



Swarna Securities Limited

**29th ANNUAL REPORT
2018 - 19**

Registered Office :
27-1-102, II Floor
Governorpet
Vijayawada - 520 002.
Phone : 2575928

BOARD OF DIRECTORS

Sri M. Murali Krishna	: Chairman and Managing Director
Smt. M.V.N.S. Sushma	: Director
Sri Pradeep Kumar	: Director
Sri K. Sridhar	: Director
Sri V.E.Ch. Vidya Sagar	: Director

REGISTERED OFFICE

27-1-102, II Floor
Governorpet
VIJAYAWADA – 520 002.

AUDITORS

Ms. V. Shilpa
Chartered Accountant
P-3, Classic Towers
Ratnamamba Street
Mogalrajapuram
VIJAYAWADA – 520002

BANKERS

HDFC Bank Ltd.,
Punjab National Bank
VIJAYAWADA – 520 008.

29th ANNUAL GENERAL MEETING

Day, Date	: Thursday 27th June, 2019
Venue	: D.No. 54-15-3, Ring Road Vijayawada – 8
Time	: 10.00 A.M.

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of the Company will be held on Thursday, the 27th day of June, 2019, at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A M to transact the following business:

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March 2019 and the Audited Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. M.V.N.S. Sushma (DIN: 01890545), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Auditor of the Company and for the purpose of the same, to pass, with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139 and 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 made thereunder, the appointment of Ms. V. Shilpa (M.No. 225109), Chartered Accountant, Vijayawada as the Auditor of the Company, to hold office from the conclusion of this meeting till the conclusion of the Annual General Meeting of the Company to be held during the year 2020, on a remuneration that may be fixed by the Board of Directors in consultation with the Auditor, be and is hereby ratified”.

BY ORDER OF THE BOARD

(Sd/-)

(M. MURALI KRISHNA)

Chairman & Managing Director

DIN: 01889812

Regd.Office :
27-1-102, II Floor
Governorpet, Vijayawada-2

Date: 25.05.2019

NOTICE**NOTES:**

- 01 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE, SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 02 The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th day of June, 2019 to Thursday, the 27th day of June, 2019 (Both days inclusive).
- 03 Shareholders desiring any information as regards accounts are requested to write to the Company seven days before the date of the Meeting so as to enable the Company to keep the information ready at the meeting.
- 04 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

**PARTICULARS OF DIRECTORS RE-APPOINTED IN
PURSUANCE TO CLAUSE 49 OF THE LISTING
AGREEMENT**

- 01 Smt. M.V.N.S. Sushma is a graduate in Science and has more than 20 years of experience in the fields of hire purchase and Construction. She is the director of M/s Siva Credits (P) Limited.

DIRECTORS' REPORT

Your Directors take pleasure in presenting their 29th Annual Report and the Audited Financial Statements of the Company for the year ending 31st March, 2019.

FINANCIAL RESULTS:	(Rupees in Lakhs)	
	Current Year	Previous Year
Total Income	52.44	20.61
Less: Expenditure	13.51	05.27
	<hr/>	<hr/>
Profit before depreciation	38.93	15.34
Less: Depreciation	00.03	00.09
	<hr/>	<hr/>
Profit before tax	38.90	15.25
Less/Add: Provision for Taxation	08.00	56.25
	<hr/>	<hr/>
Profit after tax	30.90	-41.00
Add: Surplus carried forward	-118.40	-77.40
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Balance Carried to Balance Sheet	-87.50	-118.40
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DIVIDEND:

Due to constraints of profit, the Board do not recommend any dividend for the year 2018-19.

REVIEW OF OPERATIONS:

With the surrender of the certificate of registration to the Reserve Bank of India, the Company has stopped the business of non-banking finance company. There has been no fresh issue of any loans during the year. The Company has only been collecting the outstanding dues from its borrowers.

PUBLIC DEPOSITS:

The Company had neither accepted nor held any public deposits during the year under review. In pursuance to Clause 5 (Part III) of the Non-Banking Finance Companies (Reserve Bank) Directions, 1998, your Directors wish to state that as on 31st March, 2019 there are no depositors who have not claimed or to whom the amount was not paid by the Company after the date on which the deposits became due for repayment and as on date there are no deposits that are matured and remained unclaimed or deposits that are claimed and remained unpaid.

FUTURE PROSPECTS:

After coming out of the non-banking finance business as mentioned hereinabove, the Company is intending to venture in to real estate and development sector. Plans are afoot to diversify the activities of the company in to other business sectors.

DIRECTORS:

To appoint a Director in place of M.V.N.S. Sushma (DIN: 01890545), who retires by rotation and being eligible, offers herself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to confirm that:

- (i) in the preparation of annual accounts for the year ended 31st March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2019 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) accounts for the financial year ended on 31st March, 2019 are prepared on a going-concern basis.
- (v) internal financial controls to be followed by the Company has been laid down and such internal financial controls are adequate and are operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in design or operation were observed.

CONSERVATION OF ENERGY:

Your Company not being a manufacturing company, there are no particulars to be given in respect of Conservation of Energy and Technology Absorption as required under rule 8(3) of the Companies (Accounts) Rules, 2014.

STATUTORY AUDITORS:

Ms. V. Shilpa, Chartered Accountant, the Auditor of the Company, was appointed as such during the 27th Annual General Meeting of the Company, to hold office till the conclusion of the 32nd Annual General Meeting, subject to the ratification of the appointment at every annual general meeting. She has confirmed her eligibility to the effect that the appointment would be within the limit prescribed under the Act and that she is not disqualified.

OBSERVATIONS OF AUDITORS:

The observations made in the audit report are self-explanatory as given in the notes of accounts attached thereto and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR:

The Board has appointed Sri K. Hemachand, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as "Annexure - I".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure - II".

MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year Seven Board Meetings and four Audit Committee Meetings were convened and held; the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

LISTING:

The shares of the Company were listed in BSE Ltd., Mumbai and the listing fee has been paid upto financial year 2018-19.

CORPORATE GOVERNANCE:

A detailed report on Corporate Governance along with the certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiaries.

HUMAN RESOURCES:

There are no employees covered in terms of the provisions of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to furnish the particulars mentioned in Rule 5(1) thereof.

FOREIGN EXCHANGE INFLOW & OUTGO:

There has been no foreign exchange inflow or outgo in the current year.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation to the Company's customers, Bankers, Financial Institutions and share holders for their continued support and faith in the Company. A word of appreciation is also due to the employees of the Company for their hard work and commitment.

For and on behalf of the Board

Place: VIJAYAWADA

Date : 25.05.2019

(Sd/-)

M. Murali Krishna
Chairman & Managing Director
DIN: 01889812

Annexure - I
Form NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL
YEAR ENDED 31ST MARCH, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,
SWARNA SECURITIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARNA SECURITIES LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder:
- ii. The Securities Contract (Regulation) Act, 1956(SCRA) and the Rules made thereunder:
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under,
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')