



# KASHMIR SEKANYAKUMARI swastika

## Corporate Information

### MANAGING DIRECTOR

Mr. Sunil Nyati

### WHOLE TIME DIRECTOR

Mrs. Anita Nyati

### DIRECTORS

Mr. Amit Ramesh Gupta    Mr. Anil Nyati  
Mr. Sunil Chordia        Mr. C.R. Doshi  
Mr. Raman Lal Bhutda    Mr. Chandra Shekhar Bobra

### CHIEF FINANCIAL OFFICER

Mr. Parth Nyati

### 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. & Indusind Bank Ltd.

### REGISTRAR & SHARE TRANSFER AGENT

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

### STATUTORY AUDITORS

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

### LISTED AT

Bombay Stock Exchange Limited

## Awards Won By Swastika - Group



**NCDEX**  
Krishi Pragati Award 2017



**NSE**  
Great Contribution  
In SME Listings 2017



**NSDL**  
Best Performer to Account  
Growth Rate 2017 - 3<sup>rd</sup> Position



**MCX**  
Brokerage House-  
Central India 2017-18





## MANAGING DIRECTOR'S MESSAGE

### Dear Shareholders

Past year, in my message on the Silver Jubilee of your Company, I wrote that Swastika was "Ready for BIG". This year, with excitement in my heart, I am proud to present before you a new image of your Company -

**"Kashmir se Kanyakumari tak – Swastika".**

- 88 Nationwide branches.
- 111111 Loyal customers.
- 666 Team members.

**One trustworthy name – Swastika.**

### Financial Results

For the FY 17-18, I am delighted to report that your Company has recorded a total revenue of Rs. 33.10 crores and EBITDA of Rs. 7.33 crores. Although our performance over the year was solid, the external uncertainty & volatility had an impact on our business and thus the second half of the year was significantly slower than the same period in the previous year. Continuing the track record of the past 13 years, I am happy to announce that the Board has proposed a dividend of Re. 1/- per share, i.e., 10% of the face value of the shares. This would mark as the 14<sup>th</sup> continuous year of paying dividends to felicitate our shareholders who have shown their faith in Swastika.

### Our Achievements in 2017-18

Last year started with a vision of growth in parallel business verticals such as Merchant Banking and NBFC.

The Merchant Banking vertical has grown with a fast pace. In the FY 2017-18 we have managed, a whopping, **10 SME IPOs** through NSE and BSE SME platforms and got an extremely incredible response from retail investors. We got more than 50 - 100 times subscription in some of our SME- IPOs! Our business of NBFC through our subsidiary Swastika Fin-mart Pvt. Ltd. has grown steadily backed up with the technological advancement and rising demands.

The core stock and commodity broking vertical has continued the momentum of the past years. Our turnover figures, as expected, have gone up. Our advertisement campaign on TV channels was a hit and gave us a nationwide recognition.

### The Road Ahead

Going forward with our vision of Sarve Bhavantu Dhaninah, our utmost priority is happiness of our clients with an amazing Customer Experience. We are gearing up both our offline and online channels to give our customers a 'rich' experience. The first step towards this was the launch of our new back office software last year. This year will be the turning point for our technology team as there will be multiple launches.

Owing to the efforts of Government bodies, you now already know that – "Mutual Funds Sahi Hai". This campaign has helped us tremendously and there is now a lot of awareness about Mutual Funds. Fortunately, your Company is well positioned to tap on the opportunity and will launch initiatives to increase the Assets Under Management.

With our values of integrity, transparency & honesty in all business transactions, we will always visualize our stakeholders' feelings and keep on improving their experience. I would like to thank the complete Swastika family for their unwavering trust on us. Together, we will continue to fly high. Together, we will continue to break new barriers. Together, we will continue to spread prosperity.

Yours Sincerely,



**Sunil Nyati**  
Managing Director





## THINKERS | CREATORS | DOERS @ SWASTIKA



Our Proud Pan India Customer Acquisition Team



Swastika Strategy Team



Dedicated Team Towards  
A Rich Customer Experience



**SPREADING MESSAGE OF CUSTOMER HAPPINESS**



## INSIDE THIS REPORT

Board's Report	05
Report on Corporate Governance	39
Management Discussion and Analysis	59
Independent Auditors' Report on Standalone Financial Statements	63
Standalone Financials	69
Independent Auditors' Report on Consolidate Financial Statements	111
Consolidated Financials	116
Notice of Annual General Meeting	162





## BOARD'S REPORT

### Dear Shareholders

Your Directors present their Report together with the audited financial statements of your company for the year ended March 31, 2018.

#### 1. STATE OF AFFAIRS AND FINANCIAL PERFORMANCE:

##### 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 31st March 2018	Year ended 31st March 2017*	Year ended 31st March 2018	Year ended 31st March 2017*
Total Income	3310.35	3295.19	4262.86	4399.01
Total Expenditure	2834.37	2460.75	3877.08	3432.91
<b>Profit/(Loss) before exceptional and extraordinary items &amp; tax</b>	<b>475.98</b>	<b>834.44</b>	<b>385.78</b>	<b>966.10</b>
Exceptional & Extraordinary Item	0	0	0	0
<b>Profit/(Loss) before tax</b>	<b>475.98</b>	<b>834.44</b>	<b>385.78</b>	<b>966.10</b>
Provision for Tax				
Current Tax	121.66	244.12	160.25	287.11
Deferred Tax	1.91	3.02	1.64	2.76
<b>Profit/(Loss) after tax</b>	<b>352.41</b>	<b>587.30</b>	<b>223.89</b>	<b>676.23</b>
Other comprehensive Income ( Net of Tax)	(3.13)	268.35	(4.57)	269.75
<b>Total Comprehensive Income</b>	<b>349.28</b>	<b>855.65</b>	<b>219.32</b>	<b>945.98</b>
Paid up Equity Share Capital	295.97	295.97	295.97	295.97
Earnings per share (Rs.10/- each) Basic & Diluted (in Rs.)	11.91	19.84	7.56	22.85

\*The Company has adopted Indian Accounting Standard (referred to as 'Ind AS') with effect from April 1, 2017 and transition date is 01 April, 2016. Hence, Figure have been re-stated in accordance with Ind AS.

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

During the financial year 2017-18, revenue from operation of the Company on standalone basis increased to Rs. 3156.38 lakhs as against Rs. 2722.19 lakhs in the previous year – a growth of 15.95%. During the year, company earned net profit amounted to Rs. 352.41 lakhs. On a consolidated basis during the year under review, the revenue from operation is Rs 3997.95 lakhs as against Rs. 3735.65 lakhs in the previous year a growth of 7.02%. However net profit of the Company has fall down due to operational cost.

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 CHANGE IN NATURE OF BUSINESS

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

### 1.4 SHARE CAPITAL

The Paid-Up Equity Share Capital as at 31st March 2018 stood at Rs. 295.97 lakhs. 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 2018, none of the Directors of the company hold instruments convertible into equity shares of the Company.

### 1.5 ADOPTION OF IND-AS

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 had enforced Companies (Indian Accounting Standards) Rules, 2015 w.e.f 01st April, 2015 which provided for adoption and applicability of IND AS (Indian Accounting Standards) in a phased manner. In view of the above and pursuant to provisions of Rule 3 and sub-rule(iii) of Rule 4 of Companies (Indian Accounting Standards) Rules, 2015, the Company has voluntarily adopted IND AS (Indian Accounting Standards) for the accounting period beginning on or after 1st April, 2017 in place of the existing accounting standards i.e. GAAP (Generally Accepted Accounting Policies).

### 1.6 CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the current financial year, Board of Director in their meeting held on 13 August 2018, shifted registered office of the company within same city from 305, Madhuban Building, Cochin Street, S.B.S. Road, Fort, Mumbai City-400001, M.H. to Flat No. 18, 2nd Floor, North Wing, Madhaveswar Co.-Op. Hsg. Society Ltd., Madhav Nagar, 11/12, S.V. Road, Andheri (W), Mumbai, M.H.-400058 with immediate effect.

## 2. 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 and is also available on the web link <http://reports.swastika.co.in/InvestorRelation/RE2308201887b36.pdf>.

## 3. 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 2017-18 forms part of the Corporate Governance Report. Further Annual General Meeting of the Company for financial year 2016-17 was held on 19th September, 2017.

## 4. DIVIDEND

For the financial year 2017-18, the Board of 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/-, subject to approval of the members in ensuing 26th Annual General Meeting.

### 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 Unclaimed Dividend Account of the Company. Hence, during the Financial Year 2017-18 unpaid / unclaimed dividends of Rs. 64,649/- relating to financial year 2009-10 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 2017-18, the Company has transferred 22520 shares related to final dividend of financial year 2008-09 to the account of IEPF Authority.

## **5. AMOUNTS TRANSFERRED TO RESERVES**

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

## **6. 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 2017-18.

## **7. 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 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 B** and hence is not repeated here for sake of brevity. The Company does not have any joint venture or associate 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.

## **8. 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, 2018. The Consolidated Financial Statements form part of this Annual Report

## **9. 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 (DIN: 00057314), Non Executive 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.

As mentioned in previous board report, during the financial year, Mr. Satyanarayan Maheshwari (DIN:



00049339) and Mr. Kailash Chander Sharma (DIN: 02335909) resigned from the post of directorship of company w.e.f August 1, 2017. Board placed on record its deep appreciation for the valuable contribution made by them during their tenure as directors of the Company.

Further, during financial year confirmation of appointment of Mr. Chandra Shekhar Bobra (DIN: 00209498), as Non-Executive Independent Director for a term of five years and confirmation of appointment of Mr. Amit Ramesh Gupta (DIN: 07322170), as Director as well as Whole Time Director of the company for a tenure of three years was made on 25th Annual General Meeting of the company held on September 19, 2017.

Further, Board of Directors in their Meeting held on 29th May, 2018 considered re-appointment of Mrs. Anita Nyati (DIN : 01454595) as Whole-time Director of the company for term of three years w.e.f 1st June, 2018 up to 31st May, 2021 subject to approval of members in ensuing Annual General Meeting.

The term of office of Mr. Chain Raj Doshi (DIN: 00482700) and Mr. Raman Lal Bhutda (DIN: 01789675) as Independent Director, will expire on March 31, 2019 and term of Mr. Sunil Chordia (DIN: 00144786) as Independent Director, will expire on August 11, 2019. The Board of Directors, on recommendations of the Nomination and Remuneration Committee have proposed re-appointment of Mr. Chain Raj Doshi (DIN: 00482700), Mr. Raman Lal Bhutda (DIN: 01789675) and Mr. Sunil Chordia (DIN: 00144786) as Independent Director of the Company for a second term of 5 (Five) consecutive years on the expiry of their current term of office, for the consideration by the Members of the Company at the ensuing Annual General Meeting. The Company has received the requisite Notices from Member's in writing proposing their appointment as Independent Directors.

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. Mr. Sunil Nyati, Managing Director;
2. Mrs. Anita Nyati, Whole Time Director;
3. Mr. Amit Ramesh Gupta, Whole Time Director;
4. Mr. Parth Nyati, Chief Financial Officer;
5. Ms. 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.

#### **10. DECLARATION BY INDEPENDENT DIRECTOR**

The Independent Directors have submitted the declaration of independence, as required under Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

#### **11. 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