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Swastika Investmart Limited

27TH ANNUAL REPORT 2018-19

Corporate Information

MANAGING DIRECTOR
Mr. Sunil Nyati

WHOLE TIME DIRECTOR
Mrs. Anita Nyati

DIRECTORS
Mr. Anil Nyati
Mr. Sunil Chordia
Mr. Raman Lal Bhutda
Mr. C.R. Doshi
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., HDFC 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

We empower people to **earn financial freedom** quickly

Highlights 2018-19

Rs. 2873 Lacs
Net Worth

Rs. 4483 Lacs
Revenue

Rs. 301 Lacs
Profit

Rs. 298.25 lacs
Equity Share Capital

Rs. 15.62
Earning Per Equity Share

1,23,158
Number Of Clients

2261
Number Of Authorized Persons

Managing Director's Message

Dear Stakeholders

As they say, life is all about looking forward to changes and adapting quickly to stay ahead of times. On my behalf and on behalf of the hundreds of Swastika team members across India, I am thrilled and super excited to announce the change in our brand identity this year. A new logo which represents the ever growing freshness in our brand. A new website, to awe our customers with a great user experience. When a business embraces words like 'new' & 'change' and use them together with words like 'growth' & 'user experience', you know this business is going places!

A YEAR OF GROWTH

Our last year's target was 'Kashmir se Kanyakumari - Swastika'. I'm proud to announce that we have marked our presence in all corners of the country.

In 2018-19, we continued our accelerated growth in products, services and technology. Our broking business saw a major revamp in the form of a new trading software - Justrade. We also launched 'Portfolio Analyser' and 'Portfolio Optimiser' tools for our customers to assist them in decision making. Our Merchant Banking division successfully managed 5 SME IPOs this year. Furthermore, our subsidiary NBFC too has grown steadily.

Last year I wrote about the potential of Mutual Funds. We ventured into the Mutual Funds business with full force creating a national record of 11,111 SIPs in a single day! BSE awarded us for this amazing feat. We were also awarded by CDSL for our high account opening numbers.

FINANCIAL RESULTS

Despite the rough patch spread across the financial services industry, we are pleased to announce that your Company has delivered another successful profitable result. We recorded a total revenue of Rs.30.90 crores and EBITDA of Rs.6.63 crores for the financial year 2018-19.

Continuing the positive track record of the past 14 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. I'm also delighted to mention that this marks the 15th continuous year of dividends.

POWERFUL VISION FOR THE JOURNEY AHEAD

Swastika continuous to grow, both in terms of product spread as well as geographic outreach. Today we have 100 branches across the country. We have planned a massive expansion drive to reach out to large number of Tier 2,3 & 4 city clients. Your Company is also planning to venture into Insurance Broking business this year. India is a highly under-insured country and we feel there's a lot of potential for scalable insurance broking business. Adding such new products and expanding our presence in new cities will give us tremendous growth. We are putting our hearts into technology and processes so that this growth is smooth.

I take this opportunity to thank all the believers - our share holders, customers, business partners, team members, Board of Directors and other stakeholders for their unrelenting dedication and support towards Swastika. Let us all continue to fly together & spread prosperity everywhere.

Yours sincerely,

Sunil Nyati
Managing Director
Swastika Investmart Limited



New vision
Same Values



We are **disciplined**, **presentable** and always on time



We are **determined** to honour our **commitments**



We are a **trustworthy** and **truthful** tribe



Politeness is our **language**



We keep our eyes and ears **open to learn**



Customers are our **priority** number one



We are **energetic** and **happy** at all times

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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, 2019.

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 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Total Income	3089.96	3310.35	4482.64	4262.86
Total Expenditure	2812.79	2834.37	3864.29	3877.08
Profit/(Loss) before exceptional and extraordinary items & tax	**277.17**	**475.98**	**618.35**	**385.78**
Exceptional & Extraordinary Item	0.00	0.00	0.00	0.00
Profit/(Loss) before tax	**277.17**	**475.98**	**618.35**	**385.78**
Provision for Tax Current Tax Deferred Tax	 85.78 (6.74)	 121.66 1.91	 159.32 (3.24)	 160.25 1.64
Profit/(Loss) after tax	**198.13**	**352.41**	**462.27**	**223.89**
Other comprehensive Income (Net of Tax)	(160.13)	(3.13)	(160.78)	(4.58)
Total Comprehensive Income	**38.00**	**349.28**	**301.49**	**219.31**
Paid up Equity Share Capital	295.97	295.97	295.97	295.97
Earnings per share (Rs.10/ - each) Basic & Diluted (in Rs.)	6.69	11.91	15.62	7.56

1.2 OPERATIONAL AND STATE OF COMPANY'S AFFAIRS

During the financial year 2018-19, revenue from operation of the Company on standalone basis decreased to Rs. 2836.41 lakhs as against Rs. 3156.38 lakhs in the previous year. During the year, company earned net profit amounting Rs. 198.13 lakhs as against profit of Rs.352.41 lakhs in previous year. Net Profit of the company as fall down due to operational cost and adverse market situations.

On a consolidated basis during the year under review, the revenue from operation increased to Rs 4094.84 lakhs as against Rs. Rs 3997.95 lakhs in the previous year. 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 2019 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 2019, none of the Directors of the company hold instruments convertible into equity shares of the Company.

1.5 CHANGE IN REGISTERED OFFICE OF THE COMPANY

During the financial year, Board of Directors in their meeting held on 13.08.2018, shifted Registered Office of the Company within same city from 305, Madhuban Building, Cochin Street S.B.S Road, Fort Mumbai, Mumbai City (M.H.) 400001 to Flat No. 18, 2nd Floor, North Wing, Madheveshwar Co-op, Hsg Society Ltd., Madhav Nagar, 11/12, S.V. Road, Andheri W, Mumbai, Maharashtra-400058 .

1.6 PROPOSAL FOR MERGER OF WHOLLY OWNED SUBSIDIARY COMPANY

The Board of Directors has approved the proposal of Merger of Swastika Commodities Private Limited, wholly owned subsidiary (Transferor Company) in Swastika Investmart Limited (Transferee Company) for which draft scheme has been approved by the Board and requisite application shall be made to Hon'ble NCLT Mumbai.

The Transferee Company is holding the entire share capital of the Transferor Company and as the Transferor Company and Transferee Company's business activities are similar and complement each other, and to achieve inter-alia economies of scale and efficiency and to reduce multiplicity of costs, the merger of the Company has being undertaken.

Further, company had filed application under section 233 of the Companies Act, 2013 during financial year 2018-19 which was not considered by Regional Director; therefore, Board of Directors has decided to file application before Hon'ble NCLT Mumbai under section 230-232 of the Companies Act, 2013.

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 website of the company.

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 2018-19 forms part of the Corporate Governance Report. Further , Annual General Meeting of the Company for financial year 2017-18 was held on 26th September, 2018.

4. DIVIDEND

For the financial year 2018-19, 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 27th 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 2018-19 unpaid / unclaimed dividends of Rs. 54,212/- relating to financial year 2010-11 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

2018-19, the Company has transferred 1,900 and 5,600 shares related to final dividend of financial year 2009-10 and 2010-11 respectively to account of IEPF Authority.

DETAILS OF NODAL OFFICER

The nodal officer appointed by the company under the provisions of IEPF is Mrs. Shikha Bansal. The details of Nodal Officer are also available on the website of the company:
http://reports.swastika.co.in/InvestorRelation/RE12062019c0056.pdf

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 2018-19.

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 Broking Services Limited (formerly known as 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. 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.

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 was revised w.e.f April 1, 2019 in line with the amendments made to the Listing Regulations. The Policy has been uploaded on the Company's website at http://reports.swastika.co.in/InvestorRelation/CO09072019a8eab.pdf

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 read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended March 31, 2019. 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, Smt. 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 but she is liable to retire by rotation as determined by the Board of the Directors of the Company. The Board recommends her re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

Members in their 26th Annual General Meeting held on 26th September, 2018 confirmed re-appointment of Smt. Anita Nyati as Whole-time Director of the company for term of three years w.e.f 1st June, 2018 up to 31st May, 2021.

Further, at the 26th Annual General Meeting held on 26th September, 2018 re-appointment of Shri Chain Raj Doshi (DIN: 00482700), Shri Raman Lal Bhutda (DIN: 01789675) and Shri Sunil Chordia (DIN: 00144786) as an Independent Director of the Company was confirmed pursuant to Section 149, 152, 160 of the Companies Act, 2013 for a second term of five consecutive years.

Board of Directors in their meeting held on 15th May, 2019 accepted the resignation of Shri Amit Ramesh Gupta, Whole time Director (DIN: 07322170) from the post of Director as well as Whole Time Director of the Company w.e.f. 31st May, 2019. Further, Board of Directors in their meeting held on 25th July, 2019 accepted resignation of Shri Chain Raj Doshi (DIN: 00482700) from the post of Independent Director of the Company w.e.f 31st July, 2019. Your Board places on record its deep appreciation for the valuable contribution made by them during their tenure as 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 as amended from time to time:

1. Shri Sunil Nyati, Managing Director;
2. Smt. Anita Nyati, Whole Time Director;
3. Shri Amit Ramesh Gupta, Whole Time Director; (Resigned w.e.f. 31st May, 2019)
4. Shri Parth Nyati, Chief Financial Officer;
5. Ms. Shikha Bansal, Company Secretary and Compliance officer

There has been no change in the KMPs during the year 2018-19 under review.

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 (1)(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 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 profit of the Company for that year;