

॥ सर्वे भवन्तु धनिनः ॥

MOVING FROM GOOD TO **GREAT**



Swastika Investmart Limited

29TH ANNUAL REPORT 2020-21

Corporate Information

MANAGING DIRECTOR

Mr. Sunil Nyati

WHOLE TIME DIRECTOR

Mrs. Anita Nyati

DIRECTORS

Mr. Sunil Chordia
Mr. Raman Lal Bhutda
Mr. Chandrashekhar Bobra

CHIEF FINANCIAL OFFICER

CA Mahendra Kumar Sharma

COMPANY SECRETARY

CS Shikha Bansal

REGISTERED OFFICE

Flat No. 18, North Wing, Madhveshwar Society,
Madhav Nagar, S.V. Rd, Andheri (W) Mumbai-58

ADMINISTRATIVE OFFICE

48, Jaora Compound, M.Y.H Road, Indore-452001

BANKERS

ICICI Bank Ltd., HDFC Bank Ltd. & Indusind Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.
60, Electronic Complex, Pardesipura, Indore-452001

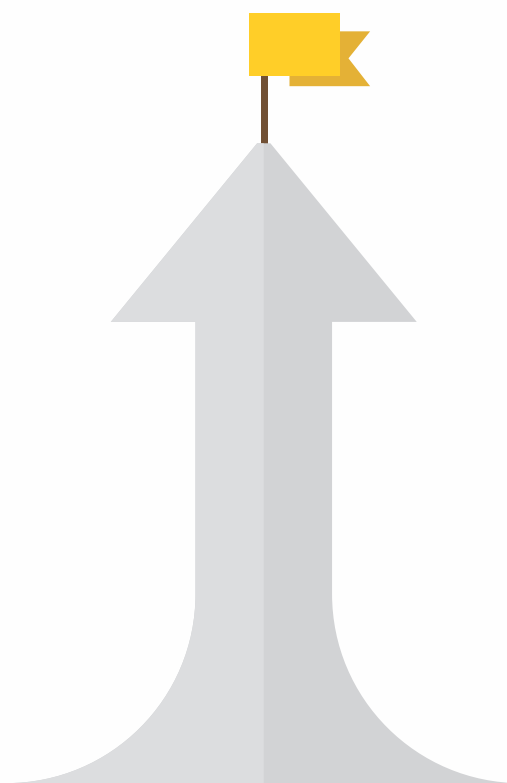
STATUTORY AUDITORS

Sahaj & Co.
Chartered Accountants, Indore

LISTED AT

Bombay Stock Exchange Limited

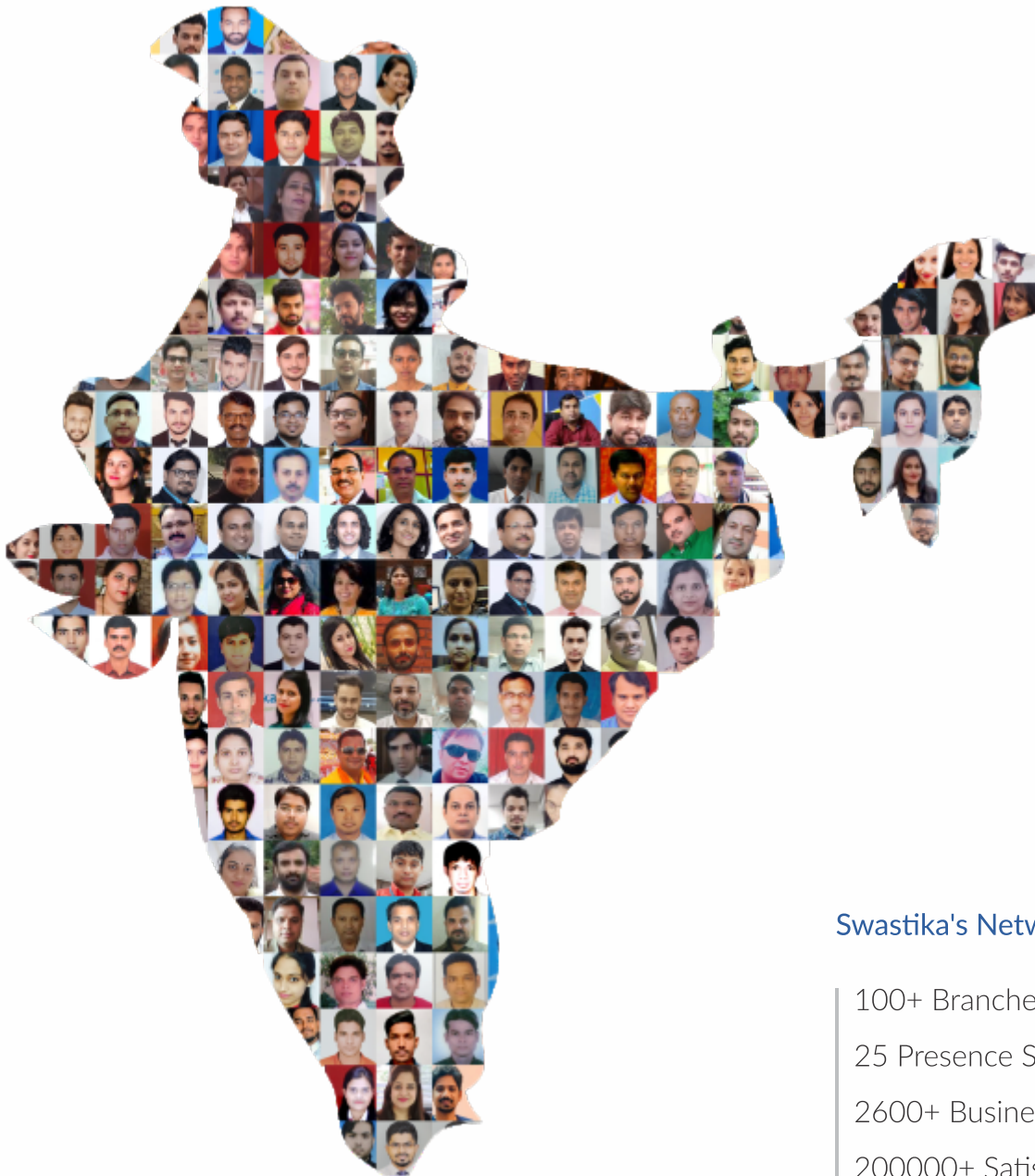
GOOD TO
GREAT



Index

Board's Report	1-25
Management Discussion & Analysis	26-30
Reports on Corporate Governance	31-58
Standalone Financial Statements	59-103
Consolidated Financial Statements	104-150
Notice of Annual General Meeting	151-172

Swastika is now powered with a team
of **1000+ members** across the nation



Swastika's Network

100+ Branches
25 Presence States
2600+ Business Associates
200000+ Satisfied Clients

Managing Director's **Message**

Dear Shareholders,

I would like to begin my address by first acknowledging and applauding the spirit and courage of all the frontline workers who fought day in and day out for a speedy recovery of the world. This, also, includes several employees of our Company - your Company, who constantly worked hand in hand to ensure uninterrupted financial services. My heartfelt thanks and gratitude to all of them. They are doing a great service to our Company and to our nation. In these unprecedented times, your Company stood its ground and produced its best results ever. I feel blessed to present our 29th Annual Report.



Good To Great

As famously said by Jim Collins in his book, 'good' is the enemy of 'great'. For any company to break the shackles of being good, and become great, they should have all rounded characteristics to plan their journey for hundreds of years. At Swastika, we believe in continuously analyzing our opportunities and threats and changing our course to become future ready. I am excellently supported by my fellow leaders as we continue our transition from good to great.

A few years back, we decided to diversify from a pure investment broking business to a more holistic financial services business. This decision has started to yield tremendous returns now. Last year we embarked onto our Insurance Broking journey. In the gloomy lockdown period, we onboarded more than 100 new team members. We successfully sold insurance amounting to a premium of Rs. 8.92 crores and are still seeing month on month growth. We onboarded new professional team members in our Investment Banking arm and are assisting various business on their road to IPO. Furthermore, our primary investment business witnessed all time highs in every aspect this year.

“

At Swastika, we believe in continuously analyzing our opportunities and threats and changing our course to become future ready.

”

A Glance At The Indian Economy

The world experienced unprecedented setbacks due to COVID-19, which resulted in the global economy witnessing one of the worst contractions since World War II. The Indian economy too contracted by 7.3% in FY 20-21 – an event seen only for the second time since independence and the first since the economic liberalization in 1991.

Financial markets offer a clear perspective of the economy and usually give an indication of what's going to happen. As the markets continuously rose all year, I believe they are predicting a sharp recovery.

I also believe that India has a huge growth potential and should come back stronger on the right track. At Swastika, we are rightly placed to contribute to, and take full benefits of this potential.

Financial Results

For the FY 2020-21, your company garnered a total consolidated revenue of Rs. 7703.0 lacs which is 44.27% higher than the last financial year. Our consolidated net profit of Rs. 1126.23 lacs which is a whopping 1510.63% higher than last financial year's profit. Continuing the track record of the past 16 years, I am delighted to announce that this year, the Board has announced an interim dividend of Rs. 2/- per share, i.e., 20% of the face value of a share. This would mark as the 17th continuous year of paying dividends to felicitate our shareholders who have shown their faith in Swastika.

Swastika Setting Up Digital Footprints

To fulfill our objective of making Bharat financially *aatmanirbhar*, Swastika launched "Justrade 2.0" Mobile App with an objective to demystify investments for the common folks. This app was completely developed by our inhouse technology team. The easy language and user experience of the app appeals to the users from smaller cities, towns and villages. Coupled with our deep branch network in 25 Indian states, this app is yet another step from Swastika for financial inclusion and awareness. For the more sophisticated investors, this year, Swastika also launched a platform for investments in the US stock markets.

Now our clients can invest overseas and it is completely legal too, under the RBI's Liberalised Remittance Scheme guidelines (LRS).

Making Swastika A Great Place To Work

No company can become 'great' without a great 'team'. We are now a family of more than 1000 team members. I am proud to highlight the fact that there are loads of team members who have been with us for more than 10 years. Some have been with us for more than 27 years. We also have added highly qualified IIT/IIM graduates and Chartered Accountants to ably steer various departments. In the last 2 years, we underwent drastic HR reforms to foster employee empowerment at workspace. Along with a set of well drafted policies and procedures governed by our 'core values', we also implemented new performance evaluation systems to drive a culture of meritocracy. All our team members know how they are aligned with our goals. This gives them much clearer growth opportunities at Swastika.

Your Company has the team, the commitment, the capability, and the financial strength. I thank you for your firm belief in our vision towards greatness.

Lastly, Stay safe. Vaccinate yourself and your family. Wear masks. Maintain social distancing. And never forget that all grey clouds must pass.

Your sincerely

Sunil Nyati

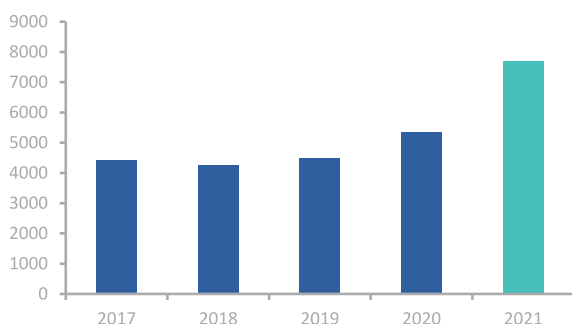
Managing Director

Swastika Investmart Limited

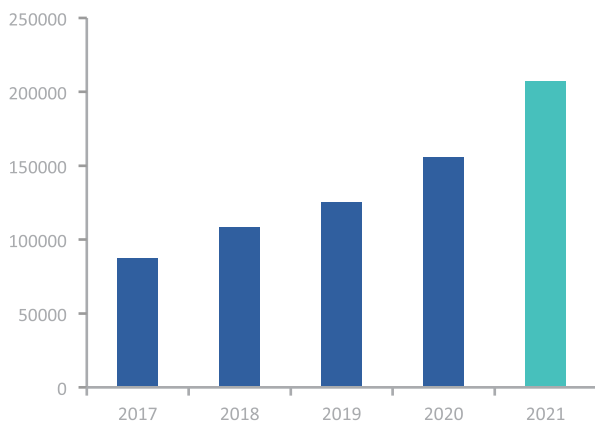
Performance Past 5 Years

Total Income

Amt in Lakhs

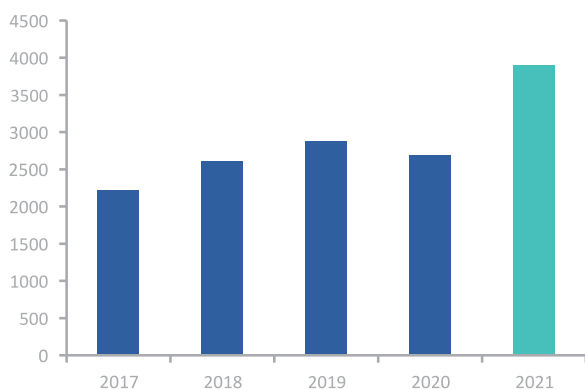


Client Growth



Networth

Amt in Lakhs



Consolidated Highlights 2020-21

Rs. 3904 Lacs

Net Worth

Rs. 7703 Lacs

Revenue

Rs. 1126 Lacs

Profit

Rs. 298.25 Lacs

Equity Share Capital

Rs. 2

Dividend Per Share

Rs. 131.91

Book Value Per Share

Rs. 38.05

Earning Per Share

BOARD'S REPORT

Dear Shareholders

On behalf of the Board of Directors (the "Board") of the Company, it gives me immense pleasure to present the 29th Board's Report, along with the Audited Financial Statements of Company for the financial year ended March 31, 2021.

1. STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:

1.1 FINANCIAL HIGHLIGHTS AND SUMMARY OF STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS.

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2021, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

The performance highlights and summarized financial results of the Company are given below:

(Amount in Lakhs except EPS)

Particulars	Standalone		Consolidated	
	Year ended 31 st March 2021	Year ended 31 st March 2020	Year ended 31 st March 2021	Year ended 31 st March 2020
Total Income	6158.54	3625.39	7702.97	5339.43
Total Expenditure	5057.11	3809.40	6288.19	5169.21
Profit/(Loss) before exceptional and extraordinary items & tax	1101.43	(184.01)	1414.78	170.22
Exceptional & Extraordinary Item	0.00	0.00	0.00	0.00
Profit/(Loss) before tax	1101.43	(184.01)	1414.78	170.22
Provision for Tax				
Current Tax of current year	245.11	0.00	287.61	79.06
Current Tax earlier year	0.00	5.47	(0.15)	23.83
Deferred Tax	0.12	(4.47)	1.08	(2.60)
Profit/(Loss) after tax	856.20	(185.01)	1126.24	69.93
Other comprehensive Income (Net of Tax)	144.18	(181.57)	152.51	(186.52)
Total Comprehensive Income	1000.38	(366.58)	1278.75	(116.59)
Paid up Equity Share Capital	295.97	295.97	295.57	295.57
Earnings per share (Rs.10/- each) Basic & Diluted (in Rs.)	28.93	(6.25)	38.05	2.36

1.2 OPERATIONAL AND STATE OF COMPANY'S AFFAIRS

During the financial year 2020-21, revenue from operation of the Company on Standalone basis increase to Rs. 6136.00 Lakhs as against Rs. 3547.52 Lakhs in the previous year, recording an increase of 72.96%. Further during the financial year, company earned net profit after tax before Comprehensive Income of Rs. 856.20 lakhs as against previous year in which Company has incurred net loss amounting to Rs. 185.01 Lakhs.

On a consolidated basis, the revenue from operation increased to Rs. 7651.13 lakhs as against Rs. 5236.62 lakhs in the previous year, recording an increase of 46.108%. Further on consolidated basis company earned net profit after tax before Comprehensive Income of Rs. 1126.24 lakhs as against previous financial year in which Company earned net profit amounting to Rs. 69.93 Lakhs. The consolidated financials reflect the cumulative performances of Swastika Investmart Limited along with its subsidiaries. Detailed description about the business carried out is contained in the Management Discussion and Analysis report.

1.3 ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the Annual Return of the Company for Financial Year 2020-21 is available on the Company's website at weblink https://swastika.co.in/Admin/InvestRelation/Form_MGT-7_SIL%202021.pdf

1.4 PROPOSAL FOR MERGER OF WHOLLY OWNED SUBSIDIARY COMPANY

The Board of the Directors have approved the Scheme of Amalgamation of SWASTIKA COMMODITIES PRIVATE LIMITED (Wholly owned subsidiary) with the SWASTIKA INVESTMART LIMITED (Holding Company) on 25th July, 2019. Further on direction by Hon'ble National Company Law Tribunal Mumbai Bench (NCLT) vide order dated 20th February, 2020 read with order dated 27th November, 2020 and 6th January, 2021 the NCLT convened meeting held on Tuesday, 23rd February, 2021 for the purpose approval of Scheme of Merger by Absorption of Swastika Commodities Private Limited ("Transferor Company") with Swastika Investmart Limited ("the Transferee Company") on a going concern basis under the provisions of Sections 230 to 232 of the Companies Act, 2013. The Company has made joint petition before the Hon'ble NCLT and after admission of the petition matter is to be listed on 12th August, 2021 for final disposal.

Due to COVID 19 pandemic situation process of merger was delayed due to non availability of NCLT order and in mean time annual accounts have been finalized for financial year 31st March, 2021, therefore the Board of the Directors have proposed to modify the draft scheme of merger to only change in appointed date 1st April, 2021 instead of 1st April, 2019 and other terms and conditions remain unchanged subject to further approval of Hon'ble NCLT Mumbai Bench.

2. NUMBER OF MEETINGS OF THE BOARD, ITS COMMITTEES & AGM

The details of the number of meetings of the Board and its committee held during the Financial Year 2020-21 forms part of the Corporate Governance Report. Further, Annual General Meeting of the Company for financial year 2019-20 was held on 28th September, 2020.

3. INTERIM DIVIDEND

The Board of Directors at their meeting held on 15th March 2021, declared an interim dividend of Rs. 2/- (20%) per equity share of face value of Rs. 10/- each for the Financial Year 2020-21 to those shareholders who were on the Register of Members as on March 23, 2021, being the record date fixed for this purpose. In view of the interim dividend for the Financial Year 2020-21, your Board does not recommend further Dividend for the Financial Year 2020-21.

AMOUNT TRANSFERRED TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules) as amended, all unpaid or unclaimed dividends are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government, after completion of seven years from the date of transfer to Unpaid Dividend Account of the Company. Hence, during the Financial Year 2020-21 unpaid/unclaimed dividends of Rs. 82,334.00/- relating to financial year ended 2012-13 were transferred to the Investor Education and Protection Fund.

Further, according to the Rules, the shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to IEPF Authority. Accordingly, during the financial year 2020-21, the Company has transferred 1429 shares related to final dividend declared for financial year 2012-13 to account of IEPF Authority.

DETAILS OF NODAL OFFICER

The nodal officer appointed by the company under the provisions of IEPF is Ms. Shikha Bansal. The details of Nodal Officer are also available on the website of the company:

<https://swastika.co.in/Admin/InvestRelation/Details%20Of%20Nodal%20Officer.pdf>

4. AMOUNTS TRANSFERRED TO RESERVES

During the financial year, no amount has been transferred to any reserve.

5. DEPOSITS

The Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

DETAILS OF DEPOSITS WHICH ARE NOT IN COMPLIANCE WITH THE REQUIREMENTS OF CHAPTER V OF THE ACT :- NOT APPLICABLE.

UNSECURED LOAN FROM DIRECTORS

The Company has not received any unsecured loan from its directors during the financial year 2020-21.

6. SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES

Your Company has four wholly owned Subsidiaries i.e. Swastika Commodities Private Limited, Swastika Fin-Mart Private Limited, Swastika Insurance Broking Services Limited and Swastika Investmart (IFSC) Private Limited. Financials to these Subsidiaries are disclosed in the Consolidated Financial Statements, which form part of this Annual Report. A separate statement containing salient features of the Financial Statements of all the Subsidiaries in accordance with Section 129(3) of the Companies Act, 2013 and the rules made there under in the prescribed Form AOC-1 are annexed to this Report as ANNEXURE-A and hence is not repeated here for sake of brevity. The Company does not have any joint venture or associate Company. There has been no material change in the nature of the business of the subsidiary company.

In accordance with third proviso to Section 136(1) of the Companies Act, 2013, the Annual Report of your Company, containing inter alia the audited standalone and consolidated financial statements, has been placed on the website of the Company at www.swastika.co.in. Further, audited financial statements together with related information of each of the subsidiary companies have also been placed on the website of the Company at www.swastika.co.in.

In terms of Section 136 of the Companies Act, 2013 ('the Act'), financial statements of the subsidiary companies are not required to be sent to the members of the Company. The Company shall provide a copy of the annual accounts of its subsidiary companies to the members of the Company on their request. The annual accounts of its subsidiary companies will also be kept open for inspection at the registered office of the Company during business hours.

MATERIAL SUBSIDIARY

Swastika Commodities Private Limited and Swastika Fin-mart Private Limited are material subsidiaries of the Company as per the thresholds laid down under the Listing Regulations. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <https://swastika.co.in/Admin/InvestRelation/Material%20Subsidiaries.pdf>

7. CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Section 129 of the Companies Act, 2013 and Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended March 31, 2021. The Consolidated Financial Statements form part of this Annual Report.

A Report on the performance and financial position of each of the subsidiaries companies included in the Consolidated Financial Statements and their contribution to the overall performance of the Company, is provided in Form AOC-1 and forms part of this Annual Report

8. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Anita Nyati, Whole Time Director, (DIN: 01454595) retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment. However, her term is fixed and shall not break due to this retirement. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

The Board of Directors in their meeting held on 28th July, 2020 accepted the resignation of Mr. Anil Kumar Nyati (DIN: 00057314) from the post of Non-Executive Director of the Company w.e.f. 1st August, 2020. Your Board places on record its deep appreciation for the valuable contribution made by him during his tenure as Director of the Company.

Further, during the financial year, Board of Director in their meeting held on 27th January, 2021 accepted resignation of Mr. Parth Nyati from the post of Chief Financial Officer ('CFO') of the Company w.e.f. 15th February, 2021 and appointed Mr. Mahendra Kumar Sharma as Chief Financial Officer of the Company w.e.f. 16th February, 2021. Your Board places on record its deep appreciation for the valuable contribution made by Mr. Parth Nyati during his tenure as CFO of the Company.

Further, Board of Directors in their Meeting held on 25th May, 2021, considered re-appointment of Mr. Sunil Nyati as Managing Director of the Company for term of three years w.e.f. 15th June 2021 to 14th June, 2024 and Mrs. Anita Nyati as Whole-time Director of the Company for term of three years w.e.f. 1st June, 2021 till 31st May, 2024 subject to the approval of members in ensuing Annual General Meeting.