

More power to **GROW**  
on the foundation of **TRUST**



## Corporate Information

### MANAGING DIRECTOR

Shri Sunil Nyati

### WHOLE TIME DIRECTOR

Smt. Anita Nyati

### DIRECTORS

Shri S.N. Maheshwari | Shri Anil Nyati | Shri Sunil Chordia  
Shri C.R. Doshi | Shri Ramanlal Bhutda | Shri Kailash Chander Sharma

### CHIEF FINANCIAL OFFICER

Shri Parth Nyati

### COMPANY SECRETARY

CS Shikha Bansal

### REGISTERED OFFICE

305, Madhuban Bldg, Cochin Street, S.B.S. Road, Fort, Mumbai-400001

### ADMINISTRATIVE OFFICE

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

### BANKERS

ICICI Bank Ltd. & HDFC Bank Ltd.

### REGISTRAR & SHARE TRANSFER AGENT

Ankit Consultancy Pvt. Ltd.  
60, Electronic Complex, Pardesipura, Indore-452010

### STATUTORY AUDITORS

R.S. Bansal & Co.  
Chartered Accountants, Indore

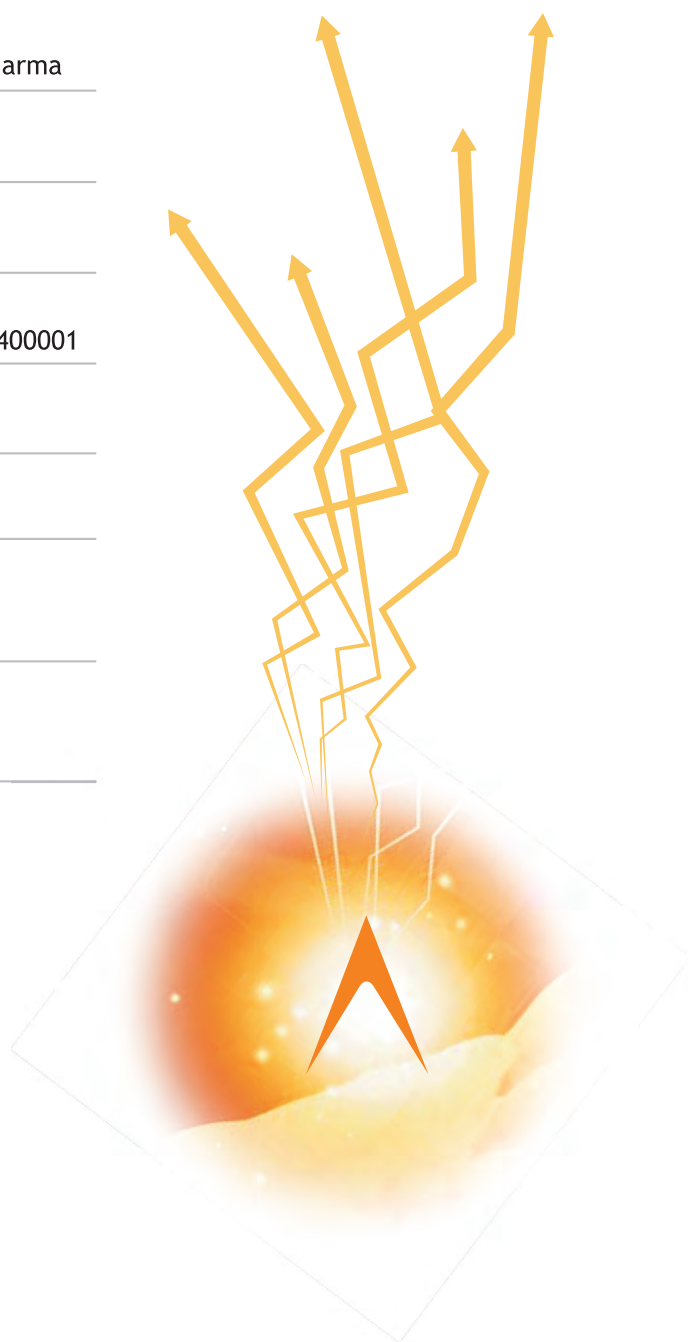
### LISTED AT

Bombay Stock Exchange Limited

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## Managing Director's letter to the Stakeholders

**Dear Shareholders,**

**Dream** - We dream of spreading prosperity all around our eco-system. Right from our customers to stake holders to our team.

**Believe** - We believe in ourselves - our core values, morals, hard work and perseverance.

**Achieve** - We achieve what we dream of year after year. With this note, with high spirits, I am excited to share with you the highlights of our achievements for the year that passed.

During the last year, your company added more than 13% new clients along with opening of 14 new branches across the country. Thus we have successfully achieved a feat of more than 70,000 satisfied clients with a pan India presence in 69 cities with 87 branches.

The Financial year 2015-16 saw a drop in the market volumes of the Exchanges when compared to previous year. Our consolidated revenue for the year increased by 6.67% as compared with last year. Our total expenses also increased during the year by 26% due to opening of new branches and expansion activities during the year. We believe we will be able to capitalize on these expenses this year as we have very high hopes from our upcoming new branches and our new business development strategies.

Continuing the trend to felicitate our share holders for their belief in Swastika, the Board has proposed a dividend of Rs. 1/- per share, i.e., 10% of the face value of the shares, thus marking this year as the 11th continuous year of paying dividends.

Dun & Bradstreet Information Services India Pvt Ltd along with BSE published a report titled 'India's Leading Equity Broking Houses 2015' and your company was ranked 13<sup>th</sup> in the category - 'Number of Offices' & ranked 19<sup>th</sup> in the category - 'No. of Terminals'. NSDL also awarded your company as '**No. 1 Star Performer**' in account growth rate category.



Talking about the way forward, the government has taken several important steps in the direction of sustainable economic revival and growth inclusive policy initiatives with a focus on improving governance and enhancing the ease of doing business. Passing of GST is another positive signal for the Indian economy. All these measures demonstrate the government's commitment towards a prosperous and a powerful India. In fact, the World Bank published in their report in January 2016 their predictions for the Indian economy to grow by 7.9% by 2018. I am sure that high economic growth will translate into vibrant markets and wider capital market participation.

Internally, our strategies of strengthening our franchisee network, activation of inactive accounts along with acquiring fresh clients, upgrading our processes and putting a robust risk management framework in place have all worked well. We are also in the process of making some exciting technology based announcements which would propel us to grow really fast.

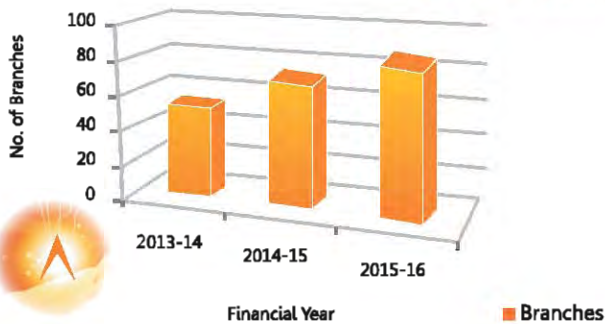
In the end, I would urge all our stake holders to **dream** of prosperity and growth everywhere. I hope all our stake holders continue to have their unwavering **belief** on us so that we strive hard to **achieve** all our dreams. We are fully geared up for the exciting times ahead.

With best wishes

**Sunil Nyati**  
Managing Director  
Swastika Investmart Limited

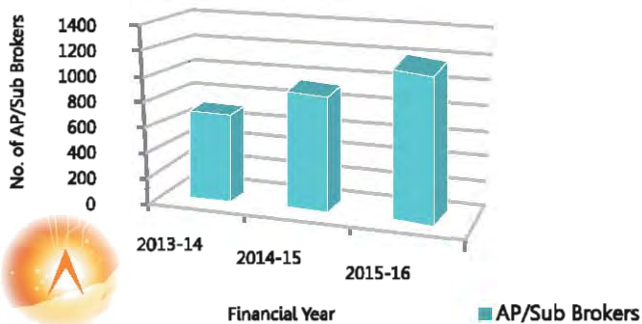
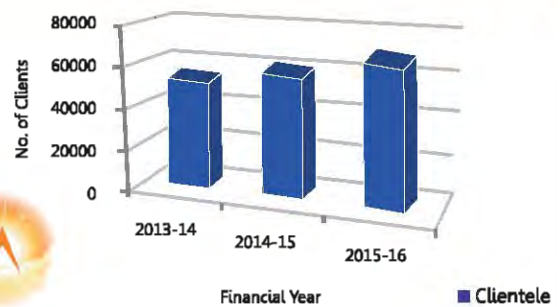


## Our Business Growth



## Branches

## Clientele



## AP/ Sub Brokers

## Recognition



**NSDL Star Performer Award 2015 :**  
1st Position  
In Account Growth  
Rate Category

\* **All India Rank 13**  
Category : No. Of Offices

\* **All India Rank 19**  
Category : No. Of Terminals

\*India's Leading Equity Broking Houses 2015', Published by  
Dun & Bradstreet Information Services India Pvt Ltd along with BSE.

## Ranking



## BOARD'S REPORT

To,  
The Members of  
M/s Swastika Investmart Limited

Your Directors are pleased to present the 24<sup>th</sup> Annual Report on the business and operations of the company together with the Standalone and Consolidated Audited Financial Statements for the year ended 31<sup>st</sup> March, 2016.

### 1. STATE OF AFFAIRS, FINANCIAL PERFORMANCE AND FUTURE OUTLOOK :

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

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

(Rupees in Lakhs except EPS)

Particulars	Standalone		Consolidated	
	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
Total Income	2269.09	2345.70	3164.80	2966.52
Total Expenditure	2292.05	1983.34	3197.36	2531.05
<b>Profit/(Loss) before exceptional &amp; extraordinary items and tax</b>	<b>(22.96)</b>	<b>362.36</b>	<b>(32.56)</b>	<b>435.47</b>
Exceptional Items	0.00	0.00	0.00	2.28
<b>Profit/(Loss) before tax</b>	<b>(22.96)</b>	<b>362.36</b>	<b>(32.56)</b>	<b>437.75</b>
Provision for Tax				
Current Tax	0.00	137.03	11.25	160.76
Deferred Tax	(4.94)	(16.68)	(4.93)	(16.68)
<b>Profit/(Loss) after tax</b>	<b>(18.02)</b>	<b>242.01</b>	<b>(38.88)</b>	<b>293.67</b>
<b>Surplus of Statement of Profit &amp; Loss opening balance</b>	<b>67.49</b>	<b>61.33</b>	<b>208.95</b>	<b>151.13</b>
<b>Amount available for appropriation</b>	<b>49.47</b>	<b>303.34</b>	<b>170.07</b>	<b>444.80</b>
<b>Appropriations:</b>				
(a) Transferred to Statutory Reserve	0.00	200.00	0.00	200.00
(b) Proposed Dividend on Equity Shares	29.59	29.59	29.59	29.59
(c) Tax on Proposed Dividend	6.03	6.25	6.03	6.25
<b>Surplus Carried to Balance Sheet</b>	<b>13.85</b>	<b>67.50</b>	<b>134.45</b>	<b>208.95</b>
Paid up Equity Share Capital	295.97	295.97	295.97	295.97
Earnings per share (Rs. 10/- each) Basic & Diluted (in Rs.)	(0.61)	8.18	(1.31)	9.92

#### 1.2 OPERATIONAL AND STATE OF COMPANY'S AFFAIRS

During the year under review, the company's gross income was Rs. 2269.09 lakhs (Previous year Rs. 2345.70 lakhs) on a standalone basis however Company has reported loss of Rs. 22.96 lakhs as compared to previous years profit of Rs. 362.36 lakhs. On a consolidated basis during the year under review, the Company has gross income of Rs. 3164.80 lakhs (Previous year Rs. 2966.51 lakhs) however Company has reported overall loss of Rs. 32.56 lakhs during the current year as compared to previous year profit of Rs. 437.75 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 FUTURE OUTLOOK

Despite a number of years of declining equity volumes globally, the outlook for the Indian Capital market is still quite positive. We continue to believe that corporate profits and equity market performance will warrant

continued interest from Indian Institutional Investors and Foreign Investors. Our company will be focusing on activation of inactive accounts along with acquiring fresh clients into the capital markets. We expect a great revival of IPO/FPO market which is expected to bring retail investors in the market. We are planning to provide wide range of financial services to present and prospective clients under one roof.

## 2. **CHANGE IN NATURE OF BUSINESS**

During the year there was no change in business activity of the company.

## 3. **SHARE CAPITAL**

The Paid-Up Equity Share Capital as at 31st March 2016 stood at Rs. 295.97 Lacs. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock option or sweat equity shares. As on 31st March 2016, none of the Directors of the company hold instruments convertible into equity shares of the Company.

## 4. **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as **Annexure - A** and forms an integral part of this Report.

## 5. **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 2015 -16 forms part of the Corporate Governance Report. Further Annual general meeting of the Company for financial year 2014-15 was held on 22<sup>nd</sup> September, 2015.

## 6. **DIVIDEND**

In spite of losses, your directors are pleased to recommend a final dividend of 10% on the equity shares i.e. Re.1/- per Equity Share of face value Rs.10/- each aggregating to Rs.29,59,700/- for financial year 2015-16 from Reserves & Surplus available with company, subject to Approval of the members in ensuing 24<sup>th</sup> Annual General Meeting.

### **AMOUNT TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND**

During the year 2015-16, unclaimed Dividend for financial year 2007-08 of Rs. 1,47,843/- was transferred to the Investor Education and Protection Fund, as required under the Investor education and Protection Fund (Awareness and Protection of Investor) Rules, 2001.

## 7. **AMOUNTS TRANSFERRED TO RESERVES**

During the year there was no amount transferred to reserve due to losses.

## 8. **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.

### **UNSECURED LOAN FROM DIRECTORS**

The Company has not received any unsecured loan from its directors during the financial year 2015-16.

## 9. **SUBSIDIARY COMPANIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

Your Company has three Subsidiaries i.e. Swastika Commodities Private Limited, Swastika Fin-Mart Private Limited and Swastika Insurance Services Limited. Financials to the Subsidiaries are disclosed in the Consolidated Financial Statements, which form part of this Annual Report. A statement containing salient features of the Financial Statements of the Subsidiaries are annexed to this Report as **ANNEXURE B** pursuant to Section 129(3) of the Companies Act, 2013 and the rules made there under in the prescribed form, AOC-1 and hence not repeated here for sake of brevity. The Company does not have any joint venture or associate Company.

Details of loans and advances given to its wholly owned subsidiaries have been reported in notes to the financial statement.

Further, during the financial year 2016-2017, Swastika Insurance Services Limited which was subsidiary company has become a wholly owned 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](http://www.swastika.co.in). Further, audited financial statements together with related information and other reports of each of the subsidiary companies have also been placed on the website of the Company at [www.swastika.co.in](http://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.



## 10. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard AS-21 on consolidated financial statement, your directors provide the Audited Consolidated Financial statements in the Annual Report.

## 11. 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, Mr. Anil Kumar Nyati, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

At the 23rd annual general meeting held on 22<sup>nd</sup> September, 2015 appointment of Mr. Kailash Chander Sharma was confirmed as an independent director of the Company pursuant to Section 149, 152, 160 of the Companies Act, 2013 for a term of five consecutive years.

During the year under review, there was no change in the Board of Directors of the Company. The following have been designated as the Key Managerial Personnel of the Company pursuant to sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Shri Sunil Nyati, Managing Director;
2. Smt. Anita Nyati, Whole Time Director;
3. Mr. Parth Nyati, Chief Financial Officer;
4. Smt. Shikha Bansal, Company Secretary and Compliance officer

### DISQUALIFICATIONS OF DIRECTORS

During the year declarations were received from the Directors of the Company pursuant to Section 164 of the Companies Act, 2013. Board appraised the same and found that none of the director is disqualified for holding office as director.

## 12. DECLARATION BY INDEPENDENT DIRECTOR

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfil the criteria of independence as prescribed under sub-section (6) of section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

## 13. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures in adoption of these standards;
- ii. 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 a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors have prepared the annual accounts on a going concern basis;
- v. The Directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 14. FAMILIARIZATION OF INDEPENDENT DIRECTORS

The details of familiarization programme for Independent Directors have been disclosed on website of the Company at web link <http://reports.swastika.co.in/InvestorRelation/RE120820160cdbb.pdf>.

## 15. MEETING OF INDEPENDENT DIRECTORS

The Independent Directors met once during the year as on 15<sup>th</sup> March, 2016. The Meeting was conducted in an informal manner without the presence of the Chairman, the Whole Time Director, the Non-Executive Non-Independent Directors and the Chief Financial Officer.

## 16. COMMITTEES OF THE BOARD OF DIRECTORS

The Company has various committees which have been constituted as a part of the good corporate governance practices and the same are in compliance with the requirements of the relevant provisions of applicable laws and

statutes. Your Company has an adequately qualified and experienced Audit Committee with Shri Raman Lal Bhutda (Chairman), Shri Chain Raj Doshi, Shri Kailash Chander Sharma and Shri Sunil Chordia, as Members. The recommendations of the Audit Committee were duly approved and accepted by the Board during the year under review.

The other Committees of the Board are:

- (i) Nomination and Remuneration Committee
- (ii) Stakeholders Relationship Committee

The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the Directors at such Meetings of the relevant Committees are given in detail in the Report on Corporate Governance of the Company which forms part of this Report.

#### **17. STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc. The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

##### **Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors are determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgments

#### **18. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS U/S 186**

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") disclosure on particulars relating to Loans, advances, guarantees and investments are provided in Audit Report and the notes to the financial statements.

#### **19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business pursuant to the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under. Also, there was no contract/arrangement/transaction with any of the Related Parties which could be considered material in accordance with the Companies Act, 2013, rules framed there under and Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Hence AOC-2 is not required. The Details of the related party transactions as required under Accounting standard -18 are set out in Note 22(4)(B) to the financial statement forming part of this Annual Report.

All Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis. Omnibus approval was obtained on a quarterly basis for transactions which are of repetitive nature. The policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. The web-link of the same has been provided in the Corporate Governance Report. None of the Directors has any pecuniary relationship or transactions vis-à-vis the Company.

#### **20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under sub-section (3) (m) of section 134 of the Companies Act, 2013 read with Rule (8)(3) of the Companies (Accounts) Rules, 2014 are given as under :





**(A) Conservation of Energy**

The steps taken or impact on conservation of energy:

- (i) The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption.
- (ii) The capital investment on energy conservation equipments: Nil
- (B) Technology Absorption :**
- (i) The efforts made towards technology absorption: Not Applicable.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
- (iv) Company has not incurred any expenditure on Research and Development during the year under review.

Further there was neither inflow nor outflow of foreign exchange during the year.

## **21. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS.**

Your company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The company's internal control system is commensurate with its size, scale and complexities of its operations; the internal and operational audit is entrusted to M/s. Vinod Rekha & Company, Chartered Accountants. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The audit committee of the board of directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The company has a robust management information system, which is an integral part of the control mechanism.

The audit committee of the board of directors, statutory auditors and the business heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the audit committee of the board. To maintain its objectivity and independence, the internal audit function reports to the chairman of the audit committee. Report of statutory auditors for internal financial control system is part of Audit Report.

## **22. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

Provisions of section 135 of the Companies Act, 2013 does not apply to the Company, therefore Company has not constituted Corporate Social responsibility (CSR) committee as required under the Act.

## **23. REMUNERATION POLICY / DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the Rules issued there under and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors formulated the Nomination and Remuneration Policy of your Company on the recommendations of the Nomination and Remuneration Committee. The Nomination and Remuneration Policy of the company is annexed as Annexure-C and forms an integral part of this report.

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended up to date, is annexed as Annexure - D and forms an integral part of this Report.

None of the employee of the company is drawing more than Rs.1,02,00,000/- per annum or Rs.8,50,000/- per month or for the part of the year, during the year under review therefore Particulars of the employees as required under Section 197 of Companies Act, 2013 read with rule 5(2) & rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are not applicable, during the year under review.

Neither the Managing Director nor Whole Time Director of the Company received any remuneration or commission from any of its subsidiaries. However Mr Anil Nyati who is non executive Director of the Company is drawing remuneration from Swastika Commodities Private Limited.

## **24. REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION ANALYSIS.**

As per Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the practicing Chartered Accountant confirming compliance forms an integral part of this Report.

## **25. DISCLOSURE ON ESTABLISHMENT OF A VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has a whistle blower policy to report genuine concerns or grievances. The details of establishment of the reporting mechanism are disclosed on the website of the Company ([www.swastika.co.in](http://www.swastika.co.in)). No Person has been denied access to the Audit Committee.

## **26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY.**

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future.

## **27. SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed M/s. L.N.Joshi & Company, Practicing Company Secretary, to undertake as the Secretarial Auditor of the company. The Secretarial Audit report is annexed as **ANNEXURE-E** and forms an integral part of this Report.

### **EXPLANATION TO SECRETARIAL AUDITOR'S REMARKS**

The Company is in process to file requisite forms with ROC. Due to procedural delay forms were submitted with some delay but within the prescribed time with adequate additional filing fee prescribed under the Companies Act, 2013. Apart from this the Secretarial audit report does not contain any qualification, reservation or adverse remark for the year under review.

## **28. STATUTORY AUDITORS**

Pursuant to the provisions of section 139 of the Act and the rules framed thereunder, M/s. R.S.Bansal & Company, Chartered Accountants (Firm Registration No.000939C) were appointed as statutory auditors of the Company from the conclusion of the 23<sup>rd</sup> annual general meeting (AGM) of the Company held on 22.09.2015 till the conclusion of the 28<sup>th</sup> annual general meeting to be held in the year 2020, subject to ratification of their appointment at every AGM.

M/s. R.S.Bansal & Company, Chartered Accountants (Firm Registration No.000939C) who are Statutory Auditors of the Company hold office up to the forthcoming Annual General Meeting and are recommended for re-appointment for the financial year 2016-17. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s. R.S.Bansal & Company, Chartered Accountants for their appointment, if made, would be in conformity with the limits specified in the said Section

### **EXPLANATION TO AUDITOR'S REMARKS**

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and does not contain any qualification, reservation or adverse remark or disclaimer.

Further there was no fraud in the Company, which was required to report by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

## **29. INTERNAL AUDITORS**

The Board has appointed M/s. Vinod Rekha & Company, Chartered Accountant, as Internal Auditor of the company and takes their suggestions and recommendations to improve and strengthen the internal control systems. their scope of work includes review of operational efficiency, effectiveness of systems & processes, compliances and assessing the internal control strengths in all areas.

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations including those relating to strengthening of the Company's risk management policies and systems.

## **30. MD/CFO CERTIFICATION**

As required under Regulation 17(8) of the Listing Regulations, the Managing Director and Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the year ended 31<sup>st</sup> March, 2016. Copy of the certificate is separately annexed with this annual report.

## **31. CODE OF CONDUCT**

The Company has laid down a code of conduct for all Board members and senior management and independent directors of the Company. All the Board members including independent directors and senior management personnel have affirmed compliance with the code of conduct. Declaration on adherence to the code of conduct is forming part of the Corporate Governance Report.

## **32. CODE FOR PROHIBITION OF INSIDER TRADING PRACTICES:**

Your Company has adopted the code as per SEBI (Prohibition of Insider Trading) Regulations, 2015, which has been effective from 15<sup>th</sup> May, 2015. The Details of the said code is available on website of the Company i.e [www.swastika.co.in](http://www.swastika.co.in)

