.

**AMALGAMATION**

The Scheme of Amalgamation of Tricom Agrochem Limited (Transferor Company) with effect from "appointed date" of 1st April, 2008 with Rids Securities Limited (Transferee Company) is awaiting member's approval under section 391 to 394 of the Companies Act, 1956. The approval of the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, is awaited & thus the amalgamation though effective from the "appointed date" i.e. 1st April, 2008 shall be operative from "effective date", i.e. last of the dates on which the sanctions/ approvals or order as specified in the Scheme of Amalgamation are obtained & / or filed. Once the approval of both the High Court is received & other legal formalities are completed, the amalgamation will be effective & all the assets, liabilities and reserves of Tricom Agrochem Limited (Transferor Company) will be transferred to the Company. Pending approvals & sanction of the Scheme from the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, Company's accounts have been prepared independently without incorporating the figures of Tricom Agrochem Limited. The effect of the above Amalgamation will be given in the Annual Accounts of the Company, in the financial year in which all the sanctions/ approvals or orders as specified in the Scheme of Amalgamation are obtained and/ or filed.

The amalgamation of both the Companies would help to combine the activities and operations into a single company for synergistic linkages besides the benefit of financial resources of each other.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company is committed to maintaining high standard of internal controls designed to provide accuracy of information, efficiency of operations, and security of assets. The company has adequate internal controls commensurate with the size and nature of its operations to ensure orderly and efficient conduct of business.

These controls ensure the safeguarding of assets, prevention and detection of fraud and error, the accuracy and completeness of the accounting records, timely preparation of reliable financial information and adherence to companies policies, procedures and legal obligations. The audit committee of the Board of Directors meets periodically to review the performance as reported by the auditors.

**FINANCIAL PERFORMANCE**

During the year under consideration Government had banned rice export so business of trading of Rice & Paddy as well as its warehousing suffered heavy set back and hence the company's income for the Financial year 2008-09 reduced to Rs. 39.20 Lacs as compared to Rs. 647.27 Lacs for the financial year 2007-08. The net profit for the current Financial Year also reduced to Rs 4.62 Lacs as compared to Rs. 29.06 Lacs as in the previous year.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT.**

There has been no material development on the Human Resource/ Industrial Relations Front during the year.

**CAUTIONARY STATEMENT**

Management Discussion and Analysis report are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operation include global and Indian market conditions, changes in the Government Regulations, Tax regimes, WTO Regulations and such other factor.

The Company assumes no responsibility to publicly amend, modify or revise any of these statements on the basis, of any subsequent developments, information or events.

**Registered Office:**

54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

Date : 11/08/2009

Place : Ahmedabad

For and on Behalf of the Board  
of **RIDS SECURITIES LTD.**

Sd/-  
Chairman

**REPORT ON CORPORATE GOVERNANCE**

As required under clause 49 of the Listing Agreement, a Separate Report on Corporate Governance is given below for the financial year ended 31st March, 2009 along with certificate of auditors of the Company.

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Your Company conducts its affairs in a fair, transparent and professional manner. Your Company has always followed fair business and corporate practices. The Company believes that adherence of good corporate governance is a milestone for survival and long term growth.

**2. BOARD OF DIRECTORS:**

**(I) Composition of Board:**

Board of Directors of the Company consists of four Directors as on 31st March 2009. Shri Naran Bhati is Chairman of the Company. None of the directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees including Rids Securities Limited.

**(II) Attendance of each Director at the Board Meetings and Annual General Meeting:-**

Seven Board Meetings were held during the financial year 2008-09. (30/04/2008, 31/07/2008, 31/08/2008, 27/10/2008, 15/01/2009, 30/01/2009 and 19/03/2009)

Name of the Director	Category	Number of Board Meetings Attended	Attendance at the Last AGM
1. Shri Naran Bhati	IND - NE	7	Yes
2. Shri Mihir Shah	IND - NE	7	Yes
3. Shri Deepinder Mohan	IND - NE	7	Yes
4. Shri Jeetendra Wala	IND - NE	3	No
5. Shri Dinesh Patadia *	IND - NE	4	Yes
6. Smt. Minaxi Patadia #	IND - NE	6	Yes

NI: Non-Independent, NE: Non Executive, IND: Independent, E : Executive

\* Ceased to be associated with the Company since 15/01/2009

# Ceased to be associated with the Company since 19/03/2009

**(III) Number of other Companies or Committees the Director is a Director/Chairman (Other than Rids Securities Limited):**

Name of Director	No. of other Directors	No. of Committee Memberships
1. Shri Jeetendra Wala	3	NIL
2. Shri Naran Bhati	2	NIL
3. Shri Mihir Shah	NIL	NIL
4. Shri Deepinder Mohan	1	NIL

**3. AUDIT COMMITTEE:**

**(I) COMPOSITION OF COMMITTEE:**

As a measure of good corporate governance and to provide assistance to the Board of Directors in overseeing the Boards responsibilities your company had constituted an Audit Committee. The Committee covers matters specified as per Clause 49 of the Listing Agreements.

At present the Committee comprises of the following Members:

1. Shri Naran Bhati (Chairman of the Committee)
2. Shri Mihir Shah (Member of the Committee)
3. Shri Deepinder Mohan (Member of the Committee)

The terms of reference of the Audit Committee mandated by your Board of Directors which is also in line with the statutory and regulatory requirement are:

- a. 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.
- b. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment for any other services.

**(II) MEETINGS AND ATTENDANCE DURING THE YEAR:**

Four Meetings of Audit Committee were held during financial year 2008-2009, and all members were present at the meetings.

**4. REMUNERATION COMMITTEE:**

Company has not constituted remuneration committee, Board of Directors of the Company decide remuneration policy of the Company.

**5. SHAREHOLDERS/INVESTOR'S GRIEVANCE COMMITTEE:**

Your Company had constituted Shareholders/Investor's Grievance Committee as required under clause 49 of the Listing Agreement.

The Committee resolves Complaints like transfer of shares, non receipt of Annual Reports etc. as received from the Investors and provide information to the Board of Directors of the Company.

At present the Committee comprises of the following Members:

1. Shri Mihir Shah (Chairman of the Committee)
2. Shri Deepinder Mohan (Member of the Committee)
3. Shri Naran Bhati (Member of the Committee)

The Company has not received any Complaints during the year from the shareholders. Ten Meetings of Shareholders/Investor's Grievance Committee were held during financial year 2008-2009, and all members were present at the meetings.

**6. GENERAL BODY MEETING:**

**DETAILS OF THE LAST THREE ANNUAL GENERAL MEETINGS:**

Year	Location	Date	Day	Time	No. of Special Resolution
2005-2006	19A, Mrudul Park, Part-II, Sola Road, Ahmedabad - 380 061	30th September, 2006	Saturday	11.00 A.M.	NIL
2006-2007	54, Empire Tower, Nr. Associated Petrol Pump, Ahmedabad	29th September, 2007	Saturday	11.00A.M.	NIL
2007-2008	54, Empire Tower, Nr. Associated Petrol Pump, Ahmedabad	29th September, 2008	Monday	11.00 A.M.	NIL

Whether Special Resolution:

- (a) Were put through postal ballot last year : No
- (b) Are proposed to be conducted through postal : No ballot this year

**7. DISCLOSURES:**

- (I) No transaction of material nature has been entered into by the Company with its promoters, directors, relatives or management of the Company that may have potential conflict with the interests of Company.
- (II) The company has complied with the requirement of statutory/ regulatory authorities on capital market and no penalties/strictures have been imposed on the Company by SEBI or Stock Exchanges during the last three financial year.

**8. GENERAL SHAREHOLDERS INFORMATION:****I. MEANS OF COMMUNICATION:**

The quarterly results on completion of each quarters are being submitted to the Stock Exchanges.

**II. 15TH ANNUAL GENERAL MEETING:**

Date : 10th September, 2009  
Time : 2.00 p.m.  
Day : Thursday  
Venue : 54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

**III. FINANCIAL CALENDAR 2009-2010:**

Results for Quarter : (Tentative)  
Ending on 30th June, 2009 : Last Week of July, 2009  
Ending on 30th September, 2009 : Last Week of October, 2009  
Ending on 31st December, 2009 : Last Week of January, 2009  
Ending on 31st March, 2010 : Last Week of April, 2010

**IV. DATE OF BOOK CLOSURE** : 3rd September, 2009 to 10th September, 2009  
(Both Days Inclusive)

**V. LISTING ON STOCK EXCHANGES:**

- |   |   |
|---|---|
| 1. Ahmedabad Stock Exchange Ltd.<br>Kamdhenu Complex, Opp. Sahajanand<br>College, Panjarapole,<br>Ahmedabad- 380 015. | 2. Bombay Stock Exchange Ltd.<br>1st Floor, Rotunda Building<br>B. S. Marg, Fort,<br>Mumbai- 400 001. |
|---|---|

**VI. STOCK CODE:**

Ahmedabad Stock Exchange Ltd.: 549189, Bombay Stock Exchange Ltd.: 531716

**VII. DEMAT INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)  
NSDL AND CDSL FOR EQUITY SHARES: INE843F01014****VIII. DEMATERIALISATION OF SECURITIES:**

27.568% of the Company's Equity Share Capital is dematerialized as on 31st March, 2009, by the members of the Company through CDSL and NSDL.

**IX. SHARE TRANSFER SYSTEM:**

Trading in equity share of the Company is permitted in physical and dematerialized form. Share transfer in physical form received by the Registrar and Transfer agent are registered and returned within the period of 30 days from the date of receipt of the documents, provided all documents are valid and complete in all respects. As per SEBI Guidelines upon completion of the transfers the Registrar and Transfer Agent send an offer letter to the transferee with an option to receive credit of transferred shares in electronic form under the transfer cum demat facility. In case option is not exercised or if offer is not submitted within stipulated time the share certificates are sent to the transferee.

**X. REGISTRAR & TRANSFER AGENT:**

Sharex Dynamic (India) Ltd.  
17/B, Dena Bank Building, 2nd Floor,  
Horniman Circle, Fort, Mumbai.

**XI. ADDRESS FOR COMMUNICATION:**

54, Empire Tower,  
Near Associated Petrol Pump,  
C. G. Road, Ahmedabad - 380 006.

**XII. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009**

No of shares (1)	No of shareholders (2)	% of shareholders (3)	No.of shares (4)	% of shareholding (5)
Upto - 100	19	3.04	691	0.01
101 - 200	11	1.76	2108	0.04
201 - 500	158	25.28	77083	1.54
501 - 1000	218	34.88	192600	3.85
1001 - 5000	150	24.00	451800	9.04
5001 - 10000	16	2.56	126450	2.53
10001 - 100000	48	7.68	1813537	36.27
100001 & above	5	0.80	2335731	46.71
<b>TOTAL</b>	<b>625</b>	<b>100.00</b>	<b>5000000</b>	<b>100.00</b>

**XIII. SHAREHOLDING PATTERN AS ON 31ST MARCH 2009**

Sr.No.	Category	No of Shares Held	%
1	Indian Public	2531300	50.626
2	NRIs/OCBs	-	-
3	Mutual Funds and UTI	-	-
4	Bank, Financial Institutions, Insurance Companies, (Central Institutions)	-	-
5	Private Corporate Bodies	1879200	37.584
6	Indian Promoters	589500	11.79
	<b>Total</b>	<b>5000000</b>	<b>100</b>

**XIV. CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

To  
The Members of  
RIDS SECURITIES LIMITED.  
Ahmedabad.

I, Shri Naran Bhati, Chairman of the company, hereby certify that all the Board Members and Senior Management Personnel of the company have affirmed their compliance with the Code of Conduct in accordance with Clause-49.I.D of the listing agreement entered into with the stock exchange.

As required by Clause-49 of the Listing Agreement, Certificate of Compliance with the Corporate Governance Requirements by the company issued by Auditor is given as an annexure to the Directors' Report.

The Board at the meeting held on 11th August 2009 adopted the above report.

**For And On Behalf of Board of Directors**

Sd/-  
**Naran Bhati**  
Chairman

Place : Ahmedabad  
Date : 11th August 2009

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY:**

We, Shri Naran Bhati, Chairman of Audit Committee and Shri Mihir Shah, Member of Audit Committee of Rids Securities Limited (the Company), hereby certify to the Board that:

- (a) We have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
  - (i) These statement do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading:
  - (ii) These statement together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the audit Committee:
  - (i) Significant changes in internal controls over financial reporting during the year.
  - (ii) Significant changes in accounting polices (ii) during the year and the same have been disclosed in the notes to the financial statements and
  - (iii) Instance of Significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company internal control system.
- (e) We affirm that we have not denied any personal access to the Audit committee of the Company (in respect of matters involving alleged misconduct, if any)
- (f) We further declare that all Board Members and Senior Management have affirmed compliance with the Code of Conduct for the current year.

Place : Ahmedabad

Date : 11/08/2009

Sd/-  
**(MIHIR SHAH)**  
MEMBER - AUDIT  
COMMITTEE

&

Sd/-  
**(NARAN BHATI)**  
CHAIRMAN - AUDIT  
COMMITTEE

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**RIDS SECURITIES LIMITED.**  
Ahmedabad.

We have read the Report of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of Corporate Governance by RIDS SECURITIES LIMITED for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement Executed by the Company with the Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

We state that no investors complaints are pending for a period exceeding for 30 days against the company as per records maintained by the Share Transfer and Investors Grievance Committee.

We Further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

**For KIRITBHAI SONI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Place : Ahmedabad  
Date : 11/08/2009

Sd/-  
**(KIRITBHAI SONI)**  
PROPRIETOR



**AUDITOR'S REPORT**

To,  
The Members of  
**M/S. RIDS SECURITIES LIMITED**  
Ahmedabad.

1. We have audited the attached Balance Sheet of M/S. RIDS SECURITIES LIMITED as at 31st March 2009, and the profit and loss account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosure in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation we believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of the section 227 of the Companies Act, 1956 and on the basis of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in Annexure referred to above, we report that:
  - I. 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;
  - II. 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;
  - III. The Balance Sheet, Profit and Loss Accounts and cash flow statement dealt with by this report are in agreement with the books of account of the Company.
  - IV. In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - V. On the basis of representation received from the directors, as on 31st March, 2009 and taken on record by the Board of Director, We report that none of the directors is disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - VI. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes given in Schedule "9" give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with 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 2009.
    - B. In the case of Profit and Loss Account, of the Profit for the year ended on that date.
    - C. In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**For KIRITBHAI SONI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Place : Ahmedabad  
Date : 14/07/2009

Sd/-  
PROPRIETOR  
(M.N. 16436)

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE**

1.
  - a. The Company has maintained proper records showing full particulars including Quantitative details and situation of fixed assets on the basis of available information.
  - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2.
  - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In case of loan granted to parties listed in the register maintained U/s 301 of the Companies Act, 1956 or the companies under the same management as defined U/s 307(1-B) of the Companies Act, 1956. The rate of interest and other terms and conditions are not stipulated, hence we are not in a position to determine whether or not the rate of interest and other terms and conditions are prima-facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5.
  - a. In our opinion and according to the information and explanations given to us, the Particulars of contracts or arrangements referred to under Section 301 of the Companies Act, 1956 are entered in the register required to be maintained under that section.
  - b. In our opinion and according to the information and explanations given to us, having regard to the fact that certain items purchased / sold are of a special nature and suitable alternate sources do not exist for obtaining comparative quotations, the transactions made in pursuant of such contracts and exceeding the value of Five Lakh Rupees in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence, Section 58A and 58AA of the Companies Act, 1956 and rules framed there under are not applicable to the company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have been informed by the management, the Company is not required to maintain cost records as prescribed under Section 209 (1) (d) of the Companies Act, 1956.
9.
  - a. According to the records of the Company, there were no undisputed amount payable in respect of Income Tax, Sales Tax and Custom Duty, Service Tax outstanding for a period of more than 6 months from the date they become payable.
  - b. According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, excise duty, and cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, there is no borrowing from financial Institution, Banks or debenture holders, hence the question of default in repayment of dues to financial institutions, banks or debenture holders does not arise.
12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. As per the records of the Company and the information and explanation given to us by the Management the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the records of the Company and information and explanations provided by the management, the Company has not given any corporate guarantee.
16. According to the information and explanations given to us, on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have not prima facie been used for long-term investment by the Company.
17. During the year, the Company had not issued bonus or preferential allotment of shares to parties covered in the Register maintained under Section 301 of the Companies Act, 1956.
18. According to the records of the Company, the Company has not issued any debenture during the year under our audit.
19. The Company has not raised any money by way of public issue during the period covered by our Audit Report.
20. In our opinion and according to the information and explanations given to us, no fraud on the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

**For KIRITBHAI SONI & ASSOCIATES  
CHARTERED ACCOUNTANTS**

Place : Ahmedabad  
Date : 14/08/2009

Sd/-  
**(KIRITBHAI SONI)**  
PROPRIETOR

**BALANCE SHEET AS AT 31ST MARCH, 2009**

	SCHEDULE	AS AT 31/03/2009	AS AT 31/03/2008
<b><u>SOURCES OF FUND</u></b>			
<b><u>SHAREHOLDER FUNDS</u></b>			
Share Capital	1	50,000,000	47,922,000
<b><u>RESERVES &amp; SURPLUS</u></b>			
Deffered Tax Liability	2	892,517	427,631
		826,899	654,083
	<b>TOTAL</b>	<b>51,719,416</b>	<b>49,003,714</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
Gross Block	3	44,960,887	44,960,887
Less: - Depreciation		1,169,500	932,747
Net Block		43,791,387	44,028,140
<b><u>CURRENT ASSETS, LOANS</u></b>			
<b><u>ADVANCES</u></b>			
Current Assets	4		
- Inventories		1,384,785	299,878
- Cash & Bank Balances		776,942	534,497
- Sundry Debtors		5,472,502	17,803,385
Loans & Advances	5	125,000	6,957,339
<b><u>DEPOSITS</u></b>			
	6	35,000	35,000
	<b>TOTAL</b>	<b>7,794,229</b>	<b>25,630,099</b>
<b>LESS :- CURRENT LIABILITIES &amp; PROVISION</b>			
Net Current Assets	7	155,000	21,015,525
		7,639,229	4,614,574
Miscellaneous Expenditure (To the Extent not written off)	8	288,800	361,000
	<b>TOTAL</b>	<b>51,719,416</b>	<b>49,003,714</b>
<b><u>NOTES ON ACCOUNTS</u></b>			
	9		

As per our report of even date attached herewith

For KIRITBHAI SONI & ASSOCIATES  
CHARTERED ACCOUNTANTS

For RIDS SECURITIES LIMITED

(KIRITBHAI SONI)  
PROPRIETOR

Sd/-  
CHAIRMAN

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

Place : Ahmedabad

Date : 14/07/2009

**PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2008**

	SCHEDULE	AS AT 31/03/2009	AS AT 31/03/2008
<b>INCOME</b>			
Sales		3,920,088	64,727,000
Closing Stock		1,384,785	299,878
Other Income		-	406,000
	<b>TOTAL</b>	<b>5,304,873</b>	<b>65,432,878</b>
<b>EXPENDITURE</b>			
Opening Stock		299,878	6,097,434
Purchase Account		3,428,365	53,245,444
Advertisement		19,480	9,330
Agriculture Expenses		-	45,000
Salaries & Bonus		-	368,000
Telephone Exps & Postage Expenses		-	24,820
Travelling & Conveyance		-	59,500
Audit Fees		25,000	15,000
Bank Charge		288	2,759
Computer Expenses		-	38,801
Consultancy Expenses		-	1,966
Rent Expenses		48,000	96,000
Directors Remuneration		-	96,000
Electric Expenses		1,316	10,575
Legal & Professional Fees		349,665	77,800
Depository Charges		14,039	-
Listing Fees		43,599	26,033
Miscellaneous Expenses Written Off		72,200	-
Office Expenses		-	111,761
Miscellaneous Expenses		-	108,042
Printing & Stationery		5,100	42,431
Professional Charges		-	34,616
ROC Expenses		1,367	11,602
Depreciation		236,754	503,014
		<b>4,545,051</b>	<b>61,025,928</b>
Profit before Taxation		759,822	4,406,951
Less: Provision for Taxation, FBT& Deffered Tax		297,816	1,500,803
Net Profit for the year		462,006	2,906,148
Add: Excess Provision Revert Back		2,880	-
Balance Brought Forward From Previous Year		427,631	(2,478,517)
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>892,517</b>	<b>427,631</b>
<b>EARNING PER SHARE</b>		<b>0.09</b>	<b>0.58</b>
<b>NOTES ON ACCOUNTS</b>	<b>9</b>		

As per our report of even date attached herewith

For KIRITBHAI SONI & ASSOCIATES  
CHARTERED ACCOUNTANTS

For RIDS SECURITIES LIMITED

(KIRITBHAI SONI)  
PROPRIETORPlace : Ahmedabad  
Date : 14/07/2009Sd/-  
CHAIRMANSd/-  
DIRECTORSd/-  
DIRECTOR

**SCHEDULE OF BALANCE SHEET AS AT 31ST MARCH 2009**

	AS AT 31/03/2009	AS AT 31/03/2008
<b><u>SCHEDULE "1"</u></b>		
<b>SHARE CAPITAL</b>		
<b>AUTHORIZED SHARE CAPITAL</b>		
55,00,000 Equity Shares of Rs. 10/- Each	55,00,000	55,00,000
(P.Y 55,00,000 Equity Shares of Rs. 10/- Each)	<u>55,00,000</u>	<u>55,00,000</u>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
50,00,000 Equity Shares of Rs. 10/- each partly paid up	50,00,000	50,00,000
Less : Calls in Arrears	-	2,078,000
	<u>50,00,000</u>	<u>47,922,000</u>
<b>TOTAL</b>	<u><u>50,00,000</u></u>	<u><u>47,922,000</u></u>

**SCHEDULE "2"**

**RESERVES & SURPLUS**

Opening Balance	427,631	(2,478,517)
Add : Profit of Current year	462,006	2,906,148
Add: Provision Revert Back	2,880	-
<b>TOTAL</b>	<u><u>892,517</u></u>	<u><u>427,631</u></u>

**SCHEDULE "3"**

**SCHEDULE OF FIXED ASSETS**

**ASSESSMENT YEAR : 2009-2010  
ACCOUNTING YEAR : 2008-2009**

DESCRIPTION	RATE	GROSS BLOCK			DEPRECIATION			NET BLOCK		
		AS ON 01.04.08	ADDI- TION	DELE- TION	AS ON 31.03.09	AS ON 01.04.08	DURING THE YEAR	AS ON 31.03.09	AS ON 31.03.08	AS ON 31.03.09
Furniture & Fixture	6.33%	623,812	-	-	623,812	164,738	39,487	204,225	459,074	419,587
Computers	16.21%	821,625	-	-	821,625	242,707	133,185	375,892	578,918	445,733
Office Equipments	7.07%	362,184	-	-	362,184	205,017	25,606	230,623	157,167	131,561
Vehicles	9.5%	405,000	-	-	405,000	49,308	38,475	87,783	355,692	317,217
Godown Building	1.63%	42,748,266	-	-	42,748,266	270,977	-	270,977	42,477,289	42,477,289
<b>TOTAL</b>		<b>44,960,887</b>	<b>-</b>	<b>-</b>	<b>44,960,887</b>	<b>932,747</b>	<b>236,754</b>	<b>1,169,500</b>	<b>44,028,140</b>	<b>43,791,387</b>

	AS AT 31/03/2009	AS AT 31/03/2008
<b><u>SCHEDULE "4"</u></b>		
<b>CURRENT ASSETS</b>		
<b>Inventories</b>	<b>1,384,785</b>	299,878
(At Cost or Market price which ever is less as valued and certified by the Management)	<u>1,384,785</u>	<u>299,878</u>
<b>Cash &amp; Bank Balances</b>		
Cash on Hand	55,899	9,034
Balance in Current A/c.with Schedule Bank	721,043	525,663
	<u>776,942</u>	<u>534,497</u>
<b>Sundry Debtors</b>		
(Unsecured, Considered Good)		
A. Sundry Debtors less than 6 months	5,472,502	17,054,370
B. Sundry Debtors more than 6 months	-	749,015
	<u>5,472,502</u>	<u>17,803,385</u>
<b><u>SCHEDULE "5"</u></b>		
<b>LOANS AND ADVANCES</b>		
Advance recoverable in cash or Kind (Considered Good by the Management)	-	6,957,339
Advance Tax (A.Y. 2009-10)	125,000	-
<b>TOTAL</b>	<u>125,000</u>	<u>6,957,339</u>
<b><u>SCHEDULE "6"</u></b>		
<b>DEPOSITS</b>	<b>35,000</b>	35,000
<b>TOTAL</b>	<u>35,000</u>	<u>35,000</u>
<b><u>SCHEDULE "7"</u></b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Creditors	30,000	20,168,805
Provision for Taxation & FBT	125,000	846,720
<b>TOTAL</b>	<u>155,000</u>	<u>21,015,525</u>
<b><u>SCHEDULE "8"</u></b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off)		
Revocation Fees	361,000	361,000
Less: Written Off	72,200	-
<b>TOTAL</b>	<u>288,800</u>	<u>361,000</u>

**SCHEDULE "9"**

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED ON 31/03/2009.**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) ACCOUNTING PRINCIPLES**

- (i) The Financial Statements have been prepared on accrual basis following the historical cost convention in accordance with generally accepted accounting principles, Accounting Standards referred to in Section 211(3c) of the Companies Act, 1956 and other requirements of the act as adopted consistently by the company.
- (ii) Accounting policies not specifically referred to otherwise, are consistent and in consonance with the generally accepted accounting principles followed by the company.

**(b) FIXED ASSETS & DEPRECIATION**

Fixed assets are stated at Historical cost (Excluding CENVAT) less accumulated depreciation, Depreciation on the Fixed Assets is charged on SLM method at the rate specified in Schedule XIV to the Companies Act, 1956 on prorata Basis. During the current year the Company has not claimed depreciation on Godown Building.

**(c) INVENTORIES:**

Inventories are valued at lower of cost or Market Value.

**(d) OTHER ACCOUNTING POLICIES:**

These are consistent with generally accepted accounting practices. However sales which has been shown at Net value and Purchase is shown at net of purchase return. Debtors/ Creditors represent net off credit /Debit balance of customers/suppliers for sales/purchase return, rate difference, etc.

**2. NOTES ON ACCOUNTS:-**

- 1. Disclosure in respect of related parties pursuant to Accounting Standard 18. (As Identified by the Management)

<b>Name of Related Parties</b>	<b>Description of Relationship</b>
Controlling Companies	None
Subsidiary Companies	None
Associate concern	Rids Textile Limited Dinesh Patadia Finance & Investment Pvt Ltd
Joint Control	None
Key Management Personnel	1. Shri Naran Bhati 2. Shri Mihir Shah 3. Shri Deepinder Mohan 4. Shri Jeetendra Wala 5. Shri Dineshbhai Patadia * 6. Smt. Minaxi D. Patadia #
Relatives	None

\* Ceased to be director of the Company w.e.f 15/01/2009.

# Ceased to be director of the Company w.e.f 19/03/2009.



Nature and volume of transaction with related parties.

Sr.No.	Particulars	Associate concern	Key management personnel
1.	Sales	NIL	NIL
2.	Purchase	NIL	NIL
3.	Services Rendered	NIL	NIL
4.	Services Aailed	NIL	NIL
5.	Interest Paid	NIL	NIL
6.	Remuneration	NIL	NIL
7.	Sale of Investments	NIL	NIL
8.	Loans & Advances	NIL	NIL
9.	Capital Expenditure	NIL	NIL
10.	Balance O/s. as on 31.3.2009	NIL	NIL

2. Earning Per Share:

Basic Earning per share (EPS) and dilute earning per share is computed as under.

PARTICULARS	31.3.2009	31.3.2008
Net profit Available to Equity Share holder	462005	2906148
Weighted Average No. of Equity Share o/s. at the end of the year	5000000	5000000
<b>BASIC / DILUTED EPS</b>	<b>0.09</b>	<b>0.58</b>

Basic earning per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share reflects the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the period. Diluted earning per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period, except where results are anti-dilutive.

As there is no case of diluting earning per share hence Diluted EPS and Basic EPS will be the same

- The company has made provision for Deferred Tax Liability as per "AS 22 Accounting for Taxes on Income" of Rs. 172816/- during the current year and is Related to Fixed Assets.
- All the Fixed Assets are assessed at the balance sheet date to check the indication of Impairment of assets as required by AS 28 " Impairment of Assets". None of the Indicators are listed in paragraph 8 to 10 of Accounting Standard- 28 Issued by the ICAI was found on Assessment.
- The previous years figures have been regrouped and rearranged, wherever considered necessary.
- Balance of Receivables, Loans & Advances, Sundry Creditors, Current Liabilities; Deposits are subject to confirmations from respective parties and necessary adjustment if any.
- In the opinion of the Board of Directors, Current Assets, & Loans & Advances are approximately of the value stated, if realized in the ordinary course of business.

8. Payment To Directors: -
- |                       | Current Year | Previous Year |
|-----------------------|--------------|---------------|
| Salary (Remuneration) | NIL          | 96000         |
| <b>TOTAL</b>          | <b>NIL</b>   | <b>96000</b>  |
9. Payment To Auditors: -
- |              | Current Year  | Previous Year |
|--------------|---------------|---------------|
| Audit Fees   | 25,000        | 15,000        |
| <b>TOTAL</b> | <b>25,000</b> | <b>15,000</b> |
10. Figures have been rounded off to the nearest rupee.
11. Quantitative & other information pursuant to the provision of paragraph 3&4 parts II of schedule VI to the Companies Act, 1956. As company is engage into Trading Business hence not Applicable.
- a) License Capacity : N.A.
- b) Installed Capacity : N.A.
- c) Production: In Absence of Stock Records and due to the Nature of business, it is not available hence not furnished.
- I. Total Value of Stores & Spares Consumed: : Not Applicable
- II. C.I.F. Value of Imports : Nil
- III. Expenditure in Foreign Currency : Nil
- IV. Earning in Foreign Currency : Nil

12. Net Quantity Details are as under in Quintal

Particulars	Op Stock	Purchases	Sales	Closing Stock
Grains, Paddy Etc.,	160.76	3647.20	2337.92	1470.04

13. Schedule "1" to "9" form part of the Balance Sheet.

14. **AMALGAMATION:**

The Scheme of Amalgamation of Tricom Agrochem Limited (Transferor Company) with effect from "appointed date" of 1st April, 2008 with Rids Securities Limited (Transferee Company) is awaiting member's approval under section 391 to 394 of the Companies Act, 1956. The approval of the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, is awaited & thus the amalgamation though effective from the "appointed date" i.e. 1st April, 2008 shall be operative from "effective date", i.e. last of the dates on which the sanctions/approvals or order as specified in the Scheme of Amalgamation are obtained & / or filed. Once the approval of both the High Court is received & other legal formalities are completed, the amalgamation will be effective & all the assets, liabilities and reserves of Tricom Agrochem Limited (Transferor Company) will be transferred to the Company. Pending approvals & sanction of the Scheme from the Hon'ble High Court of Bombay and Hon'ble High Court of Gujarat, Company's accounts have been prepared independently without incorporating the figures of Tricom Agrochem Limited. The effect of the above Amalgamation will be given in the Annual Accounts of the Company, in the financial year in which all the sanctions/ approvals or orders as specified in the Scheme of Amalgamation are obtained and/ or filed.

For **KIRITBHAI SONI & ASSOCIATES**  
CHARTERED ACCOUNTANTS

Sd/-  
(KIRITBHAI SONI)  
PROPRIETOR

Place : Ahmedabad  
Date : 14/07/2009

For **RIDS SECURITIES LIMITED**

Sd/-  
CHAIRMAN

Sd/-  
DIRECTOR

Sd/-  
DIRECTOR

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS  
PROFILE AS PER SCHEDULE (VI) OF THE COMPANIES ACT, 1956.**

**(A) Registration Detail**

Registration No. : 024235  
 State Code : 04  
 Balance Sheet Date : 31.03.2009

**(B) Capital raised during the Year :**

(Rs. In Thousand)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

**(C) Position of Mobilization and Deployment of Funds :**

(Rs. In Thousand)

<b>Total Liabilities</b>	:	<b>51719.42</b>	<b>Total Assets</b>	:	<b>51719.42</b>
<b>Sources of Funds:</b>	:		<b>Application of Funds:</b>	:	
Paid up capital and Application Money	:	50000.00	Fixed Assets	:	43791.39
Reserve & Surplus	:	892.52	Investment	:	NIL
Secured Loan	:	NIL	Net Current Assets	:	7639.23
Unsecured Loan	:	NIL	Miscellaneous Expenses	:	288.80
Deferred Tax Liability	:	826.90	Debit Balance of P & L A/c.	:	NIL

**(D) Performance of the Company :**

(Rs. In Thousand)

Total Turnover	:	3920.09	Total Expenditure	:	3160.27
Profit Before Tax	:	759.82	Profit after Tax	:	462.00
Earning Per Share-Rs.	:	0.09	Dividend rate	:	NIL

(E) Generic Names of Three Principle Product/Service of the  
 Company :- TRADING OF GRAINS, PADDY ETC

In the terms of our reports of even date

**For KIRITBHAI SONI & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

Sd/-  
**(KIRITBHAI SONI)**  
 PROPRIETOR

Place : Ahmedabad  
 Date : 14/07/2009

**For RIDS SECURITIES LIMITED**

Sd/-	Sd/-	Sd/-
CHAIRMAN	DIRECTOR	DIRECTOR

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009**

PARTICULARS	CURRENT YEAR 2008-09 (Amt. in Rs.)	CURRENT YEAR 2007-08 (Amt. in Rs.)
<b>A. CASH FLOW ARISING FROM OPERATING ACTIVITIES:</b>		
Net Profit Before Taxation	759,822	4,406,951
Add: Back		
a) Depreciation	236,754	503,014
b) Excess Provision Revert Back	2,880	-
c) Miscellaneous Expenditure Written Off During the Year	72,200	-
Operating Profit Before Working Capital Changes	1,071,656	4,909,965
<b>WORKING CAPITAL CHANGES:</b>		
a. Effect of (Increase)/ Decrease in Trade Receivables	12,330,883	(11,714,319)
b. Effect of (Increase)/Decrease in Loans & Advances	6,832,339	14,677,087
c. Effect of (Increase)/Decrease in Inventories	(1,084,907)	5,797,556
d. Effect of Increase/( Decrease) in Trade Payables	(20,860,525)	18,047,505
e. Effect of (Increase)/ Decrease in Deposits	-	(35,000)
f. Income tax Paid	(125,000)	(148,000)
	(2,907,210)	26,624,829
<b>NET CASH FLOW FROM OPERATING ACTIVITIES:</b>	(1,835,554)	31,534,794
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	-	(42,873,266)
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>	-	(42,873,266)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Share capital	2,078,000	12,163,000
Expenditure of Miscellaneous Expenditure	-	(361,000)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	2,078,000	11,802,000
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	242,446	463,527
CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	534,497	70,970
CASH & CASH EQUIVALENTS AT END OF PERIOD	776,943	534,497

FOR AND ON BEHALF OF THE BOARD

Place : Ahmedabad  
Date : 14/07/2009Sd/-  
CHAIRMANSd/-  
DIRECTORSd/-  
DIRECTOR**AUDITOR'S REPORT**

We have examined the above Cash Flow Statement of RIDS SECURITIES LIMITED for the year ended 31st March, 2009. The Statement has been prepared by the company in accordance with the requirement of clause no. 32 of the listing Agreement. The Statement is based on and is derived from the Profit and loss account and Balance Sheet of the company for the period ended on 31st March, 2009 covered by our Report dated 14.07.2009 to the members of the company.

For KIRITBHAI SONI & ASSOCIATES  
CHARTERED ACCOUNTANTSPlace : Ahmedabad  
Date : 14/07/2009Sd/-  
(KIRITBHAI SONI)  
PROPRIETOR

**BOOK-POST**

To,

*If undelivered, please return to:*

**Rids Securities Ltd.**

**Registered Office:**

54, Empire Tower,

Near Associated Petrol Pump,

C. G. Road, Ahmedabad - 380 006.