

# SWASTIKA INVESTMART LIMITED

CIN: L65910MH1992PLC067052

Registered Office: Flat No. 18, 2<sup>nd</sup> Floor, North Wing, Madhaveswar Co-op, Hsg Society Ltd., Madhav Nagar, 11/12, S.V. Road, Andheri W, Mumbai, Maharashtra-400058  
Tel. 022-26254568, Email id- [info@swastika.co.in](mailto:info@swastika.co.in), Website-[www.swastika.co.in](http://www.swastika.co.in)

## NOTICE OF NCLT CONVENED MEETING OF THE EQUITY SHAREHOLDERS

<b>Day</b>	Tuesday
<b>Date</b>	23 <sup>rd</sup> February, 2021
<b>Time</b>	2:00 p.m. (IST)
<b>Mode of Meeting</b>	In view of the ongoing COVID-19 pandemic and related social distancing norms, as per the directions of the Hon'ble National Company Law Tribunal, Mumbai, the meeting shall be conducted through video conferencing/other audio visual means.

### REMOTE E-VOTING / E-VOTING AT THE MEETING

<b>Cut-off date for e-voting</b>	16th February, 2021
<b>Remote e-voting start and end date and time</b>	From Friday, 19th February, 2021 at 9.00 a.m. to Monday, 22nd February, 2021 at 5.00 p.m.
<b>E-voting at the meeting start and end date and time</b>	As may be instructed by the Chairperson of the Meeting, during the proceedings of the meeting

Sr.No.	Contents	Page Nos.
1	Notice of NCLT Convened Meeting of the Equity Shareholders of Swastika Investmart Limited under the provisions of Sections 230 - 232 and other relevant provisions of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and any amendments thereto or re-enactments thereof.	1-13
2	Explanatory Statement under Section 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.	14-23
3	<b>Annexure 1</b> - Scheme of Merger by absorption of Swastika Commodities Private Limited (Transferor Company) with Swastika Investmart Limited (Transferee Company) on a going concern basis and their respective shareholders under Section 230 to 232 and other applicable provisions of the Companies Act, 2013.	24-49
4	<b>Annexure 2</b> - Copy of Reports adopted by the Board of Directors of Applicants Companies pursuant to the provisions of section 230(2) (c) of the Companies Act, 2013	50-51
5	<b>Annexure 3</b> - Audited Financial Statements of Swastika Investmart Limited (Transferee Company) for financial year ended 31 <sup>st</sup> March, 2020 and copy of provisional balance sheet and profit and loss account	52-93

	for period ended 30 <sup>th</sup> September, 2020	
6	<b>Annexure 4</b> - Audited Financial Statements of Swastika Commodities Private Limited (Transferor Company) for financial year ended 31 <sup>st</sup> March, 2020 and copy of unaudited balance sheet and profit and loss account for period ended 30 <sup>th</sup> September, 2020	94-126

**FORM NO. CAA-2**  
**(PURSUANT TO SECTION 230(3) OF COMPANIES ACT, 2013.**

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH**  
**COMPANY SCHEME APPLICATION NO. 3919 OF 2019**  
**(Under Sections 230-232 of the Companies Act, 2013)**

In the matter of Companies Act, 2013

**And**

In the matter of Sections 230-232  
and other applicable provisions of  
the Companies Act 2013

**And**

In the matter of scheme of merger by  
absorption Swastika Commodities  
Private Limited **(Transferor  
Company)**

**with**

Swastika Investmart Limited  
**(Transferee Company)**

**SWASTIKA INVESTMART LIMITED** a Company  
Incorporated under the Companies Act, 1956  
having its registered Office at Flat No. 18, 2<sup>nd</sup>  
Floor, North Wing, Madhaveswar Co-op, Hsg  
Society Ltd., Madhav Nagar, 11/12, S.V. Road,  
Andheri W, Mumbai, Maharashtra-400058 and  
their respective shareholders  
CIN: L65910MH1992PLC067052

.....**Applicant Company/Transferee Company**  
**APPLICATION NO. 3919 OF 2019**

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE SWASTIKA  
INVESTMART LIMITED (TRANSFeree COMPANY)**

**To,  
The Equity Shareholders of  
SWASTIKA INVESTMART LIMITED (Transferee Company)**

**NOTICE** is hereby given that by an order dated 20<sup>th</sup> February, 2020, in Company Scheme Application No. 3919 of 2019 read with the order dated 27<sup>th</sup> November, 2020 and 6<sup>th</sup> January, 2021 in Company Application No. 1124 of 2020 ("collectively referred to as the "Orders"), the National Company Law Tribunal, Mumbai Bench ("NCLT" or "Tribunal") has directed a meeting to be held of the equity shareholders of the Applicant Company for the purpose of considering, and if thought fit, approving with or without modification(s), the 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 Act**") ("**Scheme**").

In pursuance of the said Orders and as directed therein, meeting of the equity shareholders of the Applicant Company ("Tribunal Convened Meeting") will be held on Tuesday, 23<sup>rd</sup> February, 2021 at 2:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") following the operating procedures (with requisite modifications as may be required) referred to in General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020 and General circular No. 39/2020 dated 31<sup>st</sup> December, 2020 issued by the Ministry of Corporate Affairs, Government of India. At the meeting, the following resolution will be considered and if thought fit, be passed, with or without modification(s) under Sections 230 to 232 and other applicable provisions of the Act by requisite majority:

***"RESOLVED THAT*** pursuant to the provisions of Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with related rules, circulars and notifications thereto as applicable under the Companies Act, 2013 as amended (including any statutory modification or re-enactment or amendment thereof), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the relevant provisions of any other applicable laws and enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench (hereinafter referred to as "the NCLT") and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by NCLT or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this resolution), the Scheme of Merger by Absorption of Swastika Commodities Private Limited with Swastika Investmart Limited on a going concern basis and their respective shareholders (hereinafter referred to as "Scheme") be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the NCLT while sanctioning the Scheme or by any authorities under law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution”.

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**TAKE FURTHER NOTICE** that in compliance with the provisions of (i) Section 230 read with Section 108 of the Companies Act, 2013; (ii) Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016; (iii) Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014; and (iv) Regulation 44 and other applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company has provided the facility of voting by remote electronic voting (“remote e-voting”) and e-voting during the Tribunal Convened Meeting using facility offered by Central Depository Services (India) Ltd (“CDSL”) so as to enable the equity shareholders, to consider and approve the Scheme by way of the aforesaid resolution.

**TAKE FURTHER NOTICE** that in terms of the said Orders of the Tribunal, in addition to facility of voting through e-voting system during the Tribunal Convened Meeting through VC/ OAVM, the persons entitled to attend and vote at the Tribunal Convened meeting shall have the facility and option of voting on the resolution for approval of the Scheme by casting their votes through remote e-voting during the period commencing from 9.00 a.m. (IST) on 19<sup>th</sup> February, 2021 and ending at 5.00 p.m. (IST) on 22<sup>nd</sup> February, 2021, arranged by CSDL. The voting rights of Shareholders shall be in proportion to their share in the paid-up share capital of the Applicant Company as on 16<sup>th</sup> February, 2021, being the cut-off date (“Cut-off Date”). The Equity Shareholders opting to cast their votes by remote e-voting or voting during the meeting through VC/ OAVM are requested to read the instructions in the Notes below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions below carefully. In case of remote e-voting, the votes should be cast in the manner described in the instructions by 5.00 p.m. (IST) on 22<sup>nd</sup> February, 2021 Remote e-voting module will be disabled by CSDL thereafter.

Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic. At such day, date and time, the said equity shareholders of Applicant Company are requested to attend the Meeting.

**TAKE FURTHER NOTICE** that each equity shareholder can opt for only one mode of voting i.e. (a) remote e-voting or (b) vote through e-voting system during the meeting through VC/ OAVM, as arranged by CDSL on behalf of the Company. If you opt for remote e-voting, you will nevertheless be entitled to attend and participate in the meeting but you will not be entitled to vote again during the meeting through VC/ OAVM.

A copy of the Scheme, the Explanatory Statement under Sections 230, 232 and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, are enclosed herewith. A copy of this notice and the accompanying documents will be placed on the website of the Company viz. [swastika.co.in](http://swastika.co.in) and will also be available on the website of BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and also on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). The Applicant Company is required to furnish a copy of the Scheme within one day of any requisition of the Scheme being made by any equity shareholder, to the Applicant Company by e-mail at [info@swastika.co.in](mailto:info@swastika.co.in). A recorded transcript of the meeting shall also be made available on the website of the Company as soon as possible.

The Tribunal has appointed Mr. Sunil Nyati Managing Director of the Company, as the Chairperson of the Meeting, failing him, Mrs. Anita Nyati Whole Time Director of the Company and failing her Ms. Shikha Bansal Company Secretary of the Company, as the Alternate Chairperson of the Meeting, including for any adjournment(s) thereof. The Tribunal has also appointed Mr. Nitin Singhai, Practicing Company Secretary, as the Scrutinizer for the Meeting, including for any adjournment(s) thereof. The Scheme, if approved at the Tribunal convened Meeting, will be subject to the subsequent approval of the Tribunal.

The results of the meeting shall be announced by the Chairperson not later than 48 (forty eight) hours of the conclusion of the Tribunal Convened Meeting upon receipt of Scrutinizer's report and the same shall be displayed on the website of the Company ([www.swastika.co.in](http://www.swastika.co.in)) and on the website of CDSL ([www.evotingindia.com](http://www.evotingindia.com)), being the agency appointed by the Company to provide the voting facility to the shareholders, as aforesaid.

In accordance with the provisions of Sections 230-232 of the Act, the Scheme of Arrangement shall be considered approved by the Equity Shareholders only if the Scheme is approved by majority of persons representing three-fourth in value of the members, of the Applicant Company, voting in person through VC/OAVM or by remote e-voting.

At least one independent director and the auditor (or his authorized representative who is qualified to be an auditor) shall also attend the Meeting through VC/OAVM.

The abovementioned Scheme, if approved at the aforesaid Meeting, will be subject to the subsequent sanction of the Hon'ble Tribunal.

A copy of the Explanatory Statement, the Scheme and other enclosures are enclosed and form part of the notice.

**By order of the Tribunal  
For Swastika Investmart Limited**

**Date: 19<sup>th</sup> January, 2021**

**Place: Indore**

**Sunil Nyati  
(DIN: 00015963)  
Chairperson appointed by  
NCLT for the meeting**

**SWASTIKA INVESTMART LIMITED**

CIN: L65910MH1992PLC067052

Registered Office: Flat No. 18, 2nd Floor, North Wing,

Madhaveswar Co-op, Hsg Society Ltd.,

Madhav Nagar, 11/12, S.V. Road,

Andheri W, Mumbai, Maharashtra-400058

WEB: [www.swastika.co.in](http://www.swastika.co.in)

EMAIL: [info@swastika.co.in](mailto:info@swastika.co.in)

Phone: 022-26254568

**NOTES:-**

1. In view of the ongoing COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the order dated 20<sup>TH</sup> February, 2020, in Company Scheme Application No. 3919 of 2019 read with the order dated 27<sup>th</sup> November, 2020 and 6<sup>th</sup> January, 2021, in Company Application No. 1124 of 2020 ("collectively referred to as the "Orders"), passed by the National Company Law Tribunal, Mumbai Bench ("NCLT"), the meeting of the equity shareholders of Swastika Investmart Limited ("Tribunal Convened Meeting") is being convened on Tuesday, 23<sup>rd</sup> February, 2021, at 2:00 p.m. (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Shareholders at a common venue, as per applicable procedure mentioned in the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular no. 17/2020 dated 13th April, 2020 and General Circular no. 39/2020 dated 31<sup>st</sup> December, 2020 issued by the Ministry of Corporate Affairs (the "MCA"), for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of Merger by Absorption of Swastika Commodities Private Limited ("Transferor Company) with Swastika Investmart Limited ("the Transferee Company") and their respective shareholders on a going concern basis, under the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and rules framed there under ("**Scheme**").
2. Explanatory Statement under Sections 230, 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 to the Tribunal Convened Meeting, is annexed hereto.

3. Pursuant to the provisions of the Act and applicable rules there under, a Member who would be entitled to attend and vote at the Tribunal Convened Meeting would be entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this Tribunal Convened Meeting is being held through VC/ OAVM, whereby physical attendance of Equity Shareholders has been dispensed with and in line with the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular no. 17/2020 dated 13th April, 2020 and General Circular no. 39/2020 dated 31<sup>st</sup> December, 2020 issued by MCA (collectively referred as "said Circulars"), THE FACILITY TO APPOINT A PROXY TO ATTEND AND CAST VOTE FOR THE SHAREHOLDER IS NOT MADE AVAILABLE FOR THIS TRIBUNAL CONVENED MEETING and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said Circulars, Corporate Members are entitled to appoint their authorized representatives to attend the Tribunal Convened Meeting through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means (details of which are provided separately, herein below). Such Corporate Members are requested to refer 'General Guidelines for Shareholders' provided herein below, for more information.

4. The Shareholders can join the Tribunal Convened Meeting in the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned herein below. The facility of participation at the Tribunal Convened Meeting through VC/ OAVM will be made available for 1,000 Shareholders on 'first come first serve' basis. This will not include large Shareholders (i.e. Shareholders holding 2% or more), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the Tribunal Convened Meeting without restriction on account of 'first come first serve' basis.
5. The attendance of the Shareholders attending the Tribunal Convened Meeting through VC/ OAVM will be counted for the purpose of reckoning the quorum.
6. The Shareholders, seeking any information with regard to any matter to be placed at the Tribunal Convened Meeting, are requested to write to the Company on or before 18<sup>th</sup> February, 2021, through Email on [info@swastika.co.in](mailto:info@swastika.co.in) The same will be replied by/ on behalf of the Company suitably.
7. In terms of the directions contained in the Order of Tribunal, the notice convening the Meeting will be published by Company through advertisement in the "Free Press Journal" (Mumbai edition, in English) and "Navshakti" (Mumbai edition, in Marathi) indicating the day, date, mode and time of the Meeting and stating that the copies of the Scheme and the Explanatory Statement and other relevant documents can be obtained free of charge on any day (except Saturday,

Sunday and public holidays) from the registered office of Company during business hours.

8. MCA General Circular dated May 5, 2020 read with MCA General Circular dated April 13, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 have granted relaxations to the companies, with respect to printing and dispatching physical copies of the Notice to members. Accordingly, the Company will only be sending soft copy of the Notice convening Meeting via e-mail, to the members whose e-mail ids are registered with the Company or the Registrar and Share Transfer Agent or Depository Participant/ Depository as on the cut-off date Friday , 8th January, 2021.
  9. For Members who have not registered their e-mail address and those members who have become the members of the Company after Friday 8th January, 2021 being the cut-off date for sending soft copy of the Notice of Meeting in Portable Document Format (PDF), will also be available on the Company's website [www.swastika.co.in](http://www.swastika.co.in) and website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on website of stock exchanges viz. [www.bseindia.com](http://www.bseindia.com). The relevant documents, if any, referred to in the Notice of Meeting will also be available for inspection electronically on request by a member of the Company up to the date of the Meeting of the Company. However company shall also send physical copy of notice to the Meeting to concern shareholders who have not registered their mail ID with Company or DP.
  10. **Webcast:** Members who are entitled to participate in the Meeting can view the proceedings of Meeting by logging in the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) using the login credentials.
  11. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till the meeting date. Members seeking to inspect such documents are requested to write to the Company at [info@swastika.co.in](mailto:info@swastika.co.in).
  12. The voting rights of Shareholders shall be in proportion of shares held by them to the total paid up equity shares of the company as on 16th February, 2021, being the cut-off date.
  13. The procedure for joining the Meeting through VC/OAVM is mentioned in this Notice. Since the Meeting will be held through VC/OAVM, the route map is not annexed in this Notice.
- 1. THE INSTRUCTIONS FOR SHAREHOLDERS FOR e- VOTING & REMOTE E-VOTING ARE AS UNDER:**
- (i) The voting period begins on Friday 19<sup>th</sup> February, 2021 from 9.00 A.M. and ends on Monday , 22<sup>nd</sup> February, 2020 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday 16<sup>th</sup> February, 2021, may cast their



vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholder holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.

- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <SWASTIKA INVESTMART LIMITED > on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If a Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app "**m- Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while remote voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
  - Non Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [info@swastika.co.in](mailto:info@swastika.co.in) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **2. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE TRIBUNAL CONVENED MEETING THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the Meeting through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the Meeting but have queries

may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the chairperson suitably by email.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- i. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
- ii. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**3. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE TRIBUNAL CONVENED MEETING ARE AS UNDER:-**

- a) The procedure for e-Voting on the day of the Meeting is same as the instructions mentioned above for Remote e-voting.
- b) Only those shareholders, who are present in the Meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the Meeting.
- c) If any Votes are cast by the shareholders through the e-voting available during the Meeting and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- d) Shareholders who have voted through Remote e-Voting will be eligible to attend the Meeting. However, they will not be eligible to vote at the Meeting.

**4. DECLARATION OF RESULTS:**

- A. The scrutinizer shall, immediately after the conclusion of voting during the Meeting, first count the votes cast during the Meeting, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the Meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairperson of the meeting appointed by Tribunal.

- B. Based on the scrutinizer's report, the chairperson will submit within 48 hours of the conclusion of the Meeting to the company, details of the voting results as required under Regulation 44(3) of the SEBI Listing Regulations.
  - C. The results declared along with the scrutinizer's report, will be hosted on the website of the Company at [www.swastika.co.in](http://www.swastika.co.in) and on the website of CDSL, [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of the result by the Chairperson or a person authorized by him in writing and communicated to the Stock Exchanges.
  - D. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 23<sup>rd</sup> February, 2021 subject to receipt of the requisite number of votes in favour of the Resolutions.
5. If you have any queries or issues regarding attending Meeting & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
  6. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

**By order of the Tribunal  
For Swastika Investmart Limited**

**Date: 19<sup>th</sup> January, 2021  
Place: Indore**

**Sunil Nyati  
(DIN: 00015963)  
Chairperson appointed by  
NCLT for the meeting**

SWASTIKA INVESTMART LIMITED  
CIN: L65910MH1992PLC067052  
Registered Office: Flat No. 18, 2nd Floor, North Wing,  
Madhaveswar Co-op, Hsg Society Ltd.,  
Madhav Nagar, 11/12, S.V. Road,  
Andheri W, Mumbai, Maharashtra-400058  
WEB: [www.swastika.co.in](http://www.swastika.co.in)  
EMAIL: [info@swastika.co.in](mailto:info@swastika.co.in)  
Phone: 022-26254568

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI, BENCH  
COMPANY SCHEME APPLICATION NO. 3919 OF 2019  
(Under Sections 230-232 of the Companies Act, 2013)**

In the matter of Companies Act, 2013

**And**

In the matter of Sections 230-232  
and other applicable provisions of  
the Companies Act 2013

**And**

In the matter of scheme of merger by  
absorption Swastika Commodities  
Private Limited **(Transferor  
Company)**

**with**

Swastika Investmart Limited  
**(Transferee Company)**

**SWASTIKA INVESTMART LIMITED** a Company  
Incorporated under the Companies Act, 1956  
having its registered Office at Flat No. 18, 2<sup>nd</sup>  
Floor, North Wing, Madhaveswar Co-op, Hsg  
Society Ltd., Madhav Nagar, 11/12, S.V. Road,  
Andheri W, Mumbai, Maharashtra-400058

CIN: L65910MH1992PLC067052

.....Applicant Company/Transferee Company

**EXPLANATORY STATEMENT UNDER SECTIONS 230(3), 232(1), 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 TO THE NOTICE OF THE TRIBUNAL CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF THE APPLICANT COMPANY .**

1. This explanatory statement is being furnished pursuant to Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 ("Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Rules") ("Explanatory Statement").
2. Pursuant to the order dated 20th February, 2020, in Company Scheme Application No. 3919 of 2019 read with the order dated 27th November, 2020 and 6th January, 2021 in Application No. 1124 of 2020 ("collectively referred to as the "Orders"), passed by the National Company Law Tribunal, Mumbai Bench ("NCLT"), the meeting of the equity shareholders of the Applicant Company ("Tribunal Convened Meeting") is being convened on Tuesday, 23rd

February, 2021 at 2:00 p.m. (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of the Shareholders at a common venue, as per applicable procedure mentioned in the General Circular No. 14/2020 dated 8th April, 2020 read with General Circular No. 17/2020 dated 13th April, 2020 and General Circular mo. 39/2020 dated 31<sup>st</sup> December, 2020 issued by the Ministry of Corporate Affairs (the "MCA"), for the purpose of considering, and if thought fit, approving, with or without modification(s), Scheme of Merger by Absorption of Swastika Commodities Private Limited Transferor Company with Swastika Investmart Limited ("Swastika" /"the Transferee Company"/"Applicant Company") and their respective shareholders on a going concern basis, under the provisions of Sections 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act and rules framed there under ("Scheme").

3. Capitalized terms which are used in this Explanatory Statement but which are not defined herein shall have the meaning assigned to them in the Scheme, unless otherwise stated
4. In terms of the said Order, the quorum for the Tribunal Convened Meeting for equity shareholders shall be as per section 103 of the Companies Act, 2013 and if the quorum is not present within half an hour from the time appointed for the holding of the meeting, the members present shall be the quorum and the meeting shall be held. Further in terms of the said Orders, the NCLT has appointed Mr. Sunil Nyati, Managing Director as the Chairperson of the Meeting, failing him, Mrs. Anita Nyati Whole Time Director of the Company and failing her Ms. Shikha Bansal Company Secretary of the Company, as the Alternate Chairperson of the Meeting, of the Applicant Company including for any adjournment or adjournments thereof. Further, the NCLT has appointed CS Nitin Singhai Practicing Company Secretary as the Scrutinizer for the Tribunal Convened Meeting ("Scrutinizer"), including for any adjournment or adjournments thereof.
5. As stated earlier, in terms of the said Orders of NCLT, the Tribunal Convened Meeting is being convened through VC/OAVM as per applicable procedure mentioned in the Circular No. 14/2020 dated 8th April, 2020 read with Circular No. 17/2020 dated 13th April, 2020 and circular No. 39 dated 31<sup>st</sup> December, 2020 issued by the MCA therefore postal ballot facility is not mandatory due to meeting is being convened through VC/OAVM.
6. The Scheme provides for merger by absorption of Swastika Commodities Private Limited in accordance with Section 2(1B) of the Income Tax Act, 1961 ("Amalgamation") with effect from 1st April, 2019 ("Appointed Date") or any other date as may be directed by tribunal.
7. In accordance with the provisions of Sections 230-232 of the Act read with The Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme shall be acted upon only if majority of present equity shareholders representing three fourth in value, voting by remote e-voting or e-voting, available prior to and during the Tribunal Convened Meeting respectively, agree to the Scheme.
8. Details as required under Section 230 of the Companies Act, 2013 read with sub rule(3) of Rule 6 of The Companies(Compromises, Arrangements and Amalgamations) Rules, 2016:

## (i) Date, Time and Venue of the Meeting:

Date	23 <sup>rd</sup> February, 2021
Time	2.00 P.M.
Venue	through video conferencing ("VC") / other audio visual means ("OAVM")

## (ii) Details of the company:

Corporate Identification Number (CIN) or Global Location Number (GLN) of the company	L65910MH1992PLC067052
Permanent Account Number (PAN)	AABCS6585J
Name of the company	SWASTIKA INVESTMART LIMITED
Date of incorporation	03 <sup>rd</sup> June, 1992
Type of the company (whether public or private or one-person company)	Listed Public Limited Company. The equity shares of the Company are listed on the BSE Limited
Registered office address and e-mail address	Flat No. 18, 2nd Floor, North Wing, Madhaveswar Co-op, Hsg Society Ltd., Madhav Nagar, 11/12, S.V. Road, Andheri W, Mumbai, Maharashtra-400058 WEB: <a href="http://www.swastika.co.in">www.swastika.co.in</a> EMAIL: <a href="mailto:info@swastika.co.in">info@swastika.co.in</a> Phone: 022-26254568
Summary of main object as per the memorandum of association; and main business carried on by the company	To carry on business as Broker in Stock and Securities, future and option trading, investors, derivatives traders, consultants in capital market and financial investment, merchant banking in all its aspects, to act as issue house, registrars to issue, transfer agent, depository participant, to acquire and hold one or more membership in stock/ security exchanges, trade associations, commodity exchanges, clearing houses or association or otherwise in India or any part of the world.
Details of change of name, registered office and objects of the company during the last five years	A. Details of Change in Name of the Company: There has been no Change in the name of Company during the last five years. However Name of the company has been changed from Swastika Fin-Lease Limited to Swastika Investmart Limited with effect from 22 <sup>nd</sup> march, 2006.  B. Details of Change in Registered Office of the Company: On 1st June, 2016 Registered Office of the Company was shifted from 1 <sup>st</sup> floor, Bandukwala Building, British Hotel Lane, Fort Mumbai,



	<p>Mumbai City MH - 400001 to 305, Madhuban Building, Cochin Street, S.B.S Road, Fort Mumbai, Mumbai City, MH 400001.</p> <p>On 13th Aug., 2018 Registered Office of the Company was shifted from 305, Madhuban Building, Cochin Street, S.B.S Road, Fort Mumbai, Mumbai City, MH 400001 to Flat No. 18, 2nd Floor, North Wing, Madhaveswar Co-op. Hsg. Society Ltd. Madhav Nagar, 11/12, S.V. Road, Andheri, West Mumbai MH 400058 IN</p> <p>C. Details of Change in Object of the Company: There is no change in object of the Company during the last five years.</p>
Name of the stock exchange (s) where securities of the company are listed, if applicable	BSE Limited (BSE)
Details of the capital structure of the company including authorized, issued, subscribed and paid up share capital	<p>Authorized Capital: Rs. 5,00,00,000/-</p> <p>Issued, Subscribed &amp; Paid-up Capital: Rs. 2,95,97,000/-</p> <p>Subsequent to July , 2019, there has been no change in the authorized, issued, subscribed and paid-up share capital of Company</p>
Relationship with the Parties to the Scheme	Swastika Investmart Limited is the holding company of Swastika Commodities Private Limited (wholly owned subsidiary company)
Name of the promoters and directors along with their addresses	Details given below

<b>Details of Directors</b>		
<b>S.No.</b>	<b>Name</b>	<b>Address</b>
1	Mr. Sunil Nyati	16 House No. 22, Yashwant Niwas Road Indore 452001 MP
2	Mrs. Anita Nyati	16 House No. 22, Yashwant Niwas Road Indore 452001 MP
3	Mr. Sunil Chordia	26-B, Race Course Road Opp. Raka Mension Indore 452003 MP IN
4	Mr. Chandrashekhar Bobra	25, Kanchan Bagh, Indore, 452001 MP IN
5	Mr. Raman Lal Bhutda	101, Vidhya Nagar, Indore MP IN

<b>Details of Promoters</b>		
<b>S.No.</b>	<b>Name</b>	<b>Address</b>
1	Mr. Sunil Nyati	16 House No. 22, Yashwant Niwas Road Indore 452001 MP
2	Mrs. Anita Nyati	16 House No. 22, Yashwant Niwas Road Indore 452001 MP
3	Mr. Parth Nyati	22/16, Race Course Road, Opp. Rani Sati Gate,

		Indore Madhya Pradesh 452003
4	Mr. Devashish Nyati	Plot No. 16 House No. 22, Yashwant Niwas Road, Opp. Rani Sati Gate, Indore Madhya Pradesh 452001
5	Mrs. Vandana Nyati	732, Pratap Nagar, Kota, Rajasthan 324009
6	Mr. Anil Kumar Nyati	732, Pratap Nagar, Kota, Rajasthan 324009
7	Mr. Vandit Nyati	732, Pratap Nagar, Kota, Rajasthan 324009
8	Anil Nyati HUF	732, Pratap Nagar, Kota, Rajasthan 324009
9	Sunil Nyati HUF	201, Royal Arch, 5-6, South Tukoganj, Indore Madhya Pradesh 452001
10	Satyanarayan Maheshwari HUF	Chitvan-2/1, South Tukoganj, Indore M.P. 452001
11	Mrs. Raksha Maheshwari	Chitvan-2/1, South Tukoganj, Indore M.P. 452001
12	Mrs. Krishna Prabha Maheshwari	Chitvan-2/1, South Tukoganj, Indore M.P. 452001
13	Mrs. Shilpa Maheshwari	112, Shakti Nagar, Kota, Rajasthan 324009
14	Mrs. Manish Maheshwari	2/1, South Tukoganj, Indore M.P. 452001
15	Mr. Satyanarayan Maheshwari	Chitvan-2/1, South Tukoganj, Indore M.P. 452001

(iii) if the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies: **Not applicable**

(iv) the date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/ participate on such resolution:-

Mr. Sunil Nyati, Mrs. Anita Nyati, Mr. Chain Raj Doshi, Mr Chandra Sekhar Bobra and Mr. Raman Lal Bhutda , Directors of the Company had attended the Board Meeting held on 25<sup>th</sup> July, 2019 and had and all present directors in meeting unanimously approved the Scheme of Amalgamation.

Further, in compliance with provisions of Section 232(2)(c) of the Act, the Board of Directors of Swastika Investmart Limited have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, promoters and non-promoter shareholders and key managerial personnel. Copy of the report adopted by the Board of Directors is attached to the notice separately.

(v) Disclosures:

Parties involved in compromise or arrangement	Swastika Investmart Ltd (Transferee Company) and its shareholders and Swastika Commodities Pvt. Ltd. (Transferor Company)
In case of amalgamation or merger, appointed date, effective date, share exchange ratio (if applicable) and	<b>Appointed date</b> : 1st April, 2019. <b>Effective Date:</b> Subject to the provisions of this Scheme, this Scheme shall become effective on

other considerations, if any	<p>the last of the following dates ("Effective Date"):</p> <p>The Scheme as sanctioned by the Tribunal under Sections 230 to 232 of the Act and certified copies of such Orders of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferee Company and the Transferor Company, as may be applicable.</p> <p>The receipt of the requisite, consent, approval or permission of any Government, statutory or regulatory authority which under Applicable Law may be necessary for the implementation of this Scheme.</p> <p><b>share exchange ratio: NA</b></p> <p>Considering that the transferor company is a Wholly Owned Subsidiary of the company, the question of share exchange ratio does not arise.</p>
Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any; and the declaration that the valuation reports is available for inspection at the registered office of the company	Considering that the transferor company is the Wholly Owned Subsidiary of the Company, therefore does not arise any requirement for allotment of shares upon amalgamation. Hence, there is no need for valuation of the transferor company.
Details of capital/debt restructuring, if any	The Scheme does not involve any debt restructuring and therefore the requirement to disclose details of debt restructuring is not applicable.
Rationale for the compromise or arrangement	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 is being undertaken.
Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable)	<p>The amalgamation of the Transferor Company with the Transferee Company would inter alia have the following benefits:</p> <p>i) Greater integration and greater financial strength and flexibility for the Transferee company which would result in maximizing overall shareholders value, and will improve the competitive position of the combined entity.</p> <p>ii) Greater efficiency in cash management of the</p>

	<p>Transferee Company, and unfettered access to cash flows generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholders value.</p> <p>iii) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.</p> <p>iv) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.</p> <p>v) Merger of equity and commodity business will ease KYC requirements and would also directly benefit the clients in terms of maintaining single accounts; inter-se use of funds etc.</p> <p>vi) Unified entity will have much better risk management capabilities as against separate risk management systems for equity and commodity broking.</p> <p>vii) It will enable to take benefit of margin fungibility in both equity and Commodity derivative exchanges.</p> <p>viii) Achieving economies of scale.</p> <p>ix) Greater ability of the Transferee company to raise financial resources, either as equity or debt, based on combined financials.</p>
Amount due to unsecured creditors	<p>The amount due to Unsecured Creditors is Rs. 81.95/- crores. The Scheme embodies the arrangement between the Company and its shareholders. No change in value or terms or any compromise or arrangement is proposed under the Scheme with any of the creditors of the Company.</p>

(vi) Disclosures about the effect of the compromise or arrangement on:

Key Managerial Personnel & Directors	<p>The Scheme of Amalgamation will not have any effect on the Key Managerial Personnel &amp; Directors of the transferee Company as there will</p>
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	be no change in their shareholding in the transferee Company pursuant to the terms of the Scheme of Amalgamation.
Promoters & Non-promoter members	The Scheme of Amalgamation will not have any effect on the Promoter and non-promoter members of the transferee Company as there will be no change in their shareholding in the transferee Company pursuant to the terms of the Scheme of Amalgamation.
Depositors	None
Creditors	The creditors of transferor company Swastika Commodities Pvt. Ltd shall become the creditors of the transferee company Swastika Investmart Ltd on the appointed date and the liabilities towards such creditors shall stand transferred to the transferee company.
Debenture holders, Deposit trustee and debenture trustee	None
Employee of the company	The employees on the Rolls of transferor company Swastika Commodities Pvt. Ltd. shall become the employees of the transferee company.

(vii) Disclosure about effect of compromise or arrangement on material interests or Directors, Key Managerial Personnel (KMP) and Debenture Trustee: None

(viii) Investigation or proceedings, if any, pending against the company under the Act: No investigation or proceedings has been instituted or is pending in relation to the Transferee Company under the Companies Act, 2013 or the Companies Act, 1956.

(ix) Details of the availability of the following documents for obtaining extract from or for making/obtaining copies of or for inspection by the members and creditors, namely:

Latest audited financial statements of the company including consolidated financial statements for 31.03.2019 and 31.03.2020.	Available at the Registered Office of the Company and also on Website of the Company <a href="http://www.swastika.co.in">www.swastika.co.in</a>
Copy of the order of Tribunal in pursuance of which the meeting is to be convened or has been dispensed with	Available at the Registered Office of the Company and also on Website of the Company <a href="http://www.swastika.co.in">www.swastika.co.in</a>
Copy of scheme of compromise or arrangement	Attached as Annexure 1 to the Notice of Meeting. Available at the Registered Office of the Company.
Contracts or agreements material to the compromise or arrangement	None
The certificate issued by Auditor of the company to the effect that the accounting treatment if any proposed in the scheme of	Available at the Registered Office of the Company

compromise or arrangement is in conformity with the Accounting standards prescribed under section 133 of the Companies Act, 2013	
Such other information or documents as the Board or Management believes necessary and relevant for making decision for or against the scheme	None

(x) Details of approvals, sanctions or no-objection(s), if any, from regulatory or any other government authorities required, received or pending for the purpose scheme of compromise or arrangement: NIL

(xi) There will be no change in post Scheme shareholding pattern of Transferee Company as Scheme does not involve any issuance of new shares. The post Scheme issued and paid-up share capital of Swastika Investmart Limited will not change.

(xii) a statement to the effect that the persons to whom the notice is sent may vote through remote e-voting or e-voting during in the meeting by voting through electronics means:

Yes. (Included in notes forming a part of the Notice)

(xiii) In accordance with the Paragraph 7 of SEBI circular bearing No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"), Swastika Investmart Limited has filed the draft of the Scheme with BSE Limited for the purpose of disclosures and BSE Limited shall disseminate the scheme on website the Exchange.

(xiv) The Scheme has been filed with the Registrar of Companies in terms of the requirement under Section 232(2)(b) of the Act.

(xv) Notice under Section 230(5) of the Act is being given to/filed with the Central Government through the office of Regional Director, Registrar of Companies and Income Tax Authorities and Official Liquidator for their representation/approval to the Scheme. In addition to the documents annexed hereto, copies of the following documents shall be open for inspection in the website of the Company at [www.swastika.co.in](http://www.swastika.co.in) :

a) Copy of the order passed by the National Company Law Tribunal, Mumbai Bench, in Company Scheme Application Nos. 3919 and 1124, dated 20<sup>th</sup> February, 2020 read with 27<sup>th</sup> November, 2020 6<sup>th</sup> January, 2021.;

b) Memorandum of Association and Articles of Association of Swastika Investmart Limited and Swastika Commodities Private Limited;

c) Draft Scheme of Amalgamation between Transferor Company and transferee Company.

d) Certified true copies of the resolutions passed by the Board of Directors of Swastika Investmart Limited and Swastika Commodities Private Limited

e) Annual reports for last three years of Swastika Investmart Limited and Swastika Commodities Private Limited

f) Certificate issued by the Statutory Auditor of Transferor and Transferee Company with respect to the accounting treatment disclosed in the Scheme is in compliance with the applicable Accounting Standards/Indian Accounting Standards; and

g) Register of Directors' shareholding of Swastika Investmart Limited .

A copy of the Scheme, Explanatory Statement, may be downloaded from the website of the Applicant Company (<http://swastika.co.in>).

**By order of the Tribunal  
For Swastika Investmart Limited**

**Date: 19<sup>th</sup> January, 2021**

**Place: Indore**

**Sunil Nyati  
(DIN: 00015963)  
Chairperson appointed by  
NCLT for the meeting**

SWASTIKA INVESTMART LIMITED

CIN: L65910MH1992PLC067052

Registered Office: Flat No. 18, 2nd Floor, North Wing,  
Madhaveshwar Co-op, Hsg Society Ltd.,

Madhav Nagar, 11/12, S.V. Road, Andheri W, Mumbai, Maharashtra-400058

WEB: [www.swastika.co.in](http://www.swastika.co.in)

EMAIL: [info@swastika.co.in](mailto:info@swastika.co.in)

Phone: 022-26254568

**DRAFT**  
**SCHEME OF AMALGAMATION**  
**OF**  
**SWASTIKA COMMODITIES PRIVATE LIMITED**  
**(“THE TRANSFEROR COMPANY”)**  
**AND**  
**SWASTIKA INVESTMART LIMITED**  
**(“THE TRANSFeree COMPANY”)**

**AND THEIR RESPECTIVE SHAREHOLDERS & CREDITORS**  
**(UNDER SECTIONS 230 TO 232 AND OTHER APPLICABLE**  
**PROVISIONS OF THE COMPANIES ACT, 2013)**

**PREAMBLE**

**A) OVERVIEW OF THE SCHEME OF AMALGAMATION**

This Scheme of Amalgamation (hereinafter referred to as the “Scheme”) provides for the merger and amalgamation of **Swastika Commodities Private Limited (“Transferor Company”)** into and with **Swastika Investmart Limited (“Transferee Company”)**, pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Act read with Rule 18 and other applicable provisions of the rules and Section 2(1B) of the Income Tax Act as applicable for the amalgamation.

The Transferor Company and the Transferee Company are companies within the same group and the Transferor Company is the wholly owned subsidiary of the Transferee Company since the Transferee Company along with its nominees holds the entire share capital of the Transferor Company. The Transferee Company shall not issue any shares under the Scheme. The existing shareholding of the Transferee Company in the Transferor Company shall get cancelled and extinguished, pursuant to this Scheme

**B) DESCRIPTION OF COMPANIES AND BACKGROUND**

**I. SWASTIKA COMMODITIES PRIVATE LIMITED**, or Transferor Company is a private company bearing CIN: U01112MH1996PTC304882 and incorporated on 19<sup>th</sup> January, 1996 under the Companies Act, 1956. The Transferee Company was previously incorporated under the name of ‘Swastika Agrotech Private Limited’ as per the provisions of Companies Act, 1956, however with the effect from 25<sup>th</sup> August, 2005 the name of Transferee Company was changed to ‘Swastika Commodities Private Limited’ vide certification from Registrar of Companies. Currently its Registered Office of the Company is situated at Flat No. 18, Floor 2, North Wing, Madhaveswar Coop Hsg Society Ltd, Madhav Nagar, 11/12, S.V.Road, Andheri W, Mumbai City MH 400058 IN. The transferor company is member of National Commodity & Derivatives Exchange



Limited. The Transferor Company is a wholly owned subsidiary of the Transferee Company. The Permanent Account Number of Transferor Company is AACCS3050K.

The main objects of Transferor Company as provided in Clause III (A) of its Memorandum of Association are as under:

To do business of

- Commodity (including Commodity Derivatives) broking, trading and hedging.
- Brokers and traders in all commodities and commodity derivatives and to act as market makers, sub-brokers, underwriters, sub-underwriters, providers of service for commodity related activities.
- Buying, selling, taking hold, dealing in, converting, modifying, adding value, transfer or otherwise disposing of commodities and commodity derivatives, and to carrying on the above business in India and abroad for and on behalf of the company as well as for others.
- Commodity warehousing, processing and consumption.
- To apply for and obtain registration as commodities broker or member of any commodities Ex-change anywhere in India and abroad.

**II. SWASTIKA INVESTMART LIMITED** or Transferee Company is a listed public company bearing CIN: L65910MH1992PLC067052 and incorporated on 3<sup>rd</sup> June 1992 under the Companies Act, 1956. The shares of the Transferee Company are listed on the Bombay Stock Exchange Limited. The Transferee Company was previously incorporated under the name of 'Swastika Fin-Lease Limited' as per the provisions of Companies Act, 1956, however with the effect from 22<sup>nd</sup> March, 2006 the name of Transferee Company was changed to 'Swastika Investmart Limited' vide certification from Registrar of Companies, Maharashtra, Mumbai. The Transferee Company currently has its Registered Office at Flat No. 18, Floor 2, North Wing, Madhaveswar Coop Hsg Society Ltd, Madhav Nagar, 11/12, S.V.Road, Andheri W, Mumbai City MH 400058 IN. The Permanent Account Number of Transferor Company is AABCS6585J.

The main objects of Transferee Company as provided in Clause III (A) of its Memorandum of Association are as under:

1. To carry on business as Broker in Stock and Securities, future and option trading, investors, derivatives traders, consultants in capital market and financial investment, merchant banking in all its aspects, to act as issue house, registrars to issue, transfer agent, depository participant, to acquire and hold one or more membership in stock/security exchanges, clearing houses or association or otherwise in India or any part of the world.

### **C) OBJECTS AND RATIONALE FOR THE PROPOSED SCHEME**

i. Pursuant to and under the provisions of Sections 230 to 232 and other applicable provisions of the Act, the entire Business and Undertaking of Transferor Company will be merged and amalgamated into and with the Transferee Company.

ii. The amalgamation of the Transferor Company with the Transferee Company would *inter alia* have the following benefits:

a) 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 is being undertaken.

Further, SEBI has issued circular dated 21.09.2017 for Integration of broking activities in Equity Markets and Commodity Derivatives Markets under single entity by way of merging the commodities business in stock broking business.

b) Greater integration and greater financial strength and flexibility for the Transferee company which would result in maximizing overall shareholders value, and will improve the competitive position of the combined entity.

c) Greater efficiency in cash management of the Transferee Company, and unfettered access to cash flows generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholders value.

d) Improved organizational capability and leadership, arising from the pooling of human capital who have the diverse skills, talent and vast experience to compete successfully in an increasingly competitive industry.

e) Cost savings are expected to flow from more focused operational efforts, rationalization, standardization and simplification of business processes, and the elimination of duplication, and rationalization of administrative expenses.

f) Unified entity will have much better risk management capabilities as against separate risk management systems for equity and commodity broking.

g) It will enable to take benefit of margin fungibility in both equity and commodity derivative exchanges.

h) Achieving economies of scale.

i) Greater ability of the Transferee company to raise financial resources, either as equity or debt, based on combined financials.

iii. The Scheme has been approved by the Audit committee of Transferee Company and the respective Board of Directors of the Transferor Company and the Transferee Company. Accordingly, it has been decided to make the requisite applications/ petitions before the Tribunal for the sanction of this Scheme.

iv. The amalgamation of the Transferor Company with the Transferee Company pursuant to and in accordance with this Scheme shall take place with effect from the Appointed Date and shall be in accordance with Section 2(1B) of the Income-tax Act, 1961.

#### **D) Parts of the Scheme**

The Scheme is divided into following parts:

- i. **Part-I** provides for Definitions, Interpretation and Share Capital details of the Companies which are common to all Parts. Specific definitions (if any) have been provided in the other Parts therein;
- ii. **Part-II** provides for specific provisions governing the merger and amalgamation of the Transferor Company into and with the Transferee Company;
- iii. **Part-III** deals with certain general terms and conditions applicable to one or more Parts of this Scheme.

## **PART – I**

### **DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

#### **1. DEFINITIONS**

In this Scheme, unless inconsistent / repugnant with the subject, context or meaning thereof, the following initially and/ or fully capitalized words or expressions shall have the meaning as set out herein below:

1.1 “**Act**” means the Companies Act, 2013 including any applicable rules and regulations made thereunder, and includes any statutory re-enactments, modifications and / or amendments thereof from time to time and to the extent in force;

1.2 “**Applicable Laws**” means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or reenactment thereof for the time being in force;

1.3 “**Appointed Date**” means the date from which the provisions of this Scheme shall become operational i.e. opening of business hours on 01 April 2019 or such other date as may be assented to and approved by the Board of Directors of the Companies and approved by the Tribunal;

1.4 “**Appropriate Authority**” means and includes any governmental, statutory, departmental or public body or authority, including Registrar of Companies, Stock Exchange and the Tribunal;

1.5 “**Board of Directors**” in relation to the Transferor Company and the Transferee Company, as the case may be, means its respective board of directors, and unless it be repugnant to the context or otherwise, shall be deemed to include every committee (including a committee of directors) or any person authorized by the board of directors or such committee of directors duly constituted and authorized, *inter alia*, for the purposes of the amalgamation, the Scheme and/ or any other matter relating thereto;

1.6 “**BSE**” means BSE Limited

1.7 “**Business and Undertaking**” shall mean whole of the undertaking and entire business of the Transferor Company as a going concern on the Appointed Date and shall include the following:

- a. all rights, membership, license, titles, interests, covenants, undertakings and liabilities including rights, titles and interests continuing in connection with the immovable properties whether freehold, leasehold or otherwise;
- b. all property, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent, including all movable assets, fixed assets, plant and machinery, office equipment, computers, computer software products, data processing and communication equipment and facilities, lines and links, switches and routers, servers, telephones, telexes, facsimile connections, equipment, apparatus, installations, utilities, generators and air conditioners, electricity, water and other service connections, furniture and fixtures, all resources, utilities and facilities, vehicles, whether owned, leased or otherwise;
- c. all the current assets, loans and advances including inter alia receivables, cash and bank balances, deposits including accrued interest, , other current assets, actionable claims and debts appertaining to the moveable assets;
- d. all earnest monies and/or security deposits, payment against warrants or other entitlements in connection with or relating to the Transferor Company, including deposits and rent advance paid to lessors or licensors of office premises;
- e. all investments in government securities, shares, debentures and other securities, application money for subscription of shares, debentures, and other securities, made or held by the Transferor Company, as well as all benefits accrued thereon;
- f. all permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, benefits arising out of exports of goods and services, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, easements, goodwill, licenses, tenancies, offices and depots, Intellectual Property Rights including trade name and trademarks, service marks, patents, copyrights, moral rights, domain names, applications for copyrights, patents, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, hire purchase arrangements, powers and facilities of every kind and description whatsoever appertaining to the Transferor Company;
- g. right to claim tax holidays, if applicable, under the provisions of the Income Tax Act;
- h. Right to any claim, whether preferred or not, made by Transferor Company, in respect of any refund of tax, duty, cess or other charge, including any erroneous or excess payment thereof made by the Transferor Company and any interest thereon, with regard to any relevant law, act or rule;
- i. all the secured and unsecured loans, debts, current liabilities and provisions, and other liabilities, duties and obligations, whether present of future and whether

recorded or unrecorded, of the Transferor Company, as at the Appointed Date (hereinafter collectively referred to as the “**Liabilities**”);

j. all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which Transferor

Company is a party, relating to their respective business, activities and operations;

k. all such permanent employees of Transferor Company, employees/personnel engaged on contract basis and contract labourers and secondees/interns/trainees, at its respective offices, branches or otherwise, and any other employees/personnel and contract labourers and interns/trainees hired by Transferor Company after the date hereof, relating to their respective business, activities and operations; and

l. all books, record files, papers, computer programs along with engineering and process information, manuals, data, catalogues, quotations, websites, s, list of present and former customers, customer credit information, and other records whether in physical form or electronic form in connection with or relating to the respective business, activities and operations of the Transferor Company.

m. all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, Minimum Alternate tax credit, Service tax input credit balances, all state value added tax input credit balances and input tax under Goods & Services legislation.

1.8 “**Effective Date**” shall mean the last of the dates on which the conditions set out in Clause 16 of the Scheme are satisfied or waived in accordance with this Scheme. Any reference in this Scheme to the words “**upon the Scheme becoming effective**” or “**date of coming into effect of the Scheme**” or “**Scheme coming into effect**” shall mean the Effective Date;

1.9 “**Government Authority**” means any applicable Central or State Government or local body, Legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;

1.10 “**Income Tax Act**” means the Income Tax Act, 1961, and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;

1.11. “**Input Tax Credit**” means CENVAT Credit as defined under the CENVAT Credit Rules, 2004 and any other tax credits under any indirect tax law for the time being in force including Goods & Service Tax;

1.12. “**Intellectual Property Rights**” means (a) copyright, patents, brands, manufacturing process, database rights and rights in trade-marks, designs, know-how

and confidential information (whether registered or unregistered); (b) applications for registration, and rights to apply for registration, of any of the foregoing rights; and (c) all other intellectual property rights and equivalent or similar forms of protection existing anywhere in the world;

1.13. **“Listing Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall include any statutory modifications, reenactment or amendment thereof and to the extent in force;

1.14 **“Official Liquidator”** or **“OL”** means the Official Liquidator having jurisdiction over the Transferor Company and the Transferee Company;

1.15. **“Registrar of Companies”** means the Registrar of Companies, at Maharashtra at Mumbai;

1.16. **“Rules”** means the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and shall include any statutory modifications, re-enactment or amendment thereof and to the extent in force;

1.17. **“Scheme”** means this Scheme of Amalgamation of Transferor Company and Transferee Company and their respective shareholders, in its present form (along with any annexure, schedules, etc. attached hereto), as submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/ or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies;

1.18. **“SEBI”** means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992;

1.19. **“Shareholders”** with respect to each of the Transferor Company and the Transferee Company, means respectively, the persons registered from time to time, as the holders of the equity shares of the company concerned;

1.20. **“Stock Exchanges”** means BSE;

1.21. **“Transferee Company”** means **SWASTIKA INVESTMART LIMITED** bearing CIN: L65910MH1992PLC067052 incorporated on 03<sup>rd</sup> June, 1992 under the Companies Act, 1956 and having its Registered Office at Flat No. 18, Floor 2, North Wing, Madhaveshwar Coop Hsg Society Ltd, Madhav Nagar, 11/12, S.V.Road, Andheri W, Mumbai City MH 400058 IN.

1.22 **“Transferor Company”** means **SWASTIKA COMMODITES PRIVATE LIMITED**, bearing CIN: U01112MH1996PTC304882, incorporated on 19<sup>th</sup> January, 1996 under the Companies Act, 1956 and having its Registered Office at Flat No. 18, Floor 2, North Wing, Madhaveshwar Coop Hsg Society Ltd, Madhav Nagar, 11/12, S.V.Road, Andheri W, Mumbai City MH 400058 IN.

1.23. **“Tribunal”** means the Hon’ble National Company Law Tribunal at Mumbai as constituted under the provisions of the Act having jurisdiction over the Transferor Company and Transferee Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other Applicable Laws, as the case may be or any statutory modification or re-enactment thereof from time to time to the extent in force.

## **2. Interpretation**

2.1. References to statutory provisions shall be construed as references to the statutory provisions under Applicable Laws of India unless otherwise specified, and in any event to those provisions as respectively amended, superseded or re-enacted or as their application is modified by any other provisions (whether made before or after the date of this Scheme) from time to time, to the extent in force;

2.2. References to Clauses are to the Clauses of this Scheme and references to sub-clauses are to the sub-clauses of the Clause of this Scheme in which the reference appears;

2.3. The headings and sub-headings are for information only and shall not affect the construction or interpretation of this Scheme;

2.4. The singular shall include the plural and vice versa; and reference to one gender shall include all genders;

2.5. Any phrase introduced by the terms “including”, “include” or any similar expression shall be construed as illustrative and shall not limit the sense or scope of the word(s) preceding those terms.

## **3. Date of Taking Effect and Operative Date**

3.1. The Scheme set out herein in its present form submitted to the Tribunal or this Scheme with such modification(s), if any, as may be made by the members and/ or the creditors of the Companies or such modification(s) as may be imposed by any competent authority and/or directed to be made by the Tribunal while sanctioning the Scheme and as accepted by the respective Board of Directors of the Companies shall be operative from the Appointed Date but shall be effective from the Effective Date.

## **4. Share Capital**

The authorized, issued, subscribed and paid up share capital of the Transferor Company and the Transferee Company as on 31<sup>st</sup> March 2019 is as follows:

### **4.1 Transferor Company:**

<b>AUTHORIZED SHARE CAPITAL</b>	<b>Amount (In Rs.)</b>
10,00,000 Equity Shares of face value of	1,00,00,000/-

Rs.10/- each	
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>Amount (In Rs.)</b>
6,10,000 Equity Shares of Rs.10/- each fully paid up	61,00,000/-

#### 4.2 Transferee Company:

<b>AUTHORIZED SHARE CAPITAL</b>	<b>Amount (In Rs.)</b>
50,00,000 Equity Shares of face value of Rs.10/- each	5,00,00,000/-
<b>ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>	<b>Amount (In Rs.)</b>
2,959,700 Equity Shares of Rs.10/- each fully paid up	2,95,97,000/-

It is provided that till the Scheme becomes effective, the Transferor Company and the Transferee Company are free to alter their authorized, issued, subscribed or paid up share capital as required by respective business requirements (including issue of shares on account of capital infusion in to the relevant company), subject to the necessary permissions and approvals of the concerned Government Authority and their respective Board of Directors and members, if required.

### 5. Compliance with Tax Laws

5.1. This Scheme complies with the conditions relating to “amalgamation” as defined under Section 2(1B) and other relevant sections and provisions of the Income Tax Act. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date whether as a result of a new enactment or any amendment or coming into force of any provision of the Income Tax Act or any other Applicable Law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail and this Scheme may be modified accordingly with consent of the Transferor Company and the Transferee Company (acting through the powers vested with their respective Board of Directors, which power can be exercised at any time and shall be exercised in the best interests of the companies and their shareholders).

## PART-II: AMALGAMATION, TRANSFER AND VESTING

### 6. Transfer and Vesting

6.1. On occurrence of the Effective Date and with effect from the Appointed Date, the entire Business and Undertaking of the Transferor Company shall, in terms of Sections 230 to 232 and other applicable provisions of the Act and other provisions of Applicable Law, as may be relevant, pursuant to the sanctioning of the Scheme by the Tribunal, without any further act, instrument, deed, matter or thing, stand transferred and vested in and/ or deemed to be transferred to and vested in the Transferee Company as a going concern, in the following manner:



### 6.1.1. Transfer of Assets

- a. The entire Business and Undertaking of the Transferor Company shall stand transferred to and be vested in the Transferee Company without any further act or deed, together with all its properties, assets, rights, benefits and interest therein, subject to existing charges thereon, if any, in favour of banks and financial institutions and other secured lenders, as the case may be;
- b. All the assets of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of transfer by physical delivery or by endorsement and delivery or transfer by vesting and recording pursuant to this Scheme, shall stand vested in the Transferee Company, with effect from the Appointed Date, and shall become the assets and an integral part of the Transferee Company;
- c. All movable property of the Transferor Company, other than those specified in Paragraph 6.1.1.b above, including sundry debtors, cash in hand or in bank, outstanding loans and advances, actionable claims, guarantees, acceptances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Quasi-Government, local and other authorities and bodies, customers and other persons shall without any notice, intimation, act, instrument or deed become the property and integral part of the Transferee Company;
- d. All the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Transferee Company, the licenses, permits, quotas, contracts (together with all non-compete covenants), approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and condition and shall be appropriately registered by the relevant statutory authorities in favor of the Transferee Company pursuant to this Scheme, in order to facilitate the continuation of operations of the Transferor Company in the Transferee Company without any hindrance, on and from the Appointed Date.
- e. In so far as various incentives, subsidies, special status and other benefits or privileges (including but not limited to right to claim credit in respect of all unabsorbed tax losses, unabsorbed tax depreciation, advance taxes, tax deducted at source, tax collected at source, Minimum Alternate tax credit, Service tax input credit balances, all state value added tax input credit balances and input tax under Goods & Services legislation, all other rights and benefits) granted by any Government body, local authority or by any other person and availed of by the Transferor Company are

concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions.

f. Upon the transfer of each of the permissions, approvals, consents, sanctions, remissions, special reservations, , tax exemptions and benefits, incentives, concessions and other or similar authorizations of the Transferor Company to the Transferee Company and pursuant to the order of the Tribunal, the Transferee Company shall file the relevant notifications and communications, if any, for the record of the appropriate authorities which shall take them on record.

g. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company, if presented by the Transferee Company. Similarly, the bankers of the Transferee Company shall honour all cheques issued by the Transferor Company for payment after the Effective Date. If required, the Transferor Company shall allow maintaining of bank accounts in the name of Transferor Company by the Transferee Company for such time as may be determined to be necessary by the Transferor Company and the Transferee Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Transferor Company. It is hereby expressly clarified that any legal proceedings by or against the Transferor Company in relation to cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Company shall be instituted, or as the case may be, continued, by or against, the Transferee Company after the coming into effect of the Scheme.

#### **6.1.2. Transfer of Liabilities**

a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities including but not limited to all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertaking of the Transferor Company, all other obligations (including any guarantees, letter of credit or any other instrument or arrangement which may give rise to a contingent liability in whatever form) whether relating to and comprised in any of the Undertaking or otherwise, of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations (herein referred to as the Liabilities), shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be transferred to and vested in or be deemed to have been transferred to and vested in the Transferee Company, along with any charge, encumbrance, lien or security thereon, and the same shall be assumed by the Transferee Company to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party

or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen in order to give effect to the provisions of this Clause.

b. Without prejudice to the generality of the provisions contained herein, all loans raised, and liabilities incurred by the Transferor Company after the Appointed Date but before the Effective Date for their operations, shall be deemed to be that of the Transferee Company;

c. Where any such debts, loans raised, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged or satisfied by the Transferor Company after the Appointed Date and prior to the Effective Date, such discharge or satisfaction shall be deemed to be for and on account of the Transferee Company.

d. The transfer and vesting of the entire Business and Undertaking of the Transferor Company, as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or any part thereof of the Transferor Company, as the case may be;

Provided however that, any reference in any of the security documents or arrangements (to which the Transferor Company is a party) to the assets of the Transferor Company, offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Transferor Company, as are vested in the Transferee Company by virtue of this Scheme, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of the Transferee Company;

### **6.1.3. Encumbrances**

a. The transfer and vesting of the properties, assets, liabilities and Undertaking of the Transferor Company to and in the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same, as and to the extent hereinafter provided.

b. All the existing securities, mortgages, charges, encumbrances or liens (the Encumbrances), if any, as on the Appointed Date and created by the Transferor Company after the Appointed Date, over the properties, assets, Undertaking or any part thereof transferred to the Transferee Company by virtue of this Scheme and in so far as such encumbrances secure or relate to Liabilities of the Transferor Company, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date and as are transferred to the Transferee Company, and such encumbrances shall not relate or attach to any of the other assets of the Transferee Company, provided however that no encumbrances shall have been created by the Transferor Company over its assets after the date of filing of the Scheme without the prior written consent of the Board of Directors of the Transferee Company.

c. The existing encumbrances over the assets and properties of the Transferee Company or any part thereof which relate to the liabilities and obligations of the

Transferee Company prior to the Effective Date shall continue to relate only to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.

d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferee Company and its assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferor Company and the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge(s), with the RoC to give formal effect to the above provisions, if required.

e. Upon the coming into effect of this Scheme, the Transferee Company alone shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of the Scheme.

f. It is expressly provided that no other terms or conditions of the liabilities transferred to the Transferee Company is modified by virtue of this Scheme except to the extent that such amendment is required statutorily or by necessary implication.

g. The provisions of this Clause 6.1.2. shall operate in accordance with the terms of the Scheme, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings shall be deemed to stand modified and/or superseded by the foregoing provisions.

#### **6.1.4. Contracts, Agreements, Deeds, Licenses, Permits etc.**

a. All contracts, deeds, bonds, share-purchase agreements, memoranda of understanding, letters of intent, undertakings, whether written or otherwise, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Company, or to the benefit of the Transferor Company, and which are subsisting or having effect immediately before the Effective Date, shall remain in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. Any contingent liabilities arising out of or in connection with the assignment of any tax/levy deferrals by the Transferor Company to any third party between the Appointed Date and the Effective Date shall be deemed to be that of the Transferee Company. All insurance benefits (including 'no claim bonuses') arising from the insurance policies so taken by Transferor Company in relation thereto or in connection therewith, stand transferred to and vested in the Transferee Company, as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;

b. All the leases, tenancies, leave and license agreements, lease agreements or other like agreements entered into by the Transferor Company for taking on lease or rent or license basis, office premises or residential premises and all agreements entered into in relation thereto or in connection therewith, shall stand transferred to and vested in the Transferee Company, as if the Transferee Company is a party thereto, and the Transferee Company shall be entitled to exercise all rights and privileges and shall be liable to perform all obligations thereunder;

c. All permits, quotas, rights, certificates, entitlements, licenses including those relating to the trade names and trademarks, patents, copy rights and all other Intellectual Property Rights, tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Transferor Company to which the Transferor Company is a party, or to the benefits of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be enforceable fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or therein;

d. All statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of the Transferor Company, or granted to Transferor Company, or under any other scheme of the Government of India or any of the State Governments as well as the necessary licenses and permits, shall stand vested in or transferred to the Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favour of the Transferee Company upon the vesting of the Transferor Company including their respective Business and Undertaking to the Transferee Company, pursuant to this Scheme. The benefit of all statutory and regulatory permissions, approvals or consents required to carry on the operations of Transferor Company, shall vest in and become available to the Transferee Company, which shall send the relevant intimations for record of the same with the concerned statutory or any other authority, pursuant to this Scheme;

e. The Transferee Company will, at any time after this Scheme comes into effect, if so required under any Applicable Law or otherwise considered expedient by the Transferee Company, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to Transferor Company, or to which Transferor Company is a party, in order to give effect to the above provisions;

#### **6.1.5. Legal Proceedings**

a. All suits, claims, actions and proceedings of whatsoever nature by or against Transferor Company pending or instituted on or before the Effective Date shall neither abate nor shall in any way be prejudicially affected by reason of the said Businesses and Undertakings, having finally stood transferred to or vested in the Transferee Company as envisaged in this Scheme but shall be continued and be enforced by or against the Transferee Company as effectually as if the same has been pending and/or arising against and/ or instituted by or against the Transferee Company.

### 6.1.6. Employee Matters

Upon the coming into effect of this Scheme:

- a. All the employees, staff, workmen or other labour of Transferor Company shall become employees, staff, workmen or other labour of the Transferee Company, without any break or interruption in service and on the same terms and conditions on which they are engaged by the Transferor Company, up to the Effective Date. Services of all such employees, staff, workmen or other labour with the Transferor Company up to the Effective Date shall be taken into account for the purpose of retirement benefits to which they may be eligible in the Transferee Company, on or after the Effective Date. Such past services with the Transferor Company shall be taken into account by the Transferee Company, for the purpose of any retrenchment compensation, should the Transferee Company introduce any such scheme in future. The services of such employees, staff, workmen or other labour shall not be treated as having been broken or interrupted for the purpose of provident fund or gratuity or superannuation or other statutory purposes and for all purposes will be reckoned from the date of commencement of their services with the Transferor Company;
- b. As regards the provident fund, gratuity fund, superannuation fund, or any other special fund, if any, created or established by or existing as of the Effective Date, for the benefit of staff, workers, labour or employees of the Transferor Company (hereinafter collectively referred to as the “**Employee Benefit Funds**”), upon this Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company, for all intents and purposes whatsoever, related to the operation or administration of such Employee Benefit Funds, and in relation to the obligation to make contribution to such Employee Benefit Funds, in accordance with the provisions of such Employee Benefit Funds;
- c. It is the aim and intent of this Scheme that all the rights, powers, duties and obligations respectively of the Transferor Company in relation to such Employee Benefit Funds shall become those of the Transferee Company, as if the Transferee Company is a party thereto in place of the Transferor Company. The services of staff, workmen and other employees shall be treated as having been continuous for the purpose of such Employee Benefit Funds. Subject to substitution of the Transferee Company for the Transferor Company as aforesaid, the Transferee Company may, at its discretion, either maintain separate employee benefit funds established by the Transferor Company for the employees, who are transferred from the Transferor Company to the Transferee Company or combine those funds with the funds established by the Transferee Company. In case the Transferor Company have not established a separate fund or trust for providing provident fund benefits to its employees, but makes contributions to the regional provident fund authorities, the Transferee Company may, at its discretion, either continue such arrangement or establish a separate fund for the purpose or admit such employees to the funds established by the Transferee Company, and accordingly take steps for transfer of the accumulated balances standing to the credit of such employees.

### 6.1.7. Treatment of Taxes - Tax related provisions

- a. Notwithstanding anything to the contrary contained in the provisions of this Scheme, Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, unabsorbed tax depreciation, Credit of minimum alternative tax and input tax credits of Transferor Company that remain unutilized as on Appointed Date. Further, any tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions as would have been available to Transferor Company on or before Appointed Date shall be available to Transferee Company as per Applicable Laws;
- b. Upon this Scheme becoming effective, Transferee Company shall be entitled to claim refunds or credits, including Input Tax Credits, with respect to taxes paid by, for, or on behalf of, Transferor Company under Applicable Laws, including but not limited to income tax, goods and service tax, , value added tax, service tax, excise duty laws, CENVAT credit or any other taxes/duties/levies, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed. For the avoidance of doubt, Input Tax Credits already availed of or utilised by Transferor Company and Transferee Company in respect of inter se transactions shall not be adversely impacted by the cancellation of inter se transactions pursuant to this Scheme;
- c. Upon this Scheme becoming effective, any advance tax, self-assessment tax, minimum alternate tax and unexpired credit thereof or TDS credit available or vested with Transferor Company, including any taxes paid and taxes deducted at source and deposited by Transferor Company on inter se transactions during the period between Appointed Date and the Effective Date shall be treated as tax paid by Transferee Company and shall be available to Transferee Company for set-off against its liability under the Income Tax Act and any excess tax so paid shall be eligible for refund together with interest. Further, TDS deposited, TDS certificates issued, or TDS returns filed by Transferor Company on transactions shall continue to hold good as if such TDS amounts were deposited, TDS certificates were issued and TDS returns were filed by Transferee Company. Any TDS deducted by, or on behalf of, Transferor Company on inter se transactions will be treated as tax deposited by Transferee Company;
- d. Upon this Scheme becoming effective, any goods and service tax (GST), service tax or any other tax charged by, for, or on behalf of, Transferor Company on inter se transactions and in respect of which CENVAT credit or any Input Tax Credit is not available or has not been claimed by Transferee Company, shall be treated as goods and service tax (GST), service tax or any other tax (as the case may be) paid in cash by Transferor Company, without any further action on the part of the relevant Transferor Company and Transferee Company;
- e. Transferee Company is expressly permitted to file or revise its corporate income tax, TDS, goods and services tax, wealth tax, service tax, excise, VAT, entry tax, professional tax or any other statutory returns, statements or documents in order to avail credit for advance tax paid, depreciation, tax deducted at source, claim for sum prescribed under Section 43B of the Income Tax Act on payment basis, deduction for provisions written back previously disallowed, by / relating to Transferor Company

under the Income Tax Act, credit of tax paid (including Credit of minimum alternative tax, under Section 115JB read with Section 115JAA of the Income Tax Act, available to Transferor Company as on the Appointed Date), credit of foreign taxes paid / withheld etc., if any, pertaining to Transferor Company upon this Scheme becoming effective, and where necessary to give effect to this Scheme, even if the prescribed time limits for filing or revising such returns have lapsed without incurring any liability on account of interest, penalty or any other sum. Transferee Company is expressly permitted to amend, if required, its TDS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and, or, adjustments relating to its income or transactions entered into by it with effect from Appointed Date.

f. The taxes or duties paid by, for, or on behalf of, Transferor Company relating to the period on or after Appointed Date (regardless of the period they relate to, shall be deemed to be the taxes or duties paid by Transferee Company, as effectively as if the Transferee Company had paid the same and Transferee Company shall be entitled to claim credit or refund for such taxes or duties;

g. In accordance with the Cenvat Credit Rules, 2004 framed under Central Excise Act, 1944, state value added tax and Goods & Services tax as are prevalent on the Effective Date, the unutilized credits relating to excise duties, state value added tax, Goods & Services tax and service tax paid on inputs / capital goods / input services lying in the accounts of the Undertaking of the Transferor Company shall be permitted to be transferred to the credit of the Transferee Company, (including in electronic form / registration), as if all such unutilized credits were lying to the account of the Transferee Company. The Transferee Company shall accordingly be entitled to set off all such unutilized credits against the excise duty / service tax/ Goods & Services tax payable by it.

Without prejudice to the generality of the above, all benefits, incentives, losses, credits (including, but without limitation to income tax, tax deducted at source, wealth tax, service tax, excise duty, , applicable state value added tax, Goods & Services tax etc.) to which the Transferor Company is entitled to in terms of applicable laws, shall be available to and vest in the Transferee Company, (including in electronic form / registration), upon this Scheme coming into effect.

h. As and from the Effective Date, all tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. All tax liabilities of the Transferor Company determined prior to Effective Date as well as tax liabilities pertaining to past periods determined after the Effective Date shall be transferred and enforced against the Transferee Company in the same manner and to the same extent as would or might have been enforced against the Transferor Company.

Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the amalgamation of the Transferor Company with the Transferee Company or anything contained in the Scheme.

#### **6.1.8. Inter-se Transactions:**



Without prejudice to the provisions of this Scheme, with effect from the Appointed Date, any loans, advances, obligations and any other transactions (including any billings, guarantees, letters of credit, letters of comfort or any other instruments or arrangements) between the Transferor Company and the Transferee Company shall, ipso facto, stand cancelled and discharged and there shall be no rights, liabilities or obligations outstanding as between the relevant Companies and appropriate effect shall be given to such cancellation and discharge in the books of accounts and records of the Transferee Company. For the avoidance of doubt, it is hereby clarified that with effect from the Appointed Date, there will be no accrual of interest or other charges in respect of any loans, advances and other obligations as between the Transferor Company and the Transferee Company. In so far as any shares, securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa are concerned, the same shall, stand cancelled without any further act or deed as on the Effective Date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

#### **6.1.9. Declaration of Dividend:**

- a. During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall not declare any dividend without the prior written consent of the Board of Directors of the Transferee Company.
- b. For the avoidance of doubt, it is hereby declared that nothing in the Scheme shall prevent the Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the Record Date for the purpose of dividend and the shareholders of the Transferor Company shall not be entitled to dividend, if any, declared by the Transferee Company prior to the Effective Date.

#### **6.1.10. Miscellaneous**

- a. Insofar as any securities (including equity shares), debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.
- b. The Transferee Company shall be entitled to take all steps as may be necessary to ensure that vacant, lawful, peaceful and unencumbered possession, right, title, interest of Transferor Company' immovable property or the properties occupied or used or enjoyed by the Transferor Company is received by the Transferee Company;
- c. All motor vehicles of any description whatsoever of the Transferor Company shall stand transferred to and be vested in the Transferee Company with effect from the Appointed Date, and the Transferee Company shall take steps, on or after the Effective Date, for substitution of the name of the Transferee Company in place of the Transferor Company, in the certificates of registration and other documents relating to motor vehicles and the appropriate Governmental and Registration Authorities

shall accordingly substitute the name of the Transferee Company in place of the Transferor Company.

## **7. Conduct of Business by the Transferor Company**

### **7.1. With effect from the Appointed Date and until the Effective Date:**

- a. The Transferor Company shall carry on and shall be deemed to have carried on all their businesses and activities as hitherto for and on account of, and for the benefit of and in trust for, Transferee Company and shall stand possessed of their businesses, including all the assets and properties, on account of, and for the benefit of, and in trust for, the Transferee Company;
- b. All the income and profits accruing to the Transferor Company and expenditure and losses arising or incurred (including the effect of taxes, if any, thereon) by the Transferor Company, shall, for all purposes, be treated and be deemed to be and accrue as the incomes and profits or expenditure or losses or taxes of the Transferee Company, as the case may be.
- c. The Transferor Company shall carry on its business with reasonable diligence and in the same manner as it has been doing hitherto, and the Transferor Company shall not, save for anything done in the ordinary course of business, alter or substantially expand their business except with the written concurrence of the Transferee Company;
- d. The Transferor Company shall not, without the written concurrence of the Transferee Company, alienate, charge or encumber any of their assets and properties, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Company;
- e. The Transferor Company shall not vary or alter, except in the ordinary course of its business or pursuant to any pre-existing obligation undertaken prior to the date of approval of the Scheme by the Board of Directors of the Transferor Company, the terms and conditions of employment of any of their employees, nor shall they conclude settlement with any union or its employees except with the written concurrence of the Transferee Company;
- f. Upon the Scheme becoming effective, with effect from the Appointed Date, all debts, liabilities, duties and obligations of the Transferor Company as on the close of business on the date preceding the Appointed Date, whether or not provided in its books, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of the Transferee Company;
- g. Any of the rights, powers, authorities and privileges attached or related or pertaining to and exercised by or available to the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of and as agent for the Transferee Company. Similarly, any of the obligations, duties and commitments attached, related or pertaining to the Undertaking that have been

undertaken or discharged by the Transferor Company shall be deemed to have been undertaken or discharged for and on behalf of and as agent for the Transferee Company.

7.2. For the purpose of giving effect to the vesting of the Business and Undertaking of the Transferor Company, pursuant to Orders passed by the Tribunal, the Transferee Company shall, at any time, be entitled to get the recording of the change in the legal right(s), in accordance with the provisions of Sections 230 to 232 of the Act and in terms of directions, if any, given by the Tribunal. Further the Transferee Company shall be authorised to execute any pleadings, applications, forms, deeds, documents or other writings, as are required to remove any difficulties, seek modifications to the Scheme and carry out any formalities or compliances as are necessary for the implementation of this Scheme.

7.3. Pending sanction of the Scheme, the Transferee Company shall be entitled to apply to the Central and the State Governments, all other applicable authorities, agencies and/or organizations, for such consents, approvals, permissions and sanctions as may be required to own and operate the Business and Undertaking of the Transferor Company, and the Transferor Company will provide such reasonable assistance as may be required by the Transferee Company in this regard.

## **8. Consideration**

8.1. For the purposes of this Scheme, it is hereby clarified that as the Transferor Company is wholly owned subsidiary of the Transferee Company and there would be no issue of shares by the Transferee Company in consideration of the amalgamation. Consequently, upon the Scheme coming into effect, the investments in the equity share capital of Transferor Company appearing in the books of accounts of the Transferee Company will stand extinguished and cancelled.

8.2. Upon the Scheme becoming effective, the entire paid up share capital in the Transferor Company fully held by the Transferee Company and/or its nominee(s) on the Effective Date shall stand extinguished and all such shares certificates representing the shares in the Transferor Company shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

## **9. Combination and Reclassification of the Authorized Share Capital and Amendment of Memorandum of Association of Transferee Company**

9.1. With effect from the Appointed Date and upon the Scheme becoming effective, pursuant to Sections 230 and 232 read with Sections 13 and 61 and other applicable provisions of the Act, and Clause V of the Memorandum of Association of Transferee Company, the authorized share capital of Transferee Company shall stand reclassified and increased from the present authorized share capital consisting of 50,00,000 (Fifty Lakhs) equity shares of INR 10/- (Rupees Ten only) each aggregating to INR 5,00,00,000/- (Rupees Five Crore only) to 60,00,000 (Sixty Lakhs) equity shares of INR

10/- (Rupees Ten only) each aggregating to INR 6,00,00,000/- (Rupees Six Crore only). The fees/duty already paid by Transferor Company for their authorized share capital shall be deemed to have been paid by Transferee Company. The amended Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

*“The Authorised Share Capital of the Company is Rs. 6,00,00,000/- (Rupees Six Crore Lakh) divided into 60,00,000 (Sixty Lakh) equity shares of Rs 10/- (Rupees Ten each), which shall carry such rights as may be decided upon at the time of issue or from time to time.”*

9.2. With effect from the Appointed Date and upon the Scheme becoming effective, the main objects of the Transferor Company as covered in Paragraph B(i) of this Scheme shall be added to the existing main objects of the Transferee Company in sub clause A of Clause III of its Memorandum of Association. The amended Clause III(A) of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument be substituted as follows:

1. To carry on business as Broker in Stock and Securities, future and option trading, investors, derivatives traders, consultants in capital market and financial investment, merchant banking in all its aspects, to act as issue house, registrars to issue, transfer agent, depository participant, to acquire and hold one or more membership in stock/security exchanges, clearing houses or association or otherwise in India or any part of the world.

2. To do business of

- Commodity (including Commodity Derivatives) broking, trading and hedging.
- Brokers and traders in all commodities and commodity derivatives and to act as market makers, sub-brokers, underwriters, sub-underwriters, providers of service for commodity related activities.
- Buying, selling, taking hold, dealing in, converting, modifying, adding value, transfer or otherwise disposing of commodities and commodity derivatives, and to carrying on the above business in India and abroad for and on behalf of the company as well as for others.
- Commodity warehousing, processing and consumption.
- To apply for and obtain registration as commodities broker or member of any commodities Ex-change anywhere in India and abroad.

9.3. Pursuant immediately to the increase of authorized share capital and the addition of main objects as envisaged above, the Memorandum of Association of Transferee Company shall automatically stand amended and altered accordingly.

9.4. Transferee Company shall file the amended copy of its Memorandum of Association and Articles of Association with the Appropriate Authority within a period of 30 days (or within such time as prescribed under Applicable Law) from the Effective Date and the Appropriate Authority shall take the same on record.

9.5. It is hereby clarified that the consent of the shareholders of Transferee Company to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 13, Section 14, Section 61,

Section 64 or any other applicable provisions of the Act, would be required to be separately passed.

## **10. Accounting Treatment**

Upon the Scheme becoming effective, the amalgamation of the Transferor Company with the Transferee Companies Company will be accounted for in the following manner:

10.1. The amalgamation shall be accounted for an “Amalgamation in the nature of Business Combination of entities under common control”. Thereby the accounting treatment, as applicable, shall be in accordance with Appendix C of IND AS 103.

10.2. The accounting treatment will be as under:

a. upon coming into effect of this Scheme, for the purpose of accounting for and dealing with the value of the assets, liabilities, reserves, etc., as dealt with herein below in the books of account of Transferee Company, unaudited financial statements of Transferor Company as on the close of business of the date immediately preceding the Appointed Date shall be prepared;

b. all the assets, liabilities and reserves of Transferor Company as recorded in their respective financial statements referred to in sub-clause (i) above shall be recorded in the books of accounts of Transferee Company as such, subject to suitable adjustments being made to ensure uniformity of accounting policies, if any; which shall be in compliance with the accounting standards prescribed in this regard;

c. the amount of any inter-company balances between Transferor Company and Transferee Company, appearing in the books of account of Transferee Company or Transferor Company, as the case may be, as on Appointed Date, shall stand cancelled without any further act or deed. For the avoidance of doubt, it is hereby clarified that with effect from Appointed Date, there will be no accrual of interest or other charges in respect of any such loans, advances and other obligations.

10.3. The amount recorded in books of Transferee Company as investments in Transferor Company shall stand cancelled. Surplus or deficit, if any, arising as a result of amalgamation, shall be transferred to capital reserve on amalgamation. The treatment accorded shall be in compliance with Appendix C of IND AS 103

10.4. The identity of the reserves of Transferor Company, if any, and to the extent deemed appropriate by the Board of Directors of Transferee Company, shall be preserved and they shall appear in the financial statements of Transferee Company in the same form and manner, in which they appeared in the financial statements of the Transferor Company, as on the date immediately preceding the Appointed Date. Accordingly, if prior to this Scheme becoming effective there is any reserve in the financial statements of an Transferor Company, which are available for distribution to shareholders, whether as bonus shares or dividend or otherwise, the same would continue to remain available for such distribution by Transferee Company, subsequent to this Scheme becoming effective.

10.5. The amount lying in the balance of the “profit and loss account” in the books of account of the Transferor Company shall be added to or set-off from, as the case may be, the corresponding balance appearing in the financial statements of Transferee Company.

10.6. Transferee Company shall make suitable entries in its books to give effect to all transactions of Transferor Company in respect of assets, liabilities, reserves, income and expenses, from the Appointed Date to the Effective Date.

10.7. In case of any differences in accounting policies followed by Transferor Company from that of Transferee Company, suitable adjustments ought to be made, to the extent material and practicable, so as to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policies.

10.8. Notwithstanding the above, the Board of Directors of Transferee Company, in consultation with its statutory auditors, is authorized to account any of the balances in any other manner, if such accounting treatment is considered more appropriate. The same shall be in compliance with IND AS 103 notified by the Ministry of Corporate Affairs.

## **11. Saving of Concluded Transactions**

11.1. The transfer of Business and Undertaking of the Transferor Company as envisaged above shall not affect any transaction or proceedings already concluded by the Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferor Company accept and adopts all acts, deeds and things done and executed by the Transferee Company in respect thereto as done and executed by Transferee Company on behalf of itself.

## **12. Dissolution of Transferor Company**

12.1. Upon this Scheme becoming effective, Transferor Company shall without any further act or deed, stand dissolved without being wound up without any further act or deed by the parties. The name of Transferor Company shall be dissolved and removed by the Registrar of Companies. Transferee Company shall make necessary filings in this regard.

## **PART-III: GENERAL TERMS AND CONDITIONS**

### **13. Provisions Applicable to the Scheme**

13.1. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative in the order mentioned hereunder:

a. amalgamation of Transferor Company into and with the Transferee Company in accordance with Part II of the Scheme;

b. combination of the authorised share capital of the Transferor Company and the Transferee Company and reclassification of the authorised share capital of the Transferee Company as provided in Paragraph 9.1 of Part II of this Scheme; and

c. amendment of the main objects of the Transferee Company as provided in Paragraph 9.2 of Part II of this Scheme;

d. Dissolution of the Transferor Company as provided in Paragraph 12.1 of Part- II of this Scheme.

#### **14. Application to Tribunal**

14.1. The Transferor Company and the Transferee Company shall make all applications/petitions under sections 230 and 232 and other applicable provisions of the Act to the Tribunal for sanctioning of this Scheme and obtain all approvals as may be required under Applicable Law.

#### **15. Listing Regulations and SEBI Compliances**

15.1. Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of SEBI insofar as they relate to sanction and implementation of the Scheme.

15.2. As per the Regulation 37(6) of the Listing Regulations relaxation has been provided in relation to the requirement of obtaining prior approval or no objection/observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft Scheme shall be filed with the Stock Exchanges for disclosure purposes in compliance with the above Regulation.

#### **16. Conditionality of the Scheme**

Subject to the provisions of this Scheme, this Scheme shall become effective on the last of the following dates ("**Effective Date**"):

16.1. The Scheme as sanctioned by the Tribunal under Sections 230 to 232 of the Act and certified copies of such Orders of the Tribunal sanctioning the Scheme being filed with the Registrar of Companies by the Transferee Company and the Transferor Company, as may be applicable.

16.2. The receipt of the requisite, consent, approval or permission of any Government, statutory or regulatory authority which under Applicable Law may be necessary for the implementation of this Scheme.

#### **17. Modification or Amendments to the Scheme**

17.1. Transferor Company and the Transferee Company, through their respective Board of Directors (which shall include any committee or person authorized by the said Boards in this regard) may assent from time to time, on behalf of all persons concerned,

to any extension, modifications which either the Board of Directors of Transferor Company and the Transferee Company, deem fit and/ or approved/ imposed by the creditors/ members or any other authority, amendments to the Scheme (including modification in the Appointed Date) or to any conditions or limitations that the Tribunal, and /or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Transferor Company and the Transferee Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

17.2. For the purpose of giving effect to this Scheme or modifications or amendments thereof or additions thereto, the Board of Directors of Transferor Company and the Transferee Company, including any person(s) or committee as may be authorized by the respective Board of Directors on their behalf may give and are hereby authorized to determine and give all such directions as are necessary and such determination or directions, as the case may be, shall be binding on all the parties in the manner as if the same were specifically incorporated in this Scheme.

## **18. Revocation or Withdrawal of the Scheme**

18.1. Subject to the order of the Tribunal, the Board of Directors of the Companies shall be entitled to revoke, cancel, withdraw and declare this Scheme to be of no effect at any stage if: (i) this Scheme is not being sanctioned by the Tribunal or if any of the consents, approvals, permissions, resolutions, agreements, sanctions and conditions required for giving effect to this Scheme are not obtained or for any other reason; (ii) in case any condition or alteration imposed by the Tribunal, shareholders/ creditors of the Companies or any other authority is not acceptable to the Board of Directors of the Companies; (iii) the Board of Directors of the Companies are of the view that the coming into effect of this Scheme in terms of the provisions of this Scheme or filing of the drawn up order with any Governmental Authority could have adverse implication on Transferor Company and the Transferee Company; (iv) any change in Applicable Law; (v) owing to reasons as otherwise deemed fit by the Board of Transferor Company and the Transferee Company. On revocation, withdrawal, or cancellation, this Scheme shall stand revoked, withdrawn, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between the companies or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed

18.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Companies, and/or their respective shareholders and/or creditors, and the terms and conditions of the Scheme, the latter shall prevail.



## **19. Severability**

19.1. If any part of this Scheme is determined to be invalid, illegal or unenforceable by the Tribunal or any Court(s) of competent jurisdiction or is otherwise found to be unworkable for any reason whatsoever, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and the remainder of the Scheme shall remain in full force and effect as if such provision (or part thereof) had not originally been contained in the Scheme. Further, if deletion of such part of the Scheme shall cause this Scheme to become materially adverse to the Transferor Company and/or Transferee Company, then in such case the Companies shall attempt to bring about a modification in this Scheme, that will best preserve for the Companies the benefits and obligations of this Scheme, including but not limited to such part.

## **20. Costs, Charges and Expenses**

20.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with the Scheme and matters incidental thereto, shall be on account of and borne by Transferee Company.

## **21. Miscellaneous**

21.1. Any doubt or difference or issue between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any equity shares in the Transferee Company or any equity shares in the Transferor Company, as to the construction thereof or as to any account, valuation to be taken or made of any asset or liability transferred to the Transferee Company or as to anything else contained in or relating to or arising out of this Scheme, shall be decided jointly by the Boards of the Transferor Company and the Transferee Company, whose decision shall be final and binding on all concerned.

21.2. In the event of this Scheme not becoming effective, this Scheme shall become null and void and no rights or liabilities whatsoever shall accrue to, or be incurred inter-se by, the parties or their respective shareholders or creditors or employees or any other person.

**REPORT OF THE BOARD OF DIRECTOR OF SWASTIKA COMMODITIES PRIVATE LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF SWASTIKA COMMODITIES PRIVATE LIMITED WITH SWASTIKA INVESTMART LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO**

**1. Background:**

1.1 The proposed scheme of Amalgamation of Swastika Commodities Private Limited ("Transferor Company") with Swastika Investmart Limited ("Transferee Company") and their respective shareholders ("Scheme") was approved by the board of Director of the Transferor Company at its meeting held on 25<sup>th</sup> July, 2019. In accordance with the provision of Section 232(2)(c) of the Companies Act, 2013 the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on shareholders, Key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 25<sup>th</sup> July, 2019 is required to be circulated along with notice convening meeting of the shareholders and/or creditors, as the case may be.


1.2 Having regard to the aforesaid provisions, this report is adopted by the board in order to comply with the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3 The scheme, duly initiated by Mr. Sunil Nyati Director of transferor Company for the purpose of identification, was considered by the board of Directors for the purpose of issue of this report.

**2. Effect of the Scheme on shareholders, key managerial Personnel, promoters and non promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties:**

The transferor Company is a wholly owned subsidiary of the transferee Company and therefore no shares will be issued by the transferee Company, pursuant to the scheme and hence scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the scheme of Amalgamation has been proposed to consolidate and effectively manage the transferor Company and transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on equity Shareholders of the transferor Company. The directors and KMPs of transferor Company will cease to be the directors and KMPs of the transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the transferee Company with effect from the effective date of the Scheme without having any adverse effect on them as per the provision set out in the Scheme.

**BY ORDER OF THE BOARD  
SWASTIKA COMMODITIES PRIVATE LIMITED**

  
**SUNIL NYATI**  
Director  
DIN: 00015963

DATE: 25<sup>th</sup> July, 2019  
PLACE: Mumbai

**Swastika Commodities Private Limited**

Corp. Off. : 48 Jaora Compound, M.Y.H. Road, Indore-452001 ☎ 0731-6644000, 3345000

Regd. Off. : Flat No. 18, North Wing, Madhaveshwar Co-op. Hsg. Society, S.V. Road, Andheri (W), Mumbai-400058 ☎ 022-26254568-69

✉ info@swastika.co.in 🌐 www.swastika.co.in CIN : U 01112 MH 1996 PTC 304882

**Swastika Group : Member of NSE, BSE, NCDEX, MCX, MSEI DP : NSDL & CDSL**

**REPORT OF THE BOARD OF DIRECTOR OF SWASTIKA INVESTMART LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF SWASTIKA COMMODITIES PRIVATE LIMITED WITH SWASTIKA INVESTMART LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO**

**1. Background:**

1.1 The proposed scheme of Amalgamation of Swastika Commodities Private Limited ("Transferor Company") with Swastika Investmart Limited ("Transferee Company") and their respective shareholders ("Scheme") was approved by the Board of Director of the Transferee Company at its meeting held on 25<sup>th</sup> July, 2019. In accordance with the provision of Section 232(2)(c) of the Companies Act, 2013 the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on shareholders, Key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 25<sup>th</sup> July, 2019 is required to be circulated along with notice convening meeting of the shareholders.

1.2 Having regard to the aforesaid provisions, this report is adopted by the board in order to comply with the requirements of Section 232(2)(c) of the Companies Act, 2013.

1.3 The scheme, duly initiated by Mr Sunil Nyati, Managing Director of transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

**2. Effect of the Scheme on shareholders, key managerial Personnel, promoters and non promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties:**

The transferor Company is a wholly owned subsidiary of the transferee Company and therefore no shares will be issued by the transferee Company, pursuant to the scheme and hence scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the scheme of Amalgamation has been proposed to consolidate and effectively manage the transferor Company and transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on equity Shareholders, Key managerial personnel, Promoter and Non-promoter Shareholders of the Transferee Company.

BY ORDER OF THE BOARD  
SWASTIKA INVESTMART LIMITED



**SUNIL NYATI**  
Managing Director  
DIN: 00015963

DATE: 25<sup>th</sup> July, 2019  
PLACE: Mumbai

**Swastika Investmart Limited**

Corp. Off. : 48 Jaora Compound, M.Y.H. Road, Indore-452001 ☎ 0731-6644000, 3345000

Regd. Off. : Flat No. 18, North Wing, Madhaveshwar Co-op. Hsg. Society, S.V. Road, Andheri (W), Mumbai-400058 ☎ 022-26254568-69

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# R. S. Bansal & Co.

## Chartered Accountants

'Urvashi' 1st Floor, 3 Jaora Compound, Indore - 452 001  
 ☎ 2702834-35 • Fax 0731-4003435  
 email : vjybansal@yahoo.co.in



**CA. Vijay Bansal**  
 B.Com., FCA, DISA (ICA)

**CA. Ravindra Kumar Chourasiya**  
 B.Com., FCA

**CA. Neha Shukla**  
 M.Com., M.Phil., ACA

### INDEPENDENT AUDITOR'S REPORT

#### Report on the audit of the Standalone Financial Statements

To,  
**The Members of**  
**Swastika Investmart Limited**

#### Opinion

We have audited the standalone financial statements of **Swastika Investmart Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Provisions and Contingent liabilities in respect of certain litigations of Assessment of Direct and Indirect Taxes not acknowledged as debt. (Note No. 32 read with Note No. 1(C).xiii to the standalone financial statements):</p> <p>The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes. The Company's assessment is supported by the facts of matter, their own judgment and past experience. Accordingly, unexpected adverse outcomes may significantly impact the Company's reported Loss and the Balance Sheet.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters.</p>	<p>Our audit approach involved :-</p> <ol style="list-style-type: none"> <li>Understanding the current status of the litigations/tax assessments;</li> <li>Examining communication received from various Tax Authorities/ Judicial forums and follow up action thereon;</li> <li>Evaluating the merit of the subject matter under consideration with reference to available independent legal advice; and</li> <li>Review and analysis of evaluation of the contentions of the Company through discussions, collection of details of the subject matter under consideration and the likely outcome.</li> </ol>

### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### **Management's Responsibility for the standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Going Concern**

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143 (3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 32(ii) to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.





(c) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For R.S. BANSAL & Co.  
Chartered Accountants  
FRN: 000939C



(CA. Vijay Bansal)  
Partner  
M No: 075344

Place: Indore  
Date: July 28, 2020  
UDIN: 20075344AAAABR3449

**Annexure A to the Independent Auditor's Report of even date on the Standalone Financial Statements of Swastika Investmart Limited for the year ended March 31, 2020**

**(Referred in paragraph 1 under the heading "Report on other Legal and Regulatory Requirement" of our report of even date to the members of Swastika Investmart Limited for the year ended 31<sup>st</sup> March, 2020)**

- (I) (a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the management of the Company has physically verified the fixed assets at reasonable intervals, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
- (c) As per the information and explanations given to us there is no immovable property.
- (II) As explained to us, the inventory of the company comprises of shares and securities have been kept in dematerialized form, which have been verified during the year by the management at reasonable intervals and there were no material discrepancies noticed on verification with Demat statement as compared to book records.
- (III) As per the information and explanation given to us, the Company has not granted secured/unsecured loans to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (IV) According to the information and explanation given to us, the Company provided guarantee in connection with a loan taken by Swastika Commodities Private Limited in compliance with the provisions of Section 185 of the Act and in respect of investment made, the company has complied with all the provisions of section 186 of the Act.
- (V) In our opinion and as per the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under to the extent notified.
- (VI) As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.



- (VII) (a) According to the information and explanation given to us, and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income Tax, Duties of Customs, Duties of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues as applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31st, 2020 for a period of more than 6 months from the date they became payable.
- (b) According to the information given to us, and the records of the company examined by us, there are no dues of Income tax, Sales Tax, Custom duty, Excise duty, Value added tax, Goods and Service Tax, Cess and Professional tax which have not been deposited with appropriate authorities on account of any dispute other than mentioned below :

Statute	Forum where Dispute is pending	Amount involved	Financial Year to which the amount relates
Income Tax Act	CIT (A) - 9, Mumbai	10,94,319/-	F.Y. 2014-15 (A.Y. 2015-16)
Income Tax Act	CIT (A) - 9, Mumbai	5,22,970/-	F.Y. 2012-13 (A.Y. 2013-14)
Income Tax Act	CIT (A) - 9, Mumbai	9,80,090/-	F.Y. 2011-12 (A.Y. 2012-13)
Income Tax Act	CIT (A) - 9, Mumbai	93,375/-	F.Y. 2006-07 (A.Y. 2007-08)


- (VIII) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the Balance Sheet date. The Company neither has any loans or borrowings from financial institutions or Government, nor has it issued any debentures as at the Balance Sheet date.
- (IX) According to information and explanation given to us, the company has not raised money by way of Initial/Further Public Offer and no term loan has been obtained by the company during the year.
- (X) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year nor have we been informed of any such case by the Management.



- (XI) According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (XII) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (XIII) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act. The details of such transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- (XIV) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year.
- (XV) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or Persons connected with them.
- (XVI) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Indore**  
**Date: July 28, 2020**  
**UDIN: 20075344AAAABR3449**

**For R.S. BANSAL & Co.**  
**Chartered Accountants**  
**FRN: 000939C**



**(CA. Vijay Bansal)**  
**Partner**  
**M No: 075344**

**Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of Swastika Investmart Limited for the year ended March 31, 2020**

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone financial statements of **Swastika Investmart Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by The Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to standalone financial statements**

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.




**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by The Institute of Chartered Accountants of India.

**Place: Indore**  
**Date: July 28, 2020**  
**UDIN: 20075344AAAABR3449**

**For R.S. BANSAL & Co.**  
**Chartered Accountants**  
**FRN: 000939C**



**A. Vijay Bansal)**  
**Partner**  
**M No : 075344**

SWASTIKA INVESTMART LIMITED			
BALANCE SHEET AS AT MARCH 31, 2020			
CIN : L65910MH1992PLC067052			
(₹)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	2	148,353,141	72,990,779
(b) Bank Balance other than (a) above	3	365,450,735	331,521,968
(c) Receivables			
Trade Receivables	4	122,293,530	235,935,554
(d) Loans	5	16,641,839	12,863,870
(e) Investments	6	121,745,000	175,470,692
(f) Other Financial Assets	7	89,085,890	185,197,644
<b>Total Financial Assets</b>		<b>863,570,135</b>	<b>1,013,980,505</b>
<b>2. Non-Financial Assets</b>			
(a) Inventories	8	5,488,215	8,568,203
(b) Current Tax Assets (Net)	9	17,824,833	30,201,312
(c) Deferred Tax Assets (Net)	10	4,220,667	-
(d) Property, Plant and Equipment	11	34,859,737	35,313,898
(e) Other Intangible Assets	11	4,093,401	4,747,677
(f) Other Non-Financial Assets	12	9,804,874	13,048,121
<b>Total Non-Financial Assets</b>		<b>76,291,827</b>	<b>91,879,211</b>
<b>TOTAL ASSETS</b>		<b>939,861,962</b>	<b>1,105,859,716</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>1. LIABILITIES</b>			
<b>Financial Liabilities</b>			
(a) Payables			
1) Trade Payables	13	-	-
1 Total Outstanding dues of Micro Enterprises and Small Enterprises			
2. Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		493,471,624	470,988,463
(b) Borrowings	14	138,699,956	292,413,590
(c) Other Financial Liabilities	15	92,364,750	80,123,079
<b>Total Financial Liabilities</b>		<b>725,536,330</b>	<b>843,525,132</b>
<b>Non-Financial Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	16	-	5,519,515
(b) Provisions	17	4,334,530	4,690,902
(c) Other Non-Financial Liabilities	18	7,036,215	5,381,509
<b>Total Non-Financial Liabilities</b>		<b>11,370,745</b>	<b>15,591,926</b>
<b>2. EQUITY</b>			
(a) Equity Share Capital	19	29,825,500	29,825,500
(b) Other Equity	20	173,129,387	216,917,158
<b>Total Equity</b>		<b>202,954,887</b>	<b>248,742,658</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>939,861,962</b>	<b>1,105,859,716</b>
Significant Accounting Policies	1		
Other Notes to Financial Statements	2-45		

As per our Separate Report Attached  
For R.S. Bansal & Co.  
Chartered Accountants  
FRN : 000939C

Vijay Bansal  
Partner  
M. No. 075344



Place: Indore  
Date: 28 July, 2020  
UDIN: 20075344AAA8R3449

For & on behalf of the Board of Directors  
Swastika Investment Limited

Sunil Nyaal  
(Managing Director)  
DIN : 00015963

Anita Nyaal  
(Whole Time Director)  
DIN : 01454593

Parth Nyaal  
(Chief Financial Officer)

Shikha Bansal  
(Company Secretary)



## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED MARCH 31, 2020

CIN : L85910MH1992PLC067052

(₹)

Particulars	Note No.	For the year ended	For the year ended
		March 31, 2020	March 31, 2019
<b>I. Revenue from Operations</b>			
Interest Income	21	57,240,907	62,955,841
Dividend Income		1,922,481	1,992,542
Fees and Commission Income	22	264,539,626	209,062,969
Sale of Shares and Securities	23	3,411,083	2,301,034
Other Revenue from Operations	24	27,838,298	30,658,303
<b>Total Revenue from Operations</b>		<b>354,752,393</b>	<b>306,970,689</b>
<b>II. Other Income</b>	25	<b>7,788,968</b>	<b>1,908,728</b>
<b>III. Total Revenue (I+II)</b>		<b>362,539,361</b>	<b>308,879,417</b>
<b>IV. Expenses:</b>			
Finance Cost	26	28,941,237	29,311,061
Fees and Commission Expense	27	91,841,279	79,995,070
Impairment on financial instruments	28	(23,801)	551,043
Net loss / (gain) on fair value changes		82,000	(116,500)
Purchase of Shares and Securities		1,225,784	8,650,127
Changes in Inventory of Shares and Securities		3,079,988	(3,988,806)
Employee Benefits Expenses	29	133,239,613	95,250,137
Depreciation & Amortization expenses	11	9,946,011	9,237,145
Other Expenses	30	112,808,372	84,273,901
<b>Total Expenses</b>		<b>380,940,483</b>	<b>281,163,178</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>(18,401,122)</b>	<b>27,716,239</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(Loss) before tax (V-VI)</b>		<b>(18,401,122)</b>	<b>27,716,239</b>
<b>VIII. Tax expenses:</b>			
(1) Current Tax		-	8,409,835
of Current Year		548,883	167,700
of Earlier Years		(447,072)	(673,890)
(2) Deferred Tax			
<b>IX. Profit/(Loss) for the Period (VII-VIII)</b>		<b>(18,500,933)</b>	<b>19,812,594</b>
<b>X. Other Comprehensive Income</b>			
A (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
B (i) Items that will not be reclassified to profit or loss		(27,449,638)	(20,541,291)
(ii) Income tax relating to items that will not be reclassified to profit or loss		9,293,110	4,527,949
		<b>(18,156,528)</b>	<b>(16,013,342)</b>
<b>XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>(36,657,461)</b>	<b>3,799,252</b>
<b>XII. Earning per Equity Share:</b>	31		
(1) Basic		(8.25)	6.89
(2) Diluted		(8.25)	6.69
Significant Accounting Policies	1		
Other Notes to Financial Statements	2-45		

As per our Separate Report Attached  
For R.S. Bansal & Co.  
Chartered Accountants  
FRN : 000935/C

Vijay Bansal  
Partner  
M. No. 075344



Place: Indore  
Date: 28 July, 2020  
UDIN: 20075344AAAABR3445

For & on behalf of the Board of Directors  
Swastika Investment Limited

Sunil Nyati (Managing Director) DIN: 00015983  
Anita Nyati (Whole Time Director) DIN: 01454595

Parth Nyati  
(Chief Financial Officer)

Shikha Bansal  
(Company Secretary)

## SWASTIKA INVESTMART LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

CIN : L65910MH1992PLC067052

A. Equity Share Capital		(₹)
Particulars	Equity Share Capital	
As at March 31, 2019	29,825,500	
Changes in equity share capital during the year	-	
As at March 31, 2020	29,825,500	
Changes in equity share capital during the year	-	

B. Other Equity					(₹)
Particulars	Reserve & Surplus		Equity Instruments through OCI	Total	
	General Reserves	Retained Earnings			
April 1, 2018	108,941,419	85,840,446	23,898,277	216,680,142	
Profit for the year	-	19,812,594	-	19,812,594	
Dividend paid for the previous year (including tax on dividend)	-	(3,562,236)	-	(3,562,236)	
Other Comprehensive Income	-	(541,598)	(15,471,744)	(16,013,342)	
Transfer from OCI to retained earning	-	(3,723,817)	3,723,817	-	
Balance as at 31 March, 2019	108,941,419	97,825,389	12,150,350	216,917,158	
Profit for the year	-	(18,500,933)	-	(18,500,933)	
Dividend paid for the previous year and current year (including tax on dividend)	-	(7,130,311)	-	(7,130,311)	
Other Comprehensive Income	-	(333,126)	(17,823,401)	(18,156,527)	
Transfer from OCI to retained earning	-	9,251,991	(9,251,991)	-	
Balance as at 31 March, 2020	108,941,419	81,113,010	(14,925,042)	173,129,387	

As per our Separate Report Attached  
For R.S. Bansal & Co.  
Chartered Accountants  
FRN : 000939C

Vijay Bansal  
Partner  
M. No. 075344



Place: Indore  
Date : 28 July, 2020  
UDIN : 20075344AAAABR3449

For & on behalf of the Board of Directors  
Swastika Investmart Limited

*Sunil Nyati*  
Sunil Nyati  
(Managing Director)  
DIN : 00015983

*P. Nyati*  
Parth Nyati  
(Chief Financial Officer)



*Anita Nyati*  
Anita Nyati  
(Whole Time Director)  
DIN : 01454595

*Shikha Bansal*  
Shikha Bansal  
(Company Secretary)

SWASTIKA INVESTMART LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020		
CIN : L65910MH1992PLC067052		
(₹)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow From Operating activities:</b>		
Profit before income tax :	(18,401,122)	27,716,239
Adjustments for:		
Depreciation	9,948,011	9,237,145
Loss/Profit on sale of Fixed Assets	25,288	(287,505)
Financial Charges	27,828,458	27,982,931
Dividend Income	(1,922,481)	(1,992,542)
Interest Income	(2,734,490)	-
Net gain on financial assets measured at FVTPL	82,000	(118,500)
Reclassification of remeasurement of employee benefits	(858,495)	(541,598)
<b>Operating Profit Before Working Capital Changes</b>	<b>13,967,165</b>	<b>61,998,170</b>
<b>Adjustment for Working Capital Changes:</b>		
Increase in Trade Payables and Other Liabilities	35,953,671	63,845,056
Decrease/(Increase) in Inventories	3,079,988	(3,988,805)
Decrease in Trade Receivable	113,842,024	44,163,249
(Increase) in Financial and Other Assets	61,648,161	(117,533,629)
<b>Cash generated from Operations</b>	<b>228,291,009</b>	<b>48,484,041</b>
Income Taxes Paid	11,835,623	(10,721,763)
<b>Net Cash (outflow)/inflow from Operating Activities ( A )</b>	<b>240,126,632</b>	<b>37,762,278</b>
<b>B. Cash Flows From Investing Activities</b>		
Payments for Property, Plant and Equipment	(8,351,354)	(9,935,726)
Proceeds from Sale of Property, Plant and Equipment		500,000
Payments for Purchase of Investments	(20,119,003)	(30,843,009)
Proceeds from Sale of Investments	46,648,182	15,997,909
Fixed Deposit		-
Dividends Received	1,922,481	1,992,542
Interest Received	2,734,490	-
<b>Net Cash (outflow)/inflow From Investing Activities ( B )</b>	<b>22,832,796</b>	<b>(22,288,284)</b>
<b>C. Cash Flows From Financing Activities:</b>		
Increase/(Decrease) from Short Term Borrowings	(152,713,834)	12,946,495
Interest Paid	(27,828,456)	(27,982,931)
Dividend Paid (Inclusive of Dividend Distribution Tax)	(7,054,977)	(3,576,405)
<b>Net Cash Inflow From Financing Activities ( C )</b>	<b>(187,597,067)</b>	<b>(18,612,841)</b>
<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>75,362,362</b>	<b>(3,138,847)</b>
Cash and Cash Equivalents at the beginning of the financial year	72,990,779	78,129,626
<b>Cash and Cash Equivalents at end of the year</b>	<b>148,353,141</b>	<b>72,990,779</b>

As per our Separate Report Attached  
For R.S. Bansal & Co.  
Chartered Accountants  
FRN : 000139C

Vijay Bansal  
Partner  
M. No. 075344



Place: Indore  
Date : 28 July, 2020  
UOI: 20075344AAAABR3449

For & on behalf of the Board of Directors  
Swastika Investment Limited

Sunil Nyati  
(Managing Director)  
DIN : 00015963

Anita Nyati  
(Whole Time Director)  
DIN : 01454595

Parth Nyati  
(Chief Financial Officer)

Shikha Bansal  
(Company Secretary)

**Note- 1: Company Overview, Basis of Preparation and Significant Accounting Policies****(A) Company Overview**

"Swastika Investment Limited" ("Swastika" or "the Company") was incorporated in 1992, as a public limited company under the provisions of the Companies Act, 1956. The Company is domiciled in India having Registered Office at Flat No. 18, North Wing, Madhaveshwar Co-op. Hsg Society, S.V. Road, Andheri(W), Mumbai - 400058 and listed on the Bombay Stock Exchange (BSE)

The Company is engaged in rendering services pertaining to Stock Broking, DP, Merchant Banking and Other Third Party Products Distribution Activities.

**(B) Basis of Preparation of Financial Statements****(i) Statement of Compliance**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

**(ii) Basis of Preparation:****1) Compliance with Ind AS**

These Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and companies (Indian Accounting Standards) Amendment Rules, 2016.

These Financial Statements have been approved for issue by the Company's Board of Directors at their meeting held on 28 July, 2020. These Financial Statements are presented in Indian Rupees (INR), which is also the functional and presentation currency.

**2) Historical Cost Convention**

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- Certain Financial Assets and Liabilities that are measured at fair value;
- Defined benefit plans where plan assets are measured at fair value;
- Investments are measured at fair value.

**3) Preparation of Financial Statements**

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 41.

**(C) Significant Accounting Policies****(i) Fair Value Measurement**

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

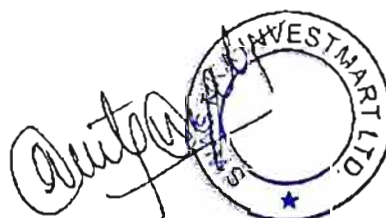
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active market for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement





For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### (II) Revenue Recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

a) Income from broking activities is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date and is exclusive of Service Tax/ Goods and Service Tax and Securities Transaction Tax (STT) wherever applicable

b) Income from sales of Shares and Securities are recognized on the date of the relevant transactions.

c) Income from Depository Operations is accounted on accrual basis.

d) Income from Merchant Banking Income is accounted on accrual basis.

e) Equity Index / Stock Futures / Currency Futures:

1) Equity Index / Stock Futures/ Currency Futures are marked to market on a daily basis. Debit or Credit balance disclosed under Loans and Advances or Financial Liabilities, respectively, in the Mark to Market Margin Equity Index / Stock Futures/Currency Account, represents the net amount payable or receivable on the basis of movement in the process of Index / Stock futures /Currency Futures on the Balance Sheet date.

2) As on the Balance Sheet date, Profit / Loss on open position in Equity Index /Stock Futures/Currency Futures is accounted as follows:

- Credit balance in the Mark-to-Market Margin Equity Index/ Stock Futures /Currency Futures Account, being the anticipated Profit, is ignored and no credit for the same is taken in the Statement of Profit and Loss.

- Debit balance in the Mark-to-Market Margin Equity Index/ Stock Futures/Currency Futures Account, being the anticipated loss, is provided in the Statement of Profit and Loss.

f) Option Contracts

1) At the time of final settlement Premium paid/ received is recognized as an expense/ income on exercise of Option. Further, difference between the final settlement price as on the exercise/ expiry date and the strike price is recognized as income/ Loss.

2) At the time of squaring off difference between the premium paid and received on squared off transaction is treated as Profit or Loss.

g) Income from Delay Pay in Charges and Interest is recognized on a time proportion basis.

h) Dividend income is recognized only when the right to receive is established.

i) Advisory fees, merchant banking fees and other income are accounted on accrual basis, net of service tax/ Goods and Service Tax.

### (III) Property, Plant and Equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy.

Own manufactured PPE is capitalized at cost including an appropriate share of overheads. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of PPE or bringing the PPE to working condition are allocated and capitalized as a part of the cost of the PPE.

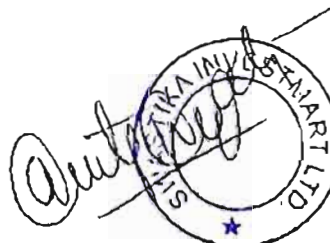
PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "capital work-in-progress".

Depreciation is recognized using straight line method so as to write off the cost of the assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned assets is calculated pro rata to the period of use.

Assets acquired under finance leases are depreciated on a straight line basis over the lease term. Where there is reasonable certainty that the company shall obtain ownership of the assets at the end of the lease term, such assets are depreciated based on the useful life prescribed under Schedule II to the Companies Act, 2013 or based on the useful life adopted by the company for similar assets.



Freehold land is not depreciated.

The estimated useful life of Property, Plant and Equipment is mentioned below

Asset Class	Estimated Useful Life (Years)
Furniture	10
Vehicles	10
Office Equipment	10
Computer	3
V-Sal	13

#### (iv) Intangible Assets

An intangible asset shall be recognized if, and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company; and
- (b) the cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Computer software is capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and costs of implementation/ system integration services. The costs are capitalized in the year in which the relevant software is implemented for use. The same is amortized over a period of its estimated useful life on straight-line method.

Other Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight-line method. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

#### (v) Valuation of Inventories

Stock-in-trade of shares and securities are valued at lower of the cost or market value on individual script by script basis.

#### (vi) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

#### (vii) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

#### (viii) Employee Benefits

##### a) Short term obligations:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

##### b) Post-employment obligations

The Company operates the following post-employment schemes.

##### 1. Defined benefit plans (Gratuity)

The Company has taken Group Gratuity Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability/ (asset) comprising actuarial gains and losses are recognized in Other Comprehensive Income. Such re-measurements are not reclassified to the Statement of Profit and Loss in the subsequent periods.

##### 2. Defined Contribution Plans such as Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

#### (ix) Leases

Ind AS 116 'Leases' has been introduced effective from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.





Lessees will also be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases operating and finance lease.

#### (x) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share, is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### (xi) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income."

Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

#### (xii) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

#### (xiii) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

#### (xiv) Financial Instruments

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial Assets

##### 1. Initial Recognition and Measurement

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

##### (a) Financial Assets at Amortized Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) Method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.



**(b) Financial Assets at Fair value through Other Comprehensive Income**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss, if any, are recognized in the Statement of Profit and Loss. On de-recognition of the asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

**(c) Financial Assets at Fair value through Profit or Loss**

At the date of initial recognition, financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

**2. Trade Receivables**

A Receivable is classified as a 'Trade Receivable' if it is in respect to the amount due from customers in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognized in a separate provision for impairment and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognized in provision for impairment and the change in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

**3. Investment In Equity Shares**

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Other Comprehensive Income.

**4. Investment In Subsidiaries**

The Company has accounted for its investment in subsidiaries at cost.

**5. Investments In Mutual Funds**

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

**6. Impairment of Financial Assets**

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of financial assets other than those measured at Fair value through Profit and Loss (FVTPL).

7. Expected Credit Losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables Company applies 'Simplified Approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**8. De-recognition of Financial Asset**

Financial Asset is primarily derecognized when:

- (i) The right to receive cash flows from asset has expired, or
- (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "Pass-Through" arrangement and either,
  - a) The Company has transferred substantially all the risks and rewards of the asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

**Financial Liabilities****1. Initial Recognition and Measurement**

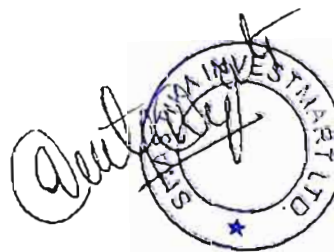
All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

**2. Subsequent Measurement**

Financial Liabilities are classified as either Financial Liabilities at FVTPL or 'Other Financial Liabilities':

**(a) Financial Liabilities at FVTPL:**

Financial Liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.





**(b) Other Financial Liabilities:**

Other Financial Liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**3. De-Recognition of Financial Liability**

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

**4. Offsetting of Financial Instruments**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**5. Derivative Financial Instruments**

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

**(xv) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**(xvi) Significant Accounting Judgments, Estimates and Assumptions**

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments which have significant effect on the amounts recognized in the financial statement:

**a. Income Taxes**

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each Balance Sheet date the carrying amount of deferred tax assets and liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements

**b. Contingencies**

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

**c. Allowance for uncollected accounts receivable and advances**

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

**d. Defined Benefit Plans**

The present value of the cost of the defined benefit plan and other post-employment benefits are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



## 2. CASH &amp; CASH EQUIVALENTS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance with Banks in Current Accounts	147,098,435	72,488,698
Cash on Hand	1,254,706	504,081
<b>Total</b>	<b>148,353,141</b>	<b>72,990,779</b>

## 3. BANK BALANCES (other than cash and cash equivalents)

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Fixed Deposit with original maturity less than 12 months	355,000,000	323,225,507
Fixed Deposit with original maturity more than 12 months	7,375,000	6,000,000
Accrued Interest on Fixed Deposit	2,358,387	1,848,606
Unpaid Dividend Account	717,348	647,853
<b>Total</b>	<b>365,450,735</b>	<b>331,521,966</b>

## 4. TRADE RECEIVABLES

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Secured, Considered Good	122,293,530	235,935,554
(b) Unsecured, Considered Good	-	-
(c) Receivables have significant increase in Credit Risk	2,120,459	2,144,260
	124,413,989	238,079,814
Less: Allowance for Impairment Losses	2,120,459	2,144,260
<b>Total</b>	<b>122,293,530</b>	<b>235,935,554</b>

## 5. LOANS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Loans: At Amortised Cost		
A) Others: MTF		
(a) Secured, Considered Good	16,641,839	12,863,870
(b) Unsecured, Considered Good	-	-
(c) Loans Receivables have significant increase in Credit Risk	-	-
(d) Loans Receivables -Credit Impaired	-	-
<b>Total</b>	<b>16,641,839</b>	<b>12,863,870</b>
B) Loans in India		
Public Sector	-	-
Others	16,641,839	12,863,870
<b>Total</b>	<b>16,641,839</b>	<b>12,863,870</b>
Stage Wise Break up of Loan		
i) Low credit risk (Stage 1)	16,641,839	12,863,870
ii) Significant increase in credit risk (Stage 2)	-	-
iii) Credit impaired (Stage 3)	-	-
<b>Total</b>	<b>16,641,839</b>	<b>12,863,870</b>

## 7. OTHER FINANCIAL ASSETS

(₹)

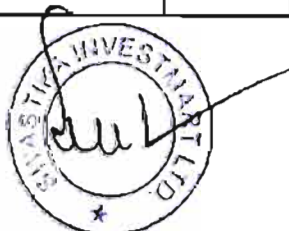
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Deposit With Exchange	18,075,000	18,075,000
Other Deposit	9,520,755	9,863,232
Accrued Income	2,452,592	3,218,895
TDS Receivable from Stock Exchange	1,520,698	702,205
Other Receivable	57,516,845	153,336,312
<b>Total</b>	<b>89,085,890</b>	<b>185,197,644</b>



## 6. INVESTMENTS

(₹)

Particulars	Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of Share	Value	No. of Share	Value
<b>Non Trade Investments</b>					
<b>Quoted</b>					
<b>Equity Instruments (At FVTOC)</b>					
Aartech Solonics Ltd	10	32,000	1,104,000	-	-
Aditya Birla Capital Limited	10	650	27,430	14,650	1,430,573
Aditya Birla Fashion And Retail Limited	10	-	-	200	44,190
Akzo Nobel India Limited	10	825	1,815,660	825	1,475,306
Avenue Supermarts Limited	10	-	-	200	294,020
Balkrisind	2	500	395,550	500	497,275
Bank of India	10	10,000	322,500	-	-
Bombay Stock Exchange Limited	2	-	-	27,937	17,073,698
Decolight Ceramics Limited	10	3,285	-	3,285	-
Dilip Buildcon Limited	10	1,000	211,000	1,000	643,450
Fortis Healthcare Limited	2	-	-	3,000	407,400
General Insurance Corporation of India	10	1,000	104,900	-	-
Goodluck India Limited	2	1,709	43,152	19,000	1,235,950
Grasim Industries Limited	5	-	-	9,750	8,367,450
Gulf Oil Lubricants India Limited	10	1,000	520,450	1,000	828,800
HDFC Asset Management Company Limited	5	500	1,056,075	1,000	1,534,200
HDFC Life Insurance Company Ltd	10	2,000	883,200	-	-
HDIL	10	58,000	84,100	58,000	1,502,200
Hindustan Construction Co. Limited	1	10,000	39,900	10,000	150,100
ICICI Prudential Life Insurance Company Ltd	10	2,000	711,400	-	-
Infosys Limited	2	3,000	1,920,900	3,000	2,226,900
Maithan Alloys Limited	10	2,000	700,100	2,000	1,010,500
Marksans Pharma Limited	10	-	-	5,000	124,250
Morepen Laboratories Limited	10	5,000	47,700	10,000	172,500
Narayana Hrudayalaya Limited	10	-	-	1,000	213,750
Nelco Limited	10	3,500	470,750	3,500	956,375
Nhpc Limited	10	213,565	4,260,622	213,565	5,285,734
Rajratan Global Wire Limited	10	-	-	1,000	665,000
Rane Holdings Limited	1	727	239,183	727	668,838
SBI Life Insurance Company Ltd	10	1,000	640,950	-	-
Shncon Industries. Limited	1	49,150	-	49,150	1,865,243
Sintex Industries Limited	1	14,258	8,840	14,258	120,765
Sintex Plastics Technology Limited	10	14,258	9,410	14,258	284,447
Tata Coffee Limited	10	-	-	10,000	902,500
Tata Elxsi Limited	2	-	-	11,400	10,881,050
Tata Global Beverages Limited	1	-	-	10,000	2,031,500
Tata Metaliks Limited	10	-	-	10,000	6,489,500
Tata Power Co Limited	10	5,000	164,250	10,000	738,000
Tata Steel Long Products Ltd	10	11,859	2,212,878	-	-
Tata Sponge Iron Limited	10	-	-	8,659	6,593,829
TCS	1	1,000	1,823,050	1,000	2,000,400
The New India Assurance Company Ltd	2	1,000	112,200	-	-
Tinplate Company Of India Limited	10	7,500	560,250	9,000	1,389,600
Vakrangee Limited	1	44,000	871,200	29,000	1,460,150
<b>Mutual Funds (At FVTPL)</b>					
Axis Equity Fund	10	50,000	1,269,500	50,000	1,351,500
Axis Liquid Fund	10	-	-	-	139,851
<b>Total Value of Quoted Investments</b>			22,631,100		83,356,792
<b>Unquoted</b>					
<b>Investment In Subsidiaries</b>					
Swastika Commodities Private Limited	10	610,000	70,415,000	610,000	70,415,000
Swastika Fin-Mart Private Limited	10	2,110,000	21,100,400	2,110,000	21,100,400
Swastika Insurance Broking Services Limited	10	7,50,000	7,498,500	50,000	498,500
Swastika Investmart (IFSC) Private Limited	10	10,000	100,000	10,000	100,000
<b>Total Value of Unquoted Investments</b>			99,113,900		92,113,900
<b>Total of Long Term Investments</b>			121,745,000		175,470,692
Less : Provision for Diminution in the value of Investment			-		-
<b>Net Value of Investment</b>			121,745,000		175,470,692



11. PROPERTY, PLANT AND EQUIPMENT  
March 31, 2020

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at	Additions	Deductions/ Adjustments	As at	As at	Dep. for the	Deductions/ Adjustments	As at	As at	As at
	01.04.2019			31.03.2020	01.04.2019	Year		31.03.2020	31.03.2020	31.03.2019
<b>A. Tangible Assets</b>										
Furniture	20,456,887	2,072,355	-	22,529,242	6,685,471	2,605,721	-	9,291,192	13,238,050	13,771,416
Vehicles	8,018,498	-	-	8,018,498	3,440,949	1,128,478	-	4,569,427	3,449,071	4,577,549
Office Equipment	17,880,125	3,703,788	358,575	21,225,336	5,726,086	2,238,837	250,839	7,714,084	13,511,252	12,154,039
Computer	11,740,063	2,815,006	-	14,555,069	6,997,051	2,919,375	-	9,916,426	4,638,643	4,743,012
V-Sat	279,741	-	-	279,741	211,859	45,181	-	257,020	22,721	67,882
<b>Total - A</b>	<b>58,375,314</b>	<b>8,591,147</b>	<b>358,575</b>	<b>66,607,886</b>	<b>23,061,416</b>	<b>8,937,572</b>	<b>250,839</b>	<b>31,748,149</b>	<b>34,859,737</b>	<b>35,313,898</b>
<b>B. Other Intangible Assets</b>										
Softwares	3,445,861	354,163	-	3,800,024	1,661,331	812,939	-	2,274,270	1,525,754	1,784,530
BSE Card	2,925,001	-	-	2,925,001	975,000	325,000	-	1,300,000	1,625,001	1,950,001
MCX Card	832,351	-	-	832,351	151,500	50,500	-	202,000	630,351	680,851
NSDL Membership	194,016	-	-	194,016	20,000	10,000	-	40,000	154,016	154,016
CDSL Membership	198,279	-	-	198,279	30,000	10,000	-	40,000	158,279	168,279
<b>Total - B</b>	<b>7,595,508</b>	<b>354,163</b>	<b>-</b>	<b>7,949,671</b>	<b>2,847,831</b>	<b>1,008,439</b>	<b>-</b>	<b>3,856,270</b>	<b>4,093,401</b>	<b>4,747,677</b>
<b>Total (A + B)</b>	<b>65,970,822</b>	<b>8,945,310</b>	<b>358,575</b>	<b>74,557,557</b>	<b>25,909,247</b>	<b>9,946,011</b>	<b>250,839</b>	<b>35,604,419</b>	<b>38,953,138</b>	<b>40,061,575</b>

March 31, 2019

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at	Additions	Deductions/ Adjustments	As at	As at	Dep. for the	Deductions/ Adjustments	As at	As at	As at
	01.04.2018			31.03.2019	01.04.2018	Year		31.03.2019	31.03.2019	31.03.2018
<b>A. Tangible Assets</b>										
Furniture	17,598,115	2,858,772	-	20,456,887	4,323,263	2,362,208	-	6,685,471	13,771,416	13,274,852
Vehicles	9,334,958	-	1,316,458	8,018,498	3,009,902	1,551,126	1,123,079	3,440,949	4,577,549	8,325,054
Office Equipment	15,808,959	2,769,539	698,373	17,880,125	4,187,747	2,107,546	589,207	5,726,086	12,154,039	11,621,212
Computer	7,783,599	3,956,464	-	11,740,063	4,799,328	2,197,723	-	6,997,051	4,743,012	2,984,271
V-Sat	279,741	-	-	279,741	141,279	70,580	-	211,859	67,882	138,462
<b>Total - A</b>	<b>50,805,370</b>	<b>8,584,775</b>	<b>2,014,831</b>	<b>58,375,314</b>	<b>18,461,519</b>	<b>8,292,183</b>	<b>1,692,286</b>	<b>23,061,416</b>	<b>35,313,898</b>	<b>34,343,851</b>
<b>B. Other Intangible Assets</b>										
Softwares	2,984,860	461,001	-	3,445,861	1,111,869	549,462	-	1,661,331	1,784,530	1,872,991
BSE Card	2,925,001	-	-	2,925,001	650,000	325,000	-	975,000	1,950,001	2,275,001
MCX Card	832,351	-	-	832,351	101,000	50,500	-	151,500	680,851	731,351
NSDL Membership	194,016	-	-	194,016	20,000	10,000	-	30,000	164,016	174,016
CDSL Membership	198,279	-	-	198,279	20,000	10,000	-	30,000	168,279	178,279
<b>Total - B</b>	<b>7,134,507</b>	<b>461,001</b>	<b>-</b>	<b>7,595,508</b>	<b>1,902,869</b>	<b>944,962</b>	<b>-</b>	<b>2,847,831</b>	<b>4,747,677</b>	<b>5,231,638</b>
<b>Total (A + B)</b>	<b>57,939,877</b>	<b>10,045,776</b>	<b>2,014,831</b>	<b>65,970,822</b>	<b>18,364,388</b>	<b>9,237,145</b>	<b>1,692,286</b>	<b>25,909,247</b>	<b>40,061,575</b>	<b>39,575,489</b>





## 8. INVENTORIES

77  
(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Stock in Trade	5,488,215	8,522,203
Total	5,488,215	8,522,203

## 9. CURRENT TAX ASSETS (NET)

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Fund with IT Department Agst Demand (AY 2014-15)	-	15,573,000
Income Tax Refund	13,848,788	12,832,228
Advance Tax	1,000,000	7,000,000
Tax Deducted at Source	2,976,045	3,599,919
Income Tax on Assessment Payable (AY 08-09 and AY 09-10)	-	(394,000)
Less: Income Tax Provision	-	(8,409,835)
Total	17,824,833	30,201,312

## 10. DEFERRED TAX (LIABILITIES)/ASSETS (NET)

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	(5,519,515)	-
Add/ (Less): Difference Between Written Down Value of Fixed Assets as per the Companies Act, 2013 and Income Tax Act, 1961	511,677	-
Add/ (Less): Equity Instruments Designated At FVTOCI	9,293,110	-
Add/ (Less) Fair Value Through Profit & Loss	81,740	-
Add/ (Less): Allowance For Bad & Doubtful Debts	(146,345)	-
Total	4,220,667	-

## 12. OTHER NON -FINANCIAL ASSETS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Capital Advance	2,018,000	2,018,000
Balance with Govt. Authorities	240,802	566,718
Adhesive Stamp	-	74,000
Other Advances	4,682,277	3,812,496
Prepaid Expenses	2,863,895	4,555,510
GST Input	-	2,021,397
Total	9,804,974	13,048,121

## 13. TRADE PAYABLES

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Dues of Micro and Small Enterprises (Refer note no.36)	-	-
Dues other than Micro and Small Enterprises	493,471,624	470,988,463
Total	493,471,624	470,988,463



## 14. BORROWINGS

78  
(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>At Amortised Cost</b>		
<b>Term Loans</b>		
From Banks (Secured/Unsecured)		
-Term Loan from HDFC Bank	50,000,000	40,000,000
<b>Demand Loans</b>		
From Banks (Secured/Unsecured)		
-Overdraft from ICICI Bank	-	50,049,315
-Indusind Bank	89,699,956	50,364,275
(Secured Against Immovable Property of Directors)		
From Other parties (Secured/Unsecured)		
-Bajaj Finance Limited	-	27,000,000
-Bajaj Finance Limited	-	125,000,000
(Secured by Pledge of Shares held in Clients' Beneficiary Account)		
<b>Total</b>	<b>139,699,956</b>	<b>292,413,590</b>
<b>Borrowing in India</b>	<b>139,699,956</b>	<b>292,413,590</b>
<b>Borrowing outside India</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>139,699,956</b>	<b>292,413,590</b>

## 15. OTHER FINANCIAL LIABILITIES

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Auditor's Remuneration	225,000	225,000
Expenses Payable to Exchange	4,210,457	3,985,692
Interest Payable	871,900	-
Other Creditors	56,153,384	45,299,206
Security Deposits & Balances from Sub-brokers/ Associates	30,186,661	29,965,328
Unpaid Dividends	717,348	647,853
<b>Total</b>	<b>92,364,750</b>	<b>80,123,079</b>

## 16. DEFERRED TAX LIABILITIES/(ASSETS) (NET)

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	-	10,721,354
Add/ (Less): Difference Between Written Down Value of Fixed Assets as per the Companies Act, 2013 and Income Tax Act, 1961	-	(553,000)
Add/ (Less): Equity Instruments Designated At FVTOCI	-	(4,527,949)
Add/ (Less): Fair Value Through Profit & Loss	-	32,410
Add/ (Less): Allowance For Bad & Doubtful Debts	-	(153,300)
<b>Total</b>	<b>-</b>	<b>5,519,515</b>

## 17. PROVISIONS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
For Employee Benefits: Gratuity	1,755,020	2,462,746
Provision For Expenses	2,579,510	2,228,156
<b>Total</b>	<b>4,334,530</b>	<b>4,690,902</b>



18. OTHER NON-FINANCIAL LIABILITIES

79  
(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory Dues Payable	6,100,850	4,890,522
Contribution to PF	935,365	484,987
Total	7,036,215	5,381,509

19. EQUITY SHARE CAPITAL

19.1 : Authorized, Issued, Subscribed and Paid Up

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Authorized		
5,000,000 Equity Shares Of Rs. 10 Each	50,000,000	50,000,000
(Previous Year 5,000,000 Equity Shares Of Rs. 10 Each)		
Issued		
2,959,700 Equity Shares Of Rs. 10 Each	29,597,000	29,597,000
(Previous Year 2,959,700 Equity Shares Of Rs. 10 Each)		
Subscribed & Paid Up		
2,959,700 Equity Shares Of Rs. 10 Each Fully Paid	29,597,000	29,597,000
(Previous Year 2,959,700 Equity Shares Of Rs. 10 Each)		
Add : Share Forfeiture	228,500	228,500
Total	29,825,500	29,825,500

Note The Company has only one class of shares i.e. Equity Shares with equal rights for dividend and repayment. Each holder of shares is entitled to one vote per share. Dividend on Equity Shares whenever proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting.

19.2 : Reconciliation of the Number of Shares as at the beginning and at the end of the Financial Year

(₹)

Particulars	Equity Shares (2019-20)	
	Number	Amount
Shares outstanding at the beginning of the year	2,959,700	29,597,000
Shares outstanding at the end of the year	2,959,700	29,597,000

Particulars	Equity Shares (2018-19)	
	Number	Amount
Shares outstanding at the beginning of the year	2,959,700	29,597,000
Shares outstanding at the end of the year	2,959,700	29,597,000

19.3 : Shareholders holding more than 5% of Shares

Name of the Shareholder	Equity Shares (2019-20)	
	No. of Shares held	% of Holding
Sunil Nyati	468,398	15.83
Anita Nyati	298,000	10.07
Devashish Nyati	287,000	9.70
Parth Nyati	287,000	9.70
Anil Nyati	154,400	5.22

Name of the Shareholder	Equity Shares (2018-19)	
	No. of Shares held	% of Holding
Sunil Nyati	468,398	15.83
Anita Nyati	298,000	10.07
Devashish Nyati	287,000	9.70
Parth Nyati	287,000	9.70
Anil Nyati	154,400	5.22



## 20. OTHER EQUITY

80

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Reserves &amp; Surplus*</b>		
General Reserves **	106,841,419	106,941,419
Retained Earnings***	81,113,010	97,825,389
Other Comprehensive Income (OCI)		
-Fair Value of Equity Investments through OCI	(14,925,042)	12,150,350
<b>Total</b>	<b>173,129,387</b>	<b>216,917,158</b>

\* For movement, refer Statement of Changes in Equity.

\*\* General Reserve reflects amount transferred from Statement of Profit and Loss in accordance with regulations of the Companies Act, 2013.

\*\*\* Retained Earnings include remeasurement of Defined Benefit Plan.

## 21. INTEREST INCOME

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Delay in Pay in	25,139,948	41,618,906
Interest on Loans	7,014,302	2,969,789
Interest Income on deposit with banks	25,086,657	18,367,146
<b>Total</b>	<b>57,240,907</b>	<b>62,955,841</b>

## 22. FEES AND COMMISSION EXPENSE

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees and Commission Income	264,539,626	209,062,969
<b>Total</b>	<b>264,539,626</b>	<b>209,062,969</b>

## 23. SALE OF SHARES/SECURITIES

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Shares and Securities	3,411,083	2,301,034
<b>Total</b>	<b>3,411,083</b>	<b>2,301,034</b>

## 24. OTHER REVENUE FROM OPERATION

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Merchant Banking Fees	412,935	6,782,412
Turnover charges and Others	27,225,361	23,875,891
<b>Total</b>	<b>27,638,296</b>	<b>30,658,303</b>

## 25. OTHER INCOME

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Income Tax Refund	2,734,490	-
Profit on Sale of PPE	-	287,505
Other Income	5,052,478	1,621,223
<b>Total</b>	<b>7,786,968</b>	<b>1,908,728</b>

## 26. FINANCE COST

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	27,828,456	27,982,931
Bank Charges	1,112,781	1,328,130
<b>Total</b>	<b>28,941,237</b>	<b>29,311,061</b>





27. **FEES AND COMMISSION EXPENSES**

81

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission	89,925,765	79,274,390
Commission (Others)	1,715,514	720,680
<b>Total</b>	<b>91,641,279</b>	<b>79,995,070</b>

28. **IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for ECL on Trade Receivable	(23,801)	551,043
<b>Total</b>	<b>(23,801)</b>	<b>551,043</b>

29. **EMPLOYEE BENEFIT EXPENSES**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a) Payment to Directors		
(i) Remuneration	5,700,000	7,200,000
(ii) Contribution to Provident Fund	302,400	302,400
(iii) Sitting Fees	27,500	10,000
(b) Salaries and Incentives	120,756,706	81,051,340
(c) Contributions to		
- Provident Fund	3,313,629	2,869,619
- Provision for Gratuity	988,847	1,978,840
(d) Staff Welfare Expenses	2,150,331	1,837,938
<b>Total</b>	<b>133,239,613</b>	<b>95,250,137</b>

30. **OTHER EXPENSES**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Auditor's Remuneration (Refer note 30.1 below)	250,000	250,000
Business Promotion	4,761,441	2,440,393
Conveyance Expenses	289,206	458,942
Depository & Demat Expenses	4,075,972	3,265,737
CSR Expenses	1,060,000	860,000
Electricity Charges	4,067,959	3,701,787
Insurance	222,558	250,408
Connectivity Charges	3,851,802	4,058,784
Loss on F & O Trading	39,700,235	2,712,522
Loss on sale of PPE	25,286	-
Membership Fees & Registration Charges	1,216,865	1,167,798
Office Maintenance	7,057,099	6,595,545
Postage & Courier	1,000,580	985,510
Printing & Stationary	913,730	1,191,995
Professional Expenses	6,478,158	4,878,275
Rent	18,011,024	15,991,472
Software and other Maintenance charges	13,966,998	10,646,689
Travelling Expenses (Directors)	1,155,064	1,562,500
Travelling Expenses (Others)	1,823,792	1,230,016
Water Charges	503,024	424,467
Service Tax Demand	-	130,349
Miscellaneous Expenses	2,377,579	1,470,712
<b>Total</b>	<b>112,808,372</b>	<b>64,273,901</b>



## 30.1 Details of Auditor's Remuneration

82 (₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit Fees	200,000	200,000
Tax Audit Fees	50,000	50,000
<b>Total</b>	<b>250,000</b>	<b>250,000</b>

## 31. EARNING PER SHARE

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(A) Profit attributable to Equity Shareholders (Rs.)	(18,500,931)	19,812,595
(B) No. of Equity Share outstanding during the year	2,959,700	2,959,700
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted earning per Share (Rs.)	(6.25)	6.69



## 32. CONTINGENT LIABILITIES

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(i) Bank Guarantee Issued in Favour of NSE/BSE	50,000,000	129,875,000
(ii) Demand raised by Income Tax Department:-		
F.Y. 2016-17	109,689	-
F.Y. 2014-15	1,094,319	1,094,319
F.Y. 2012-13	522,970	522,970
F.Y. 2011-12	-	980,090
F.Y. 2006-07	93,375	93,375
(iii) Demand raised by Service Tax Audit Team for the period 2012-2016	-	3,418,054
<b>Total</b>	<b>51,820,353</b>	<b>135,983,808</b>

## 33. INCOME TAX

The major components of Income tax expense for the year ended March 31, 2020

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Current Tax:</b>		
Current Tax on profit for the year	-	8,409,835
Adjustments for the current tax of prior periods	546,883	167,700
<b>Deferred Tax:</b>		
Deferred Tax Liabilities/ (Assets)	(447,072)	(673,890)
<b>Total</b>	<b>99,811</b>	<b>7,903,645</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before income tax expense	(18,401,122)	27,716,239
Tax Rate	-	-
Tax at the Indian tax rate of 2019-20 Nil (2018-19 27.82%)	-	7,710,658
<b>Tax Effect of:</b>		
Adjustments in respect of current income tax of prior period	546,883	167,700
Effect of Income not considered for Tax Purposes	-	(79,983)
Effect of Non deductible expenses for tax purposes	-	255,944
Ind AS Transition Effect	-	(150,674)
Deferred Tax on ECL, Mutual Fund & PPE	(447,072)	-
<b>Income Tax Expenses</b>	<b>99,811</b>	<b>7,903,645</b>

## 34. CAPITAL MANAGEMENT

Risk management

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the following gearing ratio:

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Debt (Total Borrowings)	139,699,958	292,413,590
Total Equity	202,954,887	246,742,658
Debt Equity Ratio	0.69	1.19



## 35. DISTRIBUTION MADE AND PROPOSED

84 (₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Cash Dividends on Equity Shares declared and paid:		
Final dividend for the year ended on March 31, 2019: Re. 1 per share (March 31, 2018: Re. 1 per share)	2,959,700	2,959,700
DDT on final dividend	602,536	602,536
Total Dividend paid	3,562,236	3,562,236
Interim Dividends on Equity shares:		
Interim dividend for the year 2019-20: Re. 1 per share	2,959,700	2,959,700
DDT on Interim Dividend	602,536	602,536
Total Dividend	3,562,236	3,562,236

Interim dividends paid on equity shares (including Dividend Distribution Tax thereon) for the year 2019-20.

## 36. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2008

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

37. There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2020.

## 38. Lease

The Company has obtained premises for its business operations under lease. Such leases are generally have a lease term of 12 months or less with the option of premature cancellation of agreement on mutual consent of both the parties without having any purchase option. Lease payments are recognized in the Statement of Profit and Loss under "Rent" in Note no. 30.

## 39. FINANCIAL RISK MANAGEMENT

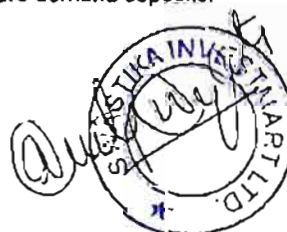
The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The Company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

## (A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

## Credit Risk Management

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having high credit ratings or with higher credentials. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as the company having collateral against the receivables in normal course. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The Company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits.





The maximum exposure to credit risk as at 31 March, 2020 and 31 March, 2019 is the carrying value of such trade receivables as shown in Note No. 4 of the financials.

The Credit Loss allowances are provided in the case of trade receivables as under:

	(₹)
Loss allowance as on 31 March, 2019	2,144,260
Change in loss allowance	(23,801)
Loss allowance as on 31 March, 2020	2,120,459

#### (B) Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash, other bank balances and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.

Refer Note no. 41 for analysis of maturities of financial assets and financial liabilities.

#### (C) Interest Risk

##### Interest Rate Risk Exposure

The Company is exposed to various types of borrowings as stated in Note No. 14

The Company's exposure to interest rate risks at the end of the reporting period is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Variable Rate Borrowings	139,699,956	292,355,504

#### Sensitivity Analysis on Rate Borrowings

The Company is exposed to various types of borrowings as stated in Note No. 14, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant. For the year ended March 31, 2020 and March 31, 2019, every 0.25% increase in the interest rate would decrease the companies profit approximately by Rs. 4,23,967 and Rs. 6,02,494, respectively. A 0.25% decrease in the interest rate would lead to an equal but opposite effect.

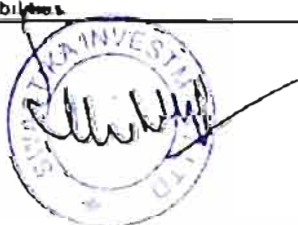
#### (D) Market Risk

Market risk is the risk that the fair value of future cash flows of the company will fluctuate because of movement in stock market. The company's nature of business and operations exposed to the market risks namely stock market movement risks, competition risks and technology risks. These risks may affect the company's income and expenses or the value equity investments. Nevertheless, the company believes that it has competitive advantage in terms of high quality services and by continuously upgrading its technology for front and back office softwares to meet the needs of its customers.

#### 40. FAIR VALUE MEASUREMENT

##### Financial instruments by category

Financial Instruments by Category		(₹)
Particulars	March 31, 2020	March 31, 2019
<b>Financial Assets</b>		
At FVTPL		
Investments	1,269,500	1,491,351
At FVTOCI		
Equity Shares	21,361,800	81,865,441
At Amortised Cost		
Cash and Cash Equivalents	148,353,141	72,990,779
Bank Balance other than above	365,450,735	331,521,968
Trade Receivables	122,293,530	235,935,554
Loans	16,641,839	12,863,870
Investments	99,113,900	92,113,900
Other Financial Assets	89,085,890	185,197,644
<b>Total Financial Assets</b>	<b>863,570,135</b>	<b>1,013,980,505</b>
<b>Financial Liabilities</b>		
At Amortised Cost		
Payables		
1) Trade Payables		
1. Total Outstanding dues of Micro Enterprises and Small Enterprises		-
2 Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	493,471,624	470,988,463
Borrowings	139,699,958	292,413,590
Other Financial Liabilities	92,384,750	80,123,079
<b>Total Financial Liabilities</b>	<b>725,536,330</b>	<b>843,525,132</b>



## Fair Value hierarchy &amp; Valuation Technique

Particulars	March 31, 2020	March 31, 2019	Fair value Hierarchy	Valuation Technique
<b>Assets-</b>				
Investment in Equity Instruments through OCI	21,361,600	81,865,441	Level-1	Quoted Market Price
Investment Mutual Funds FVTPL	1,269,500	1,491,351	Level-1	Quoted Market Price

The management assessed that carrying amount of Cash and Cash Equivalents, Loans, Other Balances with Banks, Trade Receivables, other financial assets and financial liabilities such as trade payables considered to be the same as their fair values due to the short-term maturities of these instruments.

## 41. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows Assets and Liability analysed according to when they are expected to be recovered or settled

Assets	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	506,428,876	7,375,000	513,803,876	398,512,745	6,000,000	404,512,745
Trade Receivables	119,509,887	2,783,643	122,293,530	14,431,038	221,504,516	235,935,554
Loans	16,641,839	-	16,641,839	12,863,870	-	12,863,870
Investments	-	121,745,000	121,745,000	139,851	175,330,841	175,470,692
Other Financial Assets	71,010,890	18,075,000	89,085,890	167,122,644	18,075,000	185,197,644
<b>Non-Financial Assets</b>						
Inventories	5,488,215	-	5,488,215	8,568,203	-	8,568,203
Current Tax Assets (Net)	17,824,833	-	17,824,833	30,201,312	-	30,201,312
Deferred Tax Assets	-	4,220,667	4,220,667	-	-	-
Property, Plant and Equipment	-	34,859,737	34,859,737	-	35,313,898	35,313,898
Other Intangible Assets	-	4,093,401	4,093,401	-	4,747,677	4,747,677
Other Non-Financial Assets	9,804,974	-	9,804,974	13,048,121	-	13,048,121
<b>Total Assets</b>	<b>746,709,514</b>	<b>193,152,448</b>	<b>939,861,962</b>	<b>644,887,784</b>	<b>460,971,932</b>	<b>1,105,859,716</b>

Liabilities	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Liabilities</b>						
Trade Payables	493,471,624	-	493,471,624	470,988,463	-	470,988,463
Borrowings	139,699,956	-	139,699,956	292,413,590	-	292,413,590
Other Financial Liabilities	92,364,750	-	92,364,750	80,123,079	-	80,123,079
<b>Non-Financial Liabilities</b>						
Deferred Tax Liabilities	-	-	-	-	5,519,515	5,519,515
Provisions	4,334,530	-	4,334,530	4,690,902	-	4,690,902
Other Non-Financial Liabilities	7,036,215	-	7,036,215	5,381,509	-	5,381,509
<b>Total Liabilities</b>	<b>736,907,075</b>	<b>-</b>	<b>736,907,075</b>	<b>853,597,543</b>	<b>5,519,515</b>	<b>859,117,058</b>



**42. EMPLOYEE BENEFITS**

As per IND AS 19 "Employee Benefits", the disclosures of Employee benefits as defined in the said Accounting Standards are given below:

**(i) Defined Contribution Plan**

Contribution to Defined Contribution Plan includes Provident Fund. The expenses recognized for the year are as under:

(₹)

Particulars	2019-20	2018-19
Employer's Contribution to Provident Fund	3,616,229	3,172,019

**(ii) Defined Benefit Plan Gratuity:**

The following tables set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee Benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation:

**Assets and Liabilities**

(₹)

Particulars	March 31, 2020	March 31, 2019
Defined Benefit Obligation	1,11,24,750	97,62,282
Fair Value Of Plan Assets	93,36,214	7,266,020
<b>Net Liability (Asset)</b>	<b>17,88,536</b>	<b>24,96,262</b>

**Income/Expenses Recognized during the period**

(₹)

Particulars	March 31, 2020	March 31, 2019
Employee Benefit Expense	8,80,296	1,921,148
Other Comprehensive Income	3,33,126	541,598

**Key Assumptions**

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.85% p.a	7.70% p.a
Withdrawal Rates	3.00% p.a at all ages	3.00% p.a at all ages
Salary Growth Rate	7.00% p.a	7.00% p.a

**Annexure 1: Funded status of the plan**

(₹)

Particulars	March 31, 2020 (12 months)	March 31, 2019 (12 months)
Present value of unfunded obligations	-	-
Present value of funded obligations	1,11,24,750	97,62,282
Fair value of plan assets	(93,36,214)	(72,66,020)
<b>Net Liability (Asset)</b>	<b>17,88,536</b>	<b>2,496,262</b>

**Annexure 2: Profit and loss account for the period**

(₹)

Particulars	March 31, 2020 (12 months)	March 31, 2019 (12 months)
<b>Service cost:</b>		
Current service cost	7,15,636	17,72,635
Past service cost and loss/(gain) on curtailments and settlement	-	-
Net interest cost	1,64,660	1,48,513
<b>Total included in 'Employee Benefit Expense'</b>	<b>8,80,296</b>	<b>1,921,148</b>
<b>Total Charge to P&amp;L</b>	<b>8,80,296</b>	<b>1,921,148</b>
<b>Other Comprehensive Income for the current period</b>		
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	9,80,838	-
Due to change in demographic assumption	(4,804)	-
Due to experience adjustments	(6,14,518)	590,887
Return on plan assets excluding amounts included in interest income	(8,390)	(49,289)
<b>Amounts recognized in Other Comprehensive (Income) / Expense</b>	<b>3,33,126</b>	<b>541,598</b>



**Annexure 3: Reconciliation of defined benefit obligation**

Particulars	March 31, 2020	March 31, 2019
	(12 months)	(12 months)
Opening Defined Benefit Obligation	97,62,282	7,291,694
Transfer in/(out) obligation	-	-
Current service cost	7,15,636	1,772,635
Interest cost	7,36,402	561,460
Components of actuarial gain/losses on obligations:		
Due to Change in financial assumptions	9,60,838	-
Due to change in demographic assumption	(4,804)	-
Due to experience adjustments	(6,14,518)	590,887
Benefits paid	(4,31,086)	(454,394)
Closing Defined Benefit Obligation	1,11,24,750	9,762,282

**Annexure 4: Reconciliation of plan assets**

(₹)

Particulars	March 31, 2020	March 31, 2019
	(12 months)	(12 months)
Opening value of plan assets	72,66,020	5,362,952
Transfer in/(out) plan assets	-	-
Interest income	5,71,742	412,947
Return on plan assets excluding amounts included in interest income	8,390	49,289
Assets distributed on settlements	-	-
Contributions by employer	19,21,148	1,895,226
Benefits paid	(4,31,086)	(454,394)
Closing value of plan assets	93,36,214	7,266,020

**Sensitivity to key assumptions**

Particulars	March 31, 2020	March 31, 2019
	(12 months)	(12 months)
<b>Discount rate Sensitivity</b>		
Increase by 0.5%	1,05,43,249	9,248,729
(% change)	-5.23%	-5.26%
Decrease by 0.5%	1,17,57,304	10,320,975
(% change)	0.06	0.06
<b>Salary growth rate Sensitivity</b>		
Increase by 0.5%	1,15,66,207	10,199,728
(% change)	3.97%	4.48%
Decrease by 0.5%	1,06,56,688	9,359,587
(% change)	-4.21%	-4.13%
<b>Withdrawal rate (W.R.) Sensitivity</b>		
W.R. x 110%	1,11,49,220	9,808,640
(% change)	0.22%	0.47%
W.R. x 90%	1,11,00,329	9,713,730
(% change)	-0.22%	-0.50%





43. Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

a) Names of the related parties and description of relationship;

S.No.	Related Parties	Nature of Relationship
(i)	<b>Key Management Personnel/Individuals having control or significant influence.</b>	
	Mr. Sunil Nyati	Managing Director
	Mrs. Anita Nyati	Whole Time Director
	Mr. Anil Nyati	Non Executive Director
	Mr. Amit Ramesh Gupta**	Former Director
	Mr. Chaitan Raj Doshi*	Former Director
	Mr. Raman Lal Bhutda	Independent Director
	Mr. Sunil Chordia	Independent Director
	Mr. Chandra Shekhar Bobra	Independent Director
	Mr. Parth Nyati	Chief Financial Officer
	Mrs. Shikha Bansal	Company Secretary
(ii)	<b>Other Parties being Relatives of Key Management Personnel with whom transactions have taken place during the year</b>	
	Mr. Devashish Nyati	Relative of Key Management Personnel
	Sita Nyati	Relative of Key Management Personnel
	Late Chandmal Nyati	Relative of Key Management Personnel
	Mrs. Kritika Nyati	Relative of Key Management Personnel
	Mrs. Anju Agwal	Relative of Key Management Personnel
	Mrs. Krishna Prabha Maheshwari	Relative of Key Management Personnel
	Mr. Manish Maheshwari	Relative of Key Management Personnel
	Mrs. Manjubala Baheti	Relative of Key Management Personnel
	Mrs. Vanadana Nyati	Relative of Non Executive Director
	Mr. Vandit Nyati	Relative of Non Executive Director
	Mrs. Megha Nyati	Relative of Non Executive Director
	Mrs. Sangita Chordia	Relative of Independent Director
	Mrs. Shubhika Chordia	Relative of Independent Director
	Mrs. Mohini Chordia	Relative of Independent Director
	Mrs. Tara Mehta	Relative of Independent Director
(iii)	<b>Enterprises owned/controlled by Key Managerial Personnel or individuals having control or significant influence.</b>	
	Sunil Nyati H.U.F.	H.U.F. of Key Management Personnel
	Anil Nyati H.U.F.	H.U.F. of Non Executive Director
	Chandra Shekhar Bobra HUF	H.U.F. of Independent Director
	Webnicks Innovations Pvt. Ltd	Common Director
(iv)	<b>Subsidiary</b>	
	Swastika Commodities Private Ltd.	Wholly Owned Subsidiary Companies
	Swastika Fin-Mart Private Ltd.	Wholly Owned Subsidiary Companies
	Swastika Insurance Broking Services Ltd	Wholly Owned Subsidiary Companies
	Swastika Investmart (IFSC) Pvt. Ltd.	Wholly Owned Subsidiary Companies

b) Details of Transactions during the year with related parties:

S.No.	Related parties	Nature of Relationship	Nature of Transactions during the year	For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	<b>Employee Benefits for Key Management Personnel</b>				
	Mr. Sunil Nyati	Managing Director	Remuneration Paid: Remuneration Provident Fund	3,600,000 151,200	3,600,000 151,200
	Mrs. Anita Nyati	Whole Time Director	Remuneration Paid: Remuneration Provident Fund	1,800,000 151,200	1,800,000 151,200
	Mr. Amit Ramesh Gupta**	Former Director	Remuneration Paid: Remuneration Provident Fund	3,500,000 -	1,800,000 -
	Mr. Chandra Shekhar Bobra	Independent Director	Sitting Fees	20,000	-
	Mr. Raman Lal Bhutda	Independent Director	Sitting Fees	7,500	10,000
	Mr. Parth Nyati	Chief Financial Officer	Salary Provident Fund	2,600,000 151,200	1,800,000 151,200
	Mrs. Shikha Bansal	Company Secretary	Salary Provident Fund	126,000 -	403,309 -
(ii)	<b>Transactions with Subsidiaries</b>				
	Swastika Fin-Mart Private Ltd.	Wholly Owned Subsidiary Companies	Loan Taken	3,531,314.022	3,300,887.400
	Swastika Fin-Mart Private Ltd.	Wholly Owned Subsidiary Companies	Repayment of Loan	3,531,314.022	3,361,441.541
	Swastika Fin-Mart Private Ltd.	Wholly Owned Subsidiary Companies	Interest Paid	11,042.233	7,641.673
	Swastika Commodities Private Ltd.	Wholly Owned Subsidiary Companies	Expenses Recovered	69,560.333	43,718.100
	Swastika Fin-Mart Private Ltd.	Wholly Owned Subsidiary Companies	Expenses Recovered	10,200.000	4,200.000



S.No.	Related parties	Nature of Relationship	Nature of Transactions during the year	For the year ended	For the year ended
				March 31, 2020	March 31, 2019
(iii)	<b>Other Transactions</b>				
	Sunil Nyati H.U.F.	H.U.F. of Key Management Personnel	Rent Paid	300,000	150,000
	Mrs. Kritika Nyati	Relative of Key Management Personnel	Salary	-	100,000
	Mr. Sunil Nyati	Managing Director	Brokerage Received	677	-
	Mrs. Anita Nyati	Whole Time Director	Brokerage Received	7,112	1,736
	Mr. Anil Nyati	Non Executive Director	Brokerage Received	748	15
	Mr. Chain Raj Doshi*	Former Director	Brokerage Received	248	2,163
	Mr. Sunil Choradia	Independent Director	Brokerage Received	28,400	-
	Mr. Parth Nyati	Chief Financial Officer	Brokerage Received	128	318
	Mr. Devashish Nyati	Relative of Key Management Personnel	Brokerage Received	51	998
	Sita Nyati	Relative of Key Management Personnel	Brokerage Received	150	15
	Mrs. Anju Agiwal	Relative of Key Management Personnel	Brokerage Received	2,046	8,634
	Mrs. Krishna Prabha Maheshwari	Relative of Key Management Personnel	Brokerage Received	1,032	1,032
	Mr. Manish Maheshwari	Relative of Key Management Personnel	Brokerage Received	653	653
	Mrs. Manjubala Baheti	Relative of Key Management Personnel	Brokerage Received	1,448	1,448
	Mrs. Vanadana Nyati	Relative of Non Executive Director	Brokerage Received	44	44
	Mr. Vanda Nyati	Relative of Non Executive Director	Brokerage Received	44	44
	Sunil Nyati H.U.F.	H.U.F. of Key Management Personnel	Brokerage Received	9,062	925
	Anil Nyati H.U.F.	H.U.F. of Non Executive Director	Brokerage Received	529	15
	Chandra Shekhar Bobra HUF	H.U.F. of Independent Director	Brokerage Received	15	-

**c) Balances at end of the year with Related Parties.**

S.No.	Related parties	Nature of Relationship	As at March 31,	As at March 31,
			2020	2019
(i)	<b>Debit Balance of Client Ledger</b>			
	Mr. Parth Nyati	Chief Financial Officer	9	-
	Mr. Amit Ramesh Gupta**	Former Director	101	-
	Chandra Shekhar Bobra HUF	H.U.F. of Independent Director	-	163
(ii)	<b>Credit Balance of Client Ledger</b>			
	Mr. Parth Nyati	Chief Financial Officer	-	1,000
	Sunil Nyati H.U.F.	H.U.F. of Key Management Personnel	-	8
	Mrs. Krishna Prabha Maheshwari	Relative of Key Management Personnel	108,528	-
	Mrs. Anju Agiwal	Relative of Key Management Personnel	19,098	-
	Mrs. Manjubala Baheti	Relative of Key Management Personnel	-	114,034
(iii)	<b>Balance of Loan Taken</b>			
	Swastika Fin-Mat Private Ltd.	Wholly Owned Subsidiary Companies	-	-
(iv)	<b>Investments in Subsidiaries</b>			
	Swastika Commodities Private Ltd.	Wholly Owned Subsidiary Companies	70,415,000	70,415,000
	Swastika Fin-Mat Private Ltd.	Wholly Owned Subsidiary Companies	21,100,400	21,100,400
	Swastika Insurance Broking Services Ltd.	Wholly Owned Subsidiary Companies	7,498,500	498,500
	Swastika Investmat (IFSC) Pvt. Ltd.	Wholly Owned Subsidiary Companies	100,000	100,000

**Terms and Conditions of transactions with Related Parties:**

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

\* Mr. Chain Raj Doshi has been resigned from the position of Independent Director w.e.f July 31, 2019

\*\* Mr. Amit Ramesh Gupta has been resigned from the position of Whole Time Director w.e.f May 31, 2019

**44. IMPACT OF COVID-19**

Spread of COVID-19 has effected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenges in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets. The company does not anticipate any additional liability as at the Balance Sheet date. However the impact assessment of COVID-19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

**45. The previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's classifications.**

As per our Separate Report Attached  
For R.S. Bansal & Co.  
Chartered Accountants  
FRN : 000939C

Vijay Bansal  
Partner  
M. No. 075344

Place: Indore  
Date : 28 July, 2020

UDIN: 20075344 AAAABR3449



For & on behalf of the Board of Directors  
Swastika Investment Limited

Sunil Nyati  
(Managing Director)  
DIN : 00015969

Anita Nyati  
(Whole Time Director)  
DIN : 01454595

Parth Nyati  
(Chief Financial Officer)

Shikha Bansal  
(Company Secretary)



## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER 2020

(Rs. in lakhs, except EPS)

S. No	Particulars	Quarter Ended			Half Year Ended		Financial Year
		30 September 2020 (Unaudited)	30 June 2020 (Unaudited)	30 September 2019 (Unaudited)	30 September 2020 (Unaudited)	30 September 2019 (Unaudited)	31 March 2020 (Audited)
1	Revenue from Operations						
a)	Fees and commission Income	1363.45	1114.75	619.90	2478.20	1164.77	2,645.40
b)	Interest Income	205.75	103.92	160.66	309.67	322.10	572.41
c)	Dividend Income	0.80	0.12	12.05	0.92	13.10	19.22
d)	Net gain on fair value changes	(1.65)	1.65	0.57	0.00	2.04	
e)	Sale of Shares and Securities/ sales of services	8.14	5.10	9.47	13.24	9.47	34.11
f)	Others (to be specified)	100.07	121.11	74.23	221.18	138.41	276.38
	Total revenue from operations	1,676.56	1,346.65	876.88	3,023.21	1,649.89	3,547.52
2	Other Income	7.58	10.51	22.24	18.09	47.33	77.87
3	Total Income (1+2)	1,684.14	1,357.16	899.12	3,041.30	1,697.22	3,625.39
4	Expenses:						
a)	Fees and commission expense	557.00	361.5	202.62	918.50	372.73	916.41
b)	Finance Costs	60.60	38.56	89.56	99.16	161.97	289.41
c)	Impairment on financial Instruments	3.85	(12.35)	2.66	(8.80)	(2.84)	(0.24)
d)	Net loss on fair value changes	(2.65)	-	-	(2.66)	-	0.82
e)	Purchase of Shares and securities	12.08	7.12	9.41	19.20	10.43	12.26
f)	Changes in Inventory of Shares and Securities	(6.98)	(6.60)	6.65	(13.59)	5.59	30.80
g)	Employee Benefits Expenses	444.30	415.03	318.76	859.34	615.88	1332.40
h)	Depreciation and Amortisation expense	20.86	26.58	23.94	47.45	48.06	99.46
i)	Other Expenses	203.55	140.07	276.05	343.61	490.78	1,128.08
	Total Expenses	1,292.60	969.91	929.66	2,262.51	1,702.60	3,809.40
5	Profit / (Loss) from ordinary activities before Exceptional Items (3-4)	391.54	387.25	(30.54)	778.79	(5.38)	(184.01)
6	Exceptional Items						
7	Profit / (Loss) before tax (5+/- 6)	391.54	387.25	(30.54)	778.79	(5.38)	(184.01)
8	Tax Expense						
	- Current tax	88.29	64.64	(0.53)	152.93	8.76	5.47
	- Deferred tax	(2.21)	1.86	3.51	(0.35)	(1.67)	(4.47)
	Total Tax Expenses	86.08	66.5	2.98	152.58	7.09	1.00
9	Profit / (Loss) for the period (7 +/- 8)	305.46	320.75	(33.52)	626.21	(12.47)	(185.01)
10	Other Comprehensive Income, net of income tax						
	(i) Items that will not be reclassified to Profit or Loss	21.93	57.94	(62.52)	79.87	(119.33)	(274.50)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(1.20)	(6.62)	19.04	(7.82)	35.41	92.93
	Total Other Comprehensive Income, net of income tax	20.73	51.32	(43.48)	72.06	(83.92)	(181.57)
11	Total Comprehensive Income for the period (9 +/- 10)	326.19	372.08	(77.00)	698.27	(96.39)	(366.58)
12	Paid-up equity share capital ( face value of Rs 10/- per share )	295.97	295.97	295.97	295.97	295.97	295.97
13	Reserves (excluding Revaluation Reserve)						1731.29
14	Earning per share (EPS) (of Rs 10/- each ) (not annualised)						
	Basic/ Diluted EPS	10.32	10.84	(1.13)	21.16	(0.42)	(6.25)

**Notes:**

1) The above unaudited results for the Quarter and Half Year ended September 30, 2020 were reviewed and recommended by the Audit Committee and approved by the Board of Directors in its meeting held on 10<sup>th</sup> November, 2020. The above results have been reviewed by statutory Auditors of the company in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

2) This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.


3) The company has one reporting segment on standalone basis i.e. Boking and related activities.

4) The figures of the previous period / year have been re-stated/ re-grouped / re-arranged/ reclassified and / or recasted wherever found necessary.

5) The company is in process to merge one of its wholly owned subsidiary company i.e. M/s. Swastika Commodities Pvt. Ltd., member of MCX, NCDEX and ICEX in the company.

\* The aforesaid Un-audited financial Results will be uploaded on the Company's website [www.swastika.co.in](http://www.swastika.co.in) and will also be available on the websites of the Stock exchange i.e. [www.bseindia.com](http://www.bseindia.com) for the benefit of shareholders and investors.

On behalf of the Board of Directors  
For Swastika Investmart Limited

  
Sunil Nyati (DIN:00015963)  
Managing Director



Date: 10<sup>th</sup> November, 2020

Place: Indore



STATEMENT OF STANDALONE UNAUDITED ASSETS AND LIABILITIES AS AT 30TH SEPTEMBER 2020			
S. No.	PARTICULARS	As at 30th Sept. 2020	As at 31st March 2020
		(Unaudited)	(Audited)
<b>A</b>	<b>ASSETS</b>		
	<b>Financial Assets</b>		
(a)	Cash and Cash Equivalent	417.27	1483.53
(b)	Bank Balance Other Than (a) Above	6278.51	3654.51
(c)	Receivables		
	(i) Trade Receivables	1564.18	1222.94
	(ii) Other Receivables	-	-
(d)	Loans	38.65	166.42
(e)	Investments	1301.65	1217.45
(f)	Other Financial Assets	2933.00	890.86
	<b>Sub-total</b>	<b>12,533.26</b>	<b>8,635.71</b>
	<b>Non Financial Assets</b>		
(a)	Inventories	68.47	54.88
(b)	Current Tax Assets (net)	109.61	178.25
(c)	Deferred Tax Assets (net)	35.24	42.21
(d)	Property, Plant and Equipment	327.78	348.60
(e)	Other Intangible Assets	36.32	40.93
(f)	Other Non Financial Assets	117.49	98.05
	<b>Sub-total</b>	<b>694.90</b>	<b>762.92</b>
	<b>TOTAL- ASSETS</b>	<b>13,228.16</b>	<b>9,398.63</b>
<b>B</b>	<b>LIABILITIES AND EQUITY</b>		
	<b>LIABILITIES</b>		
<b>1</b>	<b>Financial Liabilities</b>		
(a)	Payables		
	(i) Trade Payables		
	(i) Total Outstanding Dues Of Micro Enterprise And Small Enterprise		
	(ii) Total Outstanding Dues Of Creditors Other Than Micro Enterprise And Small Enterprise	8117.25	-
	(ii) Other Payables		
	(i) Total Outstanding Dues Of Micro Enterprise And Small Enterprise		4934.72
	(ii) Total Outstanding Dues Of Creditors Other Than Micro Enterprise And Small Enterprise		
(b)	Debt Securities		
(c)	Borrowings (Other Than Debt Securities)	1129.66	1,397.04
(d)	Other financial liabilities(to be specified)	1015.99	923.65
	<b>Sub-total</b>	<b>10,262.89</b>	<b>7,255.37</b>
<b>2</b>	<b>Non-Financial Liabilities</b>		
(a)	Current Tax Liabilities (Net)		
(b)	Provisions	130.44	43.35
(c)	Deferred Tax Liabilities (Net)		
(d)	Other Non-Financial Liabilities	107.02	70.37
	<b>Sub-total</b>	<b>237.46</b>	<b>113.72</b>
	<b>TOTAL- LIABILITIES</b>	<b>10,500.35</b>	<b>7,369.09</b>
	<b>EQUITY</b>		
(a)	Equity share capital	298.26	298.25
(b)	Other Equity	2429.55	1,731.29
	<b>TOTAL- EQUITY</b>	<b>2,727.81</b>	<b>2,029.54</b>
	<b>TOTAL- EQUITY AND LIABILITIES</b>	<b>13,228.16</b>	<b>9,398.63</b>


  
 SRIKANTA INVESTMART LTD.

**N.P. AIRAN & CO.****CHARTERED ACCOUNTANTS****N.P. AIRAN**  
M.Com, F.C.A.☎ : 2529794  
(M): 94074-13950  
315, Silver Sanchora Castle  
R.N.T. Marg, Indore**INDEPENDENT AUDITOR'S REPORT****To**  
**The Members**  
**Swastika Commodities Private Limited**  
**Report on the Audit of Financial Statements****OPINION**

We have audited the accompanying Financial Statements of **Swastika Commodities Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

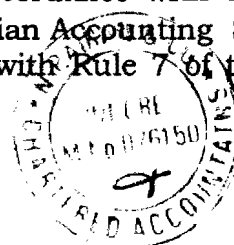
**BASIS FOR OPINION**

We conducted our audit in accordance with the standards on auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and statement of changes in equity of the company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

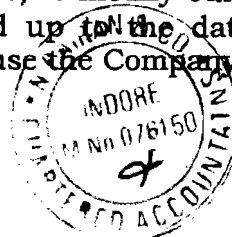
The board of directors are also responsible for overseeing the Company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind As) prescribed under section 133 of the Act read with Rule 7 of the Companies (Account) Rules, 2014;
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure-B"**; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;



- a. The Company does not have any pending litigations which would impact its financial position;
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N.P. Airan & Co.**

**Chartered Accountants**

**FRN - 07116C**

**N.P. Airan**

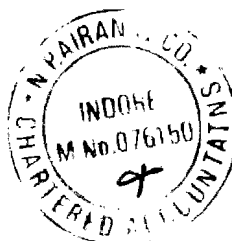
**Proprietor**

**Membership No.076150**

**UDIN - 2076150AAAABN1773**

**Place: Indore**

**Date: 18.07.2020**



**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swastika Commodities Private Limited for the year ended March 31, 2020**

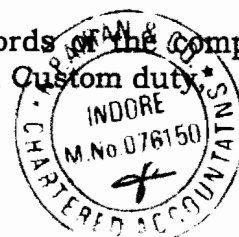
**(Referred in paragraph 1 under the heading "Report on other Legal and Regulatory Requirement" of our report of even date to the members of Swastika Commodities Private Limited for the year ended 31<sup>st</sup> March, 2020)**

- (I) (a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
- (b) As informed to us, the management of the Company has physically verified the fixed assets at reasonable intervals, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded in the books of account of the Company are held in the name of the company.
- (II) As explained to us, the Company does the business of commodity broking and commission, hence inventory of the company comprises Agri-Commodities Food Grain, which have been physically verified during the year by the management at reasonable intervals and there were no material discrepancies noticed on physical verification of stock as compared to book records.
- (III) As per the information and explanation given to us, the Company has granted unsecured loan to Swastika Fin-Mart Private Limited (Fellow Subsidiary) being the company covered in the register maintained under section 189 of the Companies Act, 2013.

As per the information provided to us, the other terms & condition of the grant of such loan are not prejudicial to the interest of the company.

- (IV) According to the information and explanation given to us in respect of loans, investments, guarantees and securities, the company has complied with all the provisions of section 185 and section 186 of the Act.
- (V) In our opinion and as per the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under to the extent notified.
- (VI) As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- (VII) (a) According to the information and explanation given to us, and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income Tax, Duties of Customs, Duties of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues as applicable to it with appropriate authorities. There are no undisputed statutory dues payable which are outstanding as at March 31st, 2020 for a period of more than 6 months from the date they became payable.

- (b) According to the information given to us, and the records of the company examined by us, there are no dues of Income tax, Sales Tax, Custom duty,



Excise duty, Value added tax, Goods and Service Tax, Cess and Professional tax which have not been deposited with appropriate authorities on account of any dispute.

- (VIII) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (IX) According to information and explanation given to us, the company has not raised money by way of Initial/Further Public Offer and no term loan has been obtained by the company during the year.
- (X) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (XI) According to the information and explanation given to us, and based on documents provided to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- (XII) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it; the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (XIII) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act. The details of such transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- (XIV) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year.
- (XV) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or Persons connected with them.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N.P. Airan & Co.**

**Chartered Accountants**

**FRN - 07116C**

**N.P. Airan**

**Proprietor**

**Membership No.076150**

**UDIN - 2076150AAAABN1773**



**Place: Indore**

**Date: 18.07.2020**

**Annexure B to the Independent Auditor's Report of even date on the of Swastika Commodities Private Limited for the year ended March 31, 2020**

**Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Swastika Commodities Private Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

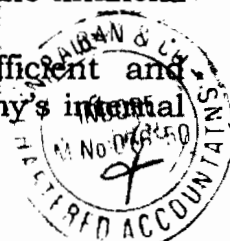
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



### **Meaning of Internal Financial Controls with reference to financial statements**

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

**For N.P. Airan & Co.**

**Chartered Accountants**  
**FRN - 07116C**

**N.P. Airan**  
**Proprietor**  
**Membership No. 076150**  
**UDIN - 2076150AAAABN1773**



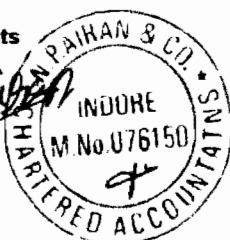
**Place: Indore**  
**Date: 18.07.2020**

SWASTIKA COMMODITIES PRIVATE LIMITED			
BALANCE SHEET AS AT MARCH 31, 2020			
CIN : U01112MH1996PTC304882			
(₹)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and Cash Equivalents	2	12,30,51,997	5,32,58,292
(b) Bank Balance other than (a) above	3	21,19,13,986	22,46,46,580
(c) Receivables			
(i) Trade Receivables	4	4,20,02,948	2,88,45,076
(d) Investments	5	4,93,135	8,45,150
(e) Other Financial Assets	6	4,20,07,981	4,07,47,038
<b>Total Financial Assets</b>		<b>41,94,70,047</b>	<b>34,83,42,136</b>
<b>2. Non-Financial Assets</b>			
(a) Inventories	7	-	57,840
(b) Current Tax Assets (Net)	8	23,28,151	58,68,116
(c) Deferred tax Assets (Net)	9	-	1,07,161
(d) Property, Plant and Equipment	10	3,52,63,174	3,58,45,112
(e) Other Intangible Assets	10	7,18,088	8,15,588
(f) Other Non-Financial assets	11	1,24,733	6,78,823
<b>Total Non-Financial Assets</b>		<b>3,84,34,146</b>	<b>4,33,72,640</b>
<b>TOTAL ASSETS</b>		<b>45,79,04,193</b>	<b>39,17,14,776</b>
<b>II. LIABILITIES AND EQUITY</b>			
<b>1. LIABILITIES</b>			
<b>Financial Liabilities</b>			
(a) Payables			
(i) Trade Payables			
1. Total Outstanding dues of Micro Enterprises and Small Enterprises		-	-
2. Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	12	32,54,40,183	26,58,31,557
(b) Borrowings	13	4,20,50,000	4,28,17,109
(c) Other Financial Liabilities	14	1,50,42,937	96,47,522
<b>Total Financial Liabilities</b>		<b>38,25,33,120</b>	<b>31,82,96,188</b>
<b>Non-Financial Liabilities</b>			
(a) Deferred Tax Liabilities (Net)	15	2,23,502	-
(b) Other Non-Financial Liabilities	16	14,81,110	13,12,792
<b>Total Non-Financial Liabilities</b>		<b>17,04,612</b>	<b>13,12,792</b>
<b>2. EQUITY</b>			
(a) Equity Share Capital	17	61,00,000	61,00,000
(b) Other Equity	18	6,75,66,461	6,60,05,796
<b>Total Equity</b>		<b>7,36,66,461</b>	<b>7,21,05,796</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>45,79,04,193</b>	<b>39,17,14,776</b>
Significant Accounting Policies	1		
Other Notes to Financial Statements	2-40		

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants

FRN : 07116C

N.P. Airan  
Proprietor  
M.No.076150

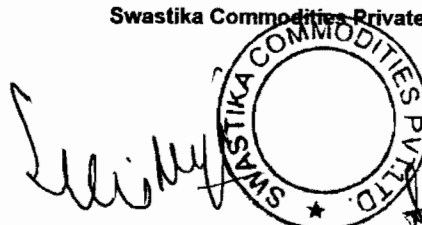


Place: Indore

Date: July 18, 2020

VDP 20076150AABH 1773

For & on behalf of the Board of Directors  
Swastika Commodities Private Limited



Sunil Nyati  
Director  
DIN : 00015963

Anil Nyati  
Whole Time Director  
DIN : 00057314

SWASTIKA COMMODITIES PRIVATE LIMITED			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2020			
CIN : U01112MH1996PTC304882			
(₹)			
Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I. Revenue from Operations</b>			
Interest Income	19	2,50,43,417	1,90,43,839
Fees and commission Income	20	8,13,84,797	5,76,08,594
Sale of Shares and Securities	21	63,624	27,598
Dividend Income		21,108	16,321
Other Revenue from Operation	22	9,98,641	56,85,180
<b>Total Revenue from Operations</b>		<b>10,75,11,587</b>	<b>8,23,81,532</b>
<b>II. Other income</b>	23	21,96,203	2,18,242
<b>III. Total Revenue (I+II)</b>		<b>10,97,07,790</b>	<b>8,25,99,774</b>
<b>IV. Expenses:</b>			
Finance Cost	24	45,32,944	43,31,473
Fees and commission expense	25	2,43,85,254	1,80,78,919
Impairment on financial instruments	26	63,357	80,467
Purchase of Shares and Securities		-	84,440
Changes in Inventory of Shares and Securities		57,840	(57,840)
Employee Benefits Expenses	27	5,04,75,216	3,03,36,255
Depreciation & amortization expenses	10	6,79,440	2,19,427
Other Expenses	28	2,45,96,302	1,93,34,313
<b>Total Expenses</b>		<b>10,47,90,353</b>	<b>7,24,07,454</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>49,17,437</b>	<b>1,01,92,320</b>
<b>VI. Exceptional Items</b>			
<b>VII. Profit/(Loss) before tax (V -VI)</b>		<b>49,17,437</b>	<b>1,01,92,320</b>
<b>VIII. Tax expenses:</b>			
(1) Current Tax			
of Current Year		7,67,121	-
of Earlier Years		19,06,973	-
(2) Deferred Tax		1,87,228	3,49,543
<b>IX. Profit/(Loss) for the Period (VII-VIII)</b>		<b>20,56,115</b>	<b>98,42,777</b>
<b>X. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss		(3,52,015)	(89,800)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(1,43,435)	24,982
		(4,95,450)	(64,818)
<b>XI. Total Comprehensive Income for the period (IX+X)</b> (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		<b>15,60,665</b>	<b>97,77,959</b>
<b>XII. Earning per Equity Share:</b>	29		
(1) Basic		3.37	16.14
(2) Diluted		3.37	16.14
Significant Accounting Policies	1		
Other Notes to Financial Statements	2-40		

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants  
FRN : 07116C

N.P. Airan  
Proprietor  
M.No.076150

Place: Indore  
Date: July 18, 2020

VDPV 20076150A AAAABN1773

For & on behalf of the Board of Directors  
Swastika Commodities Private Limited

Sunil Nyati  
Director  
DIN : 00015963

Anil Nyati  
Whole Time Director  
DIN : 00057314

SWASTIKA COMMODITIES PRIVATE LIMITED					
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020					
CIN : U01112MH1996PTC304882					
A. Equity Share Capital					(₹)
Particulars					Equity Share Capital
As at March 31, 2019					6,100,000
Changes in Equity Share Capital during the year					-
As at March 31, 2020					6,100,000
Changes in Equity Share Capital during the year					-
B. Other Equity					(₹)
Particulars	Reserve & Surplus			Equity Instruments through OCI	Total
	General Reserves	Securities Premium Reserve	Retained Earnings		
April 1, 2018	4,000,000	66,847,000	(14,096,012)	(523,151)	56,227,837
Profit for the year	-	-	9,842,777	-	9,842,777
Other Comprehensive Income	-	-	-	(64,818)	(64,818)
Balance as at 31 March, 2019	4,000,000	66,847,000	(4,253,235)	(587,969)	66,005,796
Profit for the year	-	-	2,056,115	-	2,056,115
Other Comprehensive Income	-	-	-	(495,450)	(495,450)
Balance as at 31 March, 2020	4,000,000	66,847,000	(2,197,120)	(1,083,419)	67,566,461

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants  
FRN : 07116C

N.P. Airan  
Proprietor  
M.No.076150

Place: Indore  
Date: July 18, 2020



For & on behalf of the Board of Directors  
Swastika Commodities Private Limited

*Sunil Nyati*

Sunil Nyati  
Director  
DIN : 00015963



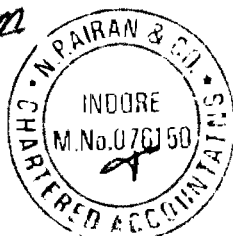
Anil Nyati  
Whole Time Director  
DIN : 00057314



SWASTIKA COMMODITIES PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020		
CIN : U01112MH1996PTC304882		
(₹)		
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow from Operating Activities:</b>		
Profit before Income Tax :	49,17,437	1,93,34,313
Adjustments for:		
Depreciation	6,79,440	2,19,427
Financial Charges	30,36,334	36,19,435
Dividend Income		(16,323)
Interest Income	(2,79,467)	(1,87,43,242)
Operating Profit before Working Capital Changes	83,53,744	44,13,610
Increase in Trade Payables and other Liabilities	6,51,72,352	6,63,56,410
Decrease/(Increase) in Inventories	57,840	(57,840)
Decrease in Trade Receivable	(1,31,57,867)	29,03,798
(Increase) in Financial and Other Assets	1,20,25,741	(2,93,29,007)
Cash Generated from Operations	7,24,51,810	4,42,86,971
Income Tax Paid	8,65,872	(23,51,215)
<b>Net Cash (Outflow)/Inflow from Operating Activities ( A )</b>	<b>7,33,17,682</b>	<b>4,19,35,756</b>
<b>B. Cash Flows From Investing Activities</b>		
Payments for Property, Plant and Equipment	-	(1,50,78,106)
Fixed Deposit	-	68,75,000
Dividends Received	-	16,323
Interest Received	2,79,467	1,87,43,242
<b>Net Cash (Outflow)/Inflow from Investing Activities ( B )</b>	<b>2,79,467</b>	<b>1,05,56,459</b>
<b>C. Cash Flows from Financing Activities:</b>		
Increase/(Decrease) from Short Term Borrowings	(7,67,110)	(89,64,869)
Interest Paid	(30,36,334)	(36,19,435)
<b>Net Cash Inflow from Financing Activities ( C )</b>	<b>(38,03,444)</b>	<b>(1,25,84,304)</b>
<b>Net increase (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>6,97,93,705</b>	<b>3,99,07,911</b>
Cash and Cash Equivalents at the Beginning of the Financial Year	5,32,58,292	2,24,92,374
<b>Cash and Cash Equivalents at end of the Year</b>	<b>12,30,51,997</b>	<b>6,24,00,285</b>

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants  
FRN : 07118C

N.P. Airan  
Proprietor  
M.No.076150



Place: Indore  
Date: July 18, 2020

V DIN 20076150 AAAABN 1773

For & on behalf of the Board of Directors  
Swastika Commodities Private Limited

Sunil Nyati  
Director  
DIN : 00015963

Anil Nyati  
Whole Time Director  
DIN : 00057314

## Notes to Financial Statements

### Note- 1: Company Overview, Basis of preparation and Significant Accounting Policies

#### (A) Company Overview

"Swastika Commodities Private Limited" ( the Company ) was incorporated in 1996, as a private limited company under the provisions of the Companies Act, 1956. The Company is domiciled in India having Registered Office at Flat No. 18, North Wing, Madhaveshwar Co-op. Hsg. Society, S.V. Road, Andheri(W), Mumbai - 400058.

The Company is engaged in rendering services pertaining to Commodity Broking and Related Activities.

#### (B) Basis of Preparation of Financial Statements

##### (i) Statement of Compliance :

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### (ii) Basis of Preparation:

##### a) Compliance with Ind AS

These Financial Statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2020 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements have been approved for issue by the Company's Board of Directors at their meeting held on 18 July, 2020. These financial statements are presented in Indian Rupees (INR), which is also the functional and presentation currency.

##### b) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention, except in case of significant uncertainties and except for the following:

- Certain Financial Assets and Liabilities that are measured at fair value;
- Investments are measured at fair value.

##### c) Significant Accounting Policies

##### (i) Fair Value Measurement

The Company measures financial instruments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an Asset or paid to transfer a Liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the Asset or transfer the Liability takes place either:

- In the principal market for the Asset or Liability., or
- In the absence of a principal market, in the most advantageous market for the Asset or Liability.

The principal or the most advantageous market must be accessible by the Company.

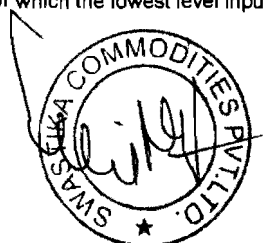
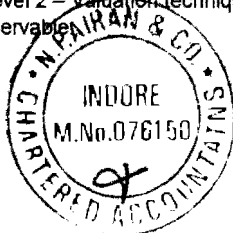
The fair value of an Asset or a Liability is measured using the assumptions that market participants would use when pricing the Asset or Liability assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial Asset takes into account a market participant's ability to generate economic benefits by using the Asset in its highest and best use or by selling it to another market participant that would use the Asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All Assets and Liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active market for identical Assets or Liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.



- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement.

For Assets and Liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of Assets and Liabilities on the basis of the nature, characteristics and risks of the Asset or Liability, and the level of the fair value hierarchy as explained above.

#### (ii) Revenue Recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur. Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an Asset) to a customer. An Asset is transferred when (or as) the customer obtains control of that Asset. When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

a) Income from Broking Activities is recognized as per contracted rates on the execution of transactions on behalf of the clients on the trade date and is exclusive of Service Tax/ Goods and Services Tax and Commodity Transaction Tax (CTT) wherever applicable.

b) Income from sales of commodities are recognized on the date of the relevant transactions.

c) Income from Delay Pay in Charges and Interest is recognized on a time proportion basis.

d) Dividend income is recognized only when the right to receive is established.

#### (iii) Property, Plant and Equipment (PPE)

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment, if any. Cost includes professional fees related to the acquisition of PPE and for qualifying Assets, borrowing costs capitalized in accordance with the company's accounting policy.

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

Depreciation is recognized using Straight Line Method so as to write off the cost of the Assets (other than freehold land and properties under construction) less their residual values over their useful lives specified in Schedule II to the Companies Act, 2013, or in the case of Assets where the useful life was determined by technical evaluation, over the useful life so determined. Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the Asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

Where cost of a part of the Asset ("Asset component") is significant to total cost of the Asset and useful life of that part is different from the useful life of the remaining Asset, useful life of that significant part is determined separately and such Asset component is depreciated over its separate useful life.

Depreciation on additions to/deductions from, owned Assets is calculated pro rata to the period of use.

Freehold land is not depreciated.

The estimated useful life of Property, Plant and Equipment is mentioned below:

Asset Class	Estimated Useful Life (Years)
Building	30
Office Equipment	10
V-Sat	13

#### (iv) Intangible Assets

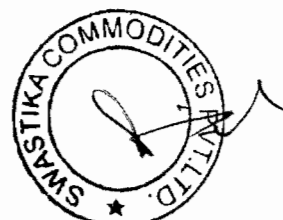
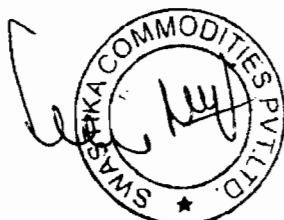
On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and used those carrying value as the deemed cost of the intangible assets.

An Intangible Asset shall be recognized if, and only if:

(a) it is probable that the expected future economic benefits that are attributable to the Asset will flow to the Company; and

(b) the cost of the Asset can be measured reliably. All other expenditure is expensed as incurred.

Computer software is capitalized where it is expected to provide future enduring economic benefits. Capitalization costs include license fees and costs of implementation/ system integration services. The costs are capitalized in the year in which the relevant software is implemented for use. The same is amortized over a period of its estimated useful life on Straight-Line Method.



Other Intangible Assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on Straight-Line Method. The amortization period and the amortization method for an intangible Asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

#### (v) Inventories

Stock-in-Trade of commodities are valued at lower of the cost or market value.

#### (vi) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the Effective Interest Method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

#### (vii) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying Asset are capitalized during the period of time that is required to complete and prepare the Asset for its intended use or sale. Qualifying Assets are Assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying Assets is deducted from the borrowing cost eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

#### (viii) Employee Benefits

##### Short term obligations:

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

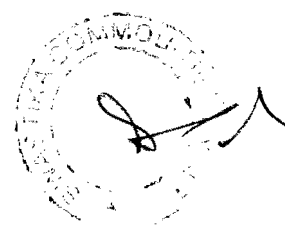
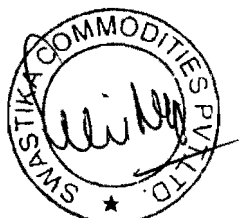
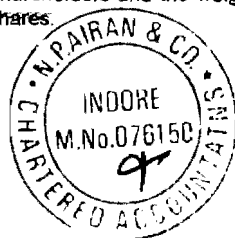
#### (ix) Leases

Ind AS 116 'Leases' has been introduced effective from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases operating and finance lease.

#### (x) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share, is the net profit for the period. The weighted average number equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.



**(xi) Income Tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for the jurisdiction adjusted by changes in deferred tax Assets and Liabilities attributable to temporary differences, to unused tax losses and unabsorbed depreciation.

Current and deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income."

Provision for Income tax is made on the basis of the estimated taxable income for the current accounting period in accordance with the Income-tax Act, 1961 and Revised Income Computation and Disclosure Standards (ICDS) of the Income-tax Act, 1961.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the Liability Method, on temporary differences arising between the tax bases of Assets and Liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax Asset is realized or the deferred income tax Liability is settled. The carrying amount of deferred tax Assets is reviewed at each reporting date and adjusted to reflect changes in probability that sufficient taxable profits will be available to allow all or part of the Asset to be recovered. Deferred tax Assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. Deferred tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax Assets and Liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**(xii) Impairment of Assets**

The Company assesses at each Balance Sheet date whether there is any indication that an Asset may be impaired. If any such indication exists, the management estimates the recoverable amount of the Asset. If such recoverable amount of the Asset or the recoverable amount of the cash generating unit to which the Assets belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed, and the Asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

**(xiii) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate Asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent Liability is disclosed in the case of:

- a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities and contingent Assets are reviewed at each Balance Sheet date.

**(xiv) Financial Instruments**

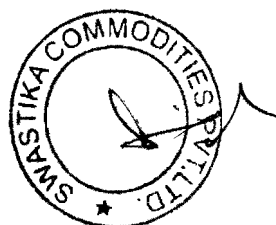
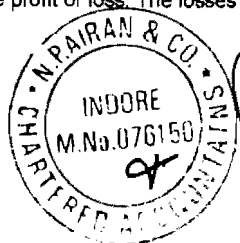
A Financial Instrument is any contract that gives rise to a financial Asset of one entity and a financial Liability or equity instrument of another entity.

**Financial Assets****Initial Recognition and Measurement**

At initial recognition, all Financial Assets are measured at fair value. Such Financial Assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

**(a) Financial Assets at Amortized Cost**

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These Financial Assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial Asset. The EIR amortization is included as interest income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.



### (b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in Other Comprehensive Income (OCI). Interest income calculated using the Effective Interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss, if any, are recognized in the Statement of Profit and Loss. On de-recognition of the Asset, cumulative gain or loss previously recognized in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

### (c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial Assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognized in the Statement of Profit and Loss.

#### Trade Receivables

A Receivable is classified as a 'Trade Receivable' if it is in respect to the amount due from customers in the ordinary course of business. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of Financial Assets. The estimated impairment losses are recognized in a separate provision for impairment and the impairment losses are recognized in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognized in provision for impairment and the change in impairment losses are recognized in the Statement of Profit and Loss within other expenses.

#### Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Other Comprehensive Income.

#### Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- (a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- (b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables Company applies 'Simplified Approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

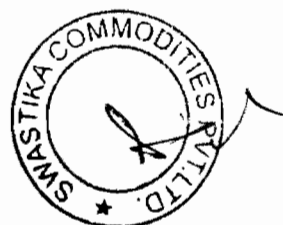
For other Assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

#### De-recognition of Financial Asset

Financial Asset is primarily derecognized when:

- (i) The right to receive cash flows from Asset has expired, or
- (ii) The Company has transferred its right to receive cash flows from the Asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
  - a) The Company has transferred substantially all the risks and rewards of the Asset, or
  - b) The Company has neither transferred nor retained substantially all the risks and rewards of the Asset, but has transferred control of the Asset.

When the Company has transferred its right to receive cash flows from an Asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the Asset, nor transferred control of the Asset, the Company continues to recognize the transferred Asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated Liability. The transferred Asset and the associated Liability are measured on a basis that reflects the rights and obligations that the Company has retained.



## Financial Liabilities

### Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

### Subsequent Measurement

Financial liabilities are classified as either financial liabilities at FVTPL or 'Other Financial Liabilities':

#### (a) Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial Liability is held for trading or are designated upon initial recognition as FVTPL. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

#### (b) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the Effective Interest Method.

The Effective Interest Method is a method of calculating the amortized cost of a financial Liability and of allocating interest expense over the relevant period. The Effective Interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the Effective Interest rate, transaction costs and other premiums or discounts) through the expected life of the financial Liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### De-recognition of Financial Liability

A Financial Liability is derecognized when the obligation under the Liability is discharged or cancelled or expires. The difference between the carrying amount of a financial Liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash Assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

### (xv) Cash Flow Statement

#### A) Cash and Cash Equivalent

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B) Statement of Cash Flows is prepared in accordance with the Indirect Method prescribed in the relevant Accounting

### (xvi) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgments which have significant effect on the amounts recognized in the financial statement.

#### a. Income Taxes

Judgment of the Management is required for the calculation of provision for Income Taxes and deferred tax Assets and Liabilities. The company reviews at each Balance Sheet date the carrying amount of deferred tax Assets and Liabilities. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the Financial Statements.

#### b. Contingencies

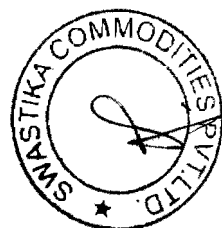
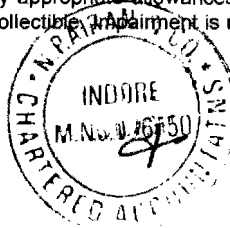
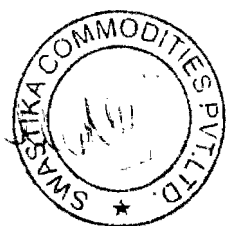
Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

#### c. Provision

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

#### d. Allowance for uncollected accounts receivable and advances

Trade receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the Financial Assets.



**2. CASH & CASH EQUIVALENTS**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Balance with Banks in Current Accounts	12,23,37,073	5,25,56,992
Cash on Hand	7,14,924	7,01,300
<b>Total</b>	<b>12,30,51,997</b>	<b>5,32,58,292</b>

**3. BANK BALANCES (other than cash and cash equivalents)**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Bank Fixed Deposits Account less than 12 Months for maturity	21,02,48,500	22,26,75,500
Deposits with Bank with original maturity for more than 12 months	-	-
Accrued Interest	16,65,486	19,71,080
<b>Total</b>	<b>21,19,13,986</b>	<b>22,46,46,580</b>

**4. TRADE RECEIVABLES**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(a) Secured, Considered Good		
(b) Unsecured, Considered Good	4,20,02,948	2,88,45,076
(c) Receivables have significant increase in Credit Risk	1,43,824	80,467
	4,21,46,772	2,89,25,543
Less: Allowance for Impairment Losses	(1,43,824)	(80,467)
<b>Total</b>	<b>4,20,02,948</b>	<b>2,88,45,076</b>

**6. OTHER FINANCIAL ASSETS**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Accrued Income	1,19,216	98,615
TDS Receivable from Stock Exchange	14,62,933	7,48,835
Other Receivable	3,19,12,089	3,13,85,845
Deposit with Exchange	73,37,500	73,37,500
Other Deposit	11,76,243	11,76,243
<b>Total</b>	<b>4,20,07,981</b>	<b>4,07,47,038</b>

**7. INVENTORIES**

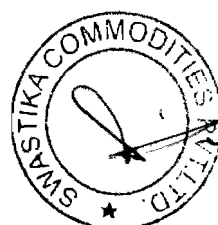
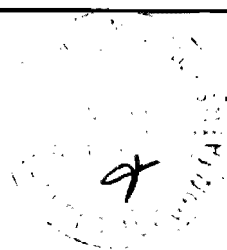
(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Stock In Trade	-	57,840
<b>Total</b>	<b>-</b>	<b>57,840</b>

**8. CURRENT TAX ASSETS (NET)**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Income Tax Refund	6,89,769	35,72,277
Advance Tax	-	4,50,000
Tax Deducted at Source	24,05,503	18,45,839
Less: Income Tax Provision	(7,67,121)	-
<b>Total</b>	<b>23,28,151</b>	<b>58,68,116</b>





## 5. INVESTMENTS

(₹)

Particulars	Face Value	As at March 31, 2020		As at March 31, 2019	
		No. of Share	Value	No. of Share	Value
Non Trade Investments -Quoted Equity Instruments (At FVTOCI)					
Larsen & Toubro Ltd.	2	500	4,03,135	500	6,92,850
Tata Teleservices (Maharashtra) Ltd	10	50,000	90,000	50,000	1,52,500
<b>Total Value of Quoted Investments</b>			<b>4,93,135</b>		<b>8,45,150</b>

## 10. PROPERTY, PLANT AND EQUIPMENT

March 31,2020

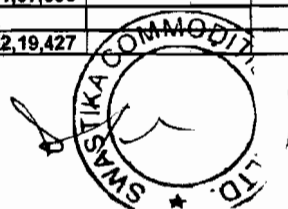
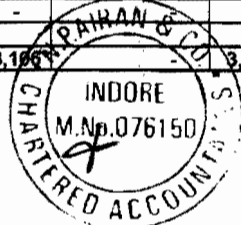
(₹)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 01.04.2019	Additions	Deductions/ Adjustments	As at 31.03.2020	As at 01.04.2019	Dep. for the Year	Deductions/ Adjustments	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019
<b>A. Tangible Assets</b>										
Land	2,11,01,553	-	-	2,11,01,553	-	-	-	-	2,11,01,553	2,11,01,553
Building	1,44,92,114	-	-	1,44,92,114	19,852	4,83,070	-	5,02,922	1,39,89,192	1,44,72,262
Office Equipment	83,760	-	-	83,760	1,583	8,376	-	9,959	73,801	82,177
V-Sat	3,70,105	-	-	3,70,105	1,80,985	90,492	-	2,71,477	98,628	1,89,120
<b>Total - A</b>	<b>3,60,47,532</b>	<b>-</b>	<b>-</b>	<b>3,60,47,532</b>	<b>2,02,420</b>	<b>5,81,938</b>	<b>-</b>	<b>7,84,358</b>	<b>3,52,63,174</b>	<b>3,58,45,112</b>
<b>B. Other Intangible Assets</b>										
Membership ( ICEX)	2,50,000	-	-	2,50,000	18,750	12,500	-	31,250	2,18,750	2,31,250
Membership NCDEX	2,10,417	-	-	2,10,417	50,000	25,000	-	75,000	1,35,417	1,60,417
Membership MCX	5,04,167	-	-	5,04,167	1,00,000	50,000	-	1,50,000	3,54,167	4,04,167
Computer Software	59,754	-	-	59,754	40,000	10,000	-	50,000	9,754	19,754
<b>Total - B</b>	<b>10,24,338</b>	<b>-</b>	<b>-</b>	<b>10,24,338</b>	<b>2,08,750</b>	<b>97,500</b>	<b>-</b>	<b>3,06,250</b>	<b>7,18,088</b>	<b>8,15,588</b>
<b>Total A + B</b>	<b>3,70,71,870</b>	<b>-</b>	<b>-</b>	<b>3,70,71,870</b>	<b>4,11,170</b>	<b>6,79,438</b>	<b>-</b>	<b>10,90,608</b>	<b>3,59,81,262</b>	<b>3,66,60,700</b>

March 31,2019

(₹)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	Dep. for the Year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
<b>A. Tangible Assets</b>										
Land	2,05,99,321	5,02,232	-	2,11,01,553	-	-	-	-	2,11,01,553	2,05,99,321
Building	-	1,44,92,114	-	1,44,92,114	-	19,852	-	19,852	1,44,72,262	-
Office Equipment	-	83,760	-	83,760	-	1,583	-	1,583	82,177	-
V-Sat	3,70,105	-	-	3,70,105	90,493	90,492	-	1,80,985	1,89,120	2,79,612
<b>Total - A</b>	<b>2,09,69,426</b>	<b>1,50,78,106</b>	<b>-</b>	<b>3,60,47,532</b>	<b>90,493</b>	<b>1,11,927</b>	<b>-</b>	<b>2,02,420</b>	<b>3,58,45,112</b>	<b>2,08,78,933</b>
<b>B. Other Intangible Assets</b>										
Membership ( ICEX)	2,50,000	-	-	2,50,000	6,250	12,500	-	18,750	2,31,250	2,43,750
Membership NCDEX	2,10,417	-	-	2,10,417	25,000	25,000	-	50,000	1,60,417	1,85,417
Membership MCX	5,04,167	-	-	5,04,167	50,000	50,000	-	1,00,000	4,04,167	4,54,167
Computer Software	59,754	-	-	59,754	20,000	20,000	-	40,000	19,754	39,754
<b>Total - B</b>	<b>10,24,338</b>	<b>-</b>	<b>-</b>	<b>10,24,338</b>	<b>1,01,250</b>	<b>1,07,500</b>	<b>-</b>	<b>2,08,750</b>	<b>8,15,588</b>	<b>9,23,088</b>
<b>Total A + B</b>	<b>2,19,93,764</b>	<b>1,50,78,106</b>	<b>-</b>	<b>3,70,71,870</b>	<b>1,91,743</b>	<b>2,19,427</b>	<b>-</b>	<b>4,11,170</b>	<b>3,66,60,700</b>	<b>2,18,02,021</b>



## 9. DEFERRED TAX ASSETS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	-	4,31,723
Add/ (Less): Difference between written down value of Fixed Assets as per the Companies Act, 2013 and Income tax Act, 1961	-	(3,71,924)
Add/ (Less): Equity Instruments designated at FVTOCI	-	24,976
Add/ (Less): Fair Value through Profit & Loss	-	-
Add/ (Less): Allowance for Bad & Doubtful Debts	-	22,386
<b>Total</b>	<b>-</b>	<b>1,07,161</b>

## 11. OTHER NON -FINANCIAL ASSETS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Other Advances	36,742	1,85,398
Prepaid Expenses	87,991	4,93,425
<b>Total</b>	<b>1,24,733</b>	<b>6,78,823</b>

## 12. TRADE PAYABLES

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Dues of Micro and Small Enterprises(Refer note no.33)	-	-
Dues other than Micro and Small Enterprises	32,54,40,183	26,58,31,557
<b>Total</b>	<b>32,54,40,183</b>	<b>26,58,31,557</b>

## 13. BORROWINGS

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>At Amortised Cost</b>		
Demand Loan		
IndusInd Bank (secured)	4,20,50,000	4,28,17,109
(Secured against immovable property of directors)		
<b>Total</b>	<b>4,20,50,000</b>	<b>4,28,17,109</b>
Borrowing In India	4,20,50,000	4,28,17,109
Borrowing outside India	-	-
<b>Total</b>	<b>4,20,50,000</b>	<b>4,28,17,109</b>

## 14. OTHER FINANCIAL LIABILITIES

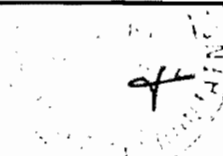
(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Auditor's Remuneration	26,500	26,500
Expenses payable to SEBI & Exchanges	28,29,033	28,57,054
Interest Payable	1,46,720	-
Other Creditors	50,16,419	8,87,346
Security deposits & Balances from Sub-brokers/ Associates	70,24,265	58,76,622
<b>Total</b>	<b>1,50,42,937</b>	<b>96,47,522</b>

## 15. DEFERRED TAX LIABILITIES/(ASSETS) (NET)

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Opening Balance	(1,07,161)	-
Add/ (Less): Difference between written down value of Fixed Assets as per the Companies Act, 2013 and Income tax Act, 1961	2,01,043	-
Add/ (Less): Equity Instruments designated at FVTOCI	1,43,435	-
Add/ (Less): Fair Value through Profit & Loss	-	-
Add/ (Less): Allowance for Bad & Doubtful Debts	(13,815)	-
<b>Total</b>	<b>2,23,502</b>	<b>-</b>



**16. OTHER NON-FINANCIAL LIABILITIES**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Statutory Dues Payable	14,81,110	13,12,792
<b>Total</b>	<b>14,81,110</b>	<b>13,12,792</b>

**17. EQUITY SHARE CAPITAL****17.1 : Authorized, Issued, Subscribed and Paid Up**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Authorized 1,000,000 Equity Shares of Rs.10 each (Previous Year 1,000,000 Equity Shares of Rs. 10 each)	1,00,00,000	1,00,00,000
Issued 610,000 Equity Shares of Rs.10 each (Previous Year 610,000 Equity Shares of Rs. 10 each)	61,00,000	61,00,000
Subscribed & Paid up 610,000 Equity Shares of Rs.10 each fully paid (Previous Year 610,000 Equity Shares of Rs. 10 each)	61,00,000	61,00,000
<b>Total</b>	<b>61,00,000</b>	<b>61,00,000</b>

Each holder of equity shares is entitled to one vote per share.

**17.2 : Reconciliation of the number of Shares as at the beginning and at the end of the Financial Year**

(₹)

Particulars	Equity Shares (2019-20)	
	Number	Amount
Shares outstanding at the beginning of the year	6,10,000	61,00,000
Shares outstanding at the end of the year	6,10,000	61,00,000

(₹)

Particulars	Equity Shares (2018-19)	
	Number	Amount
Shares outstanding at the beginning of the year	6,10,000	61,00,000
Shares outstanding at the end of the year	6,10,000	61,00,000

**17.3 : Shareholders holding more than 5% of Shares**

Name of the Shareholder	As at March 31, 2020	
	No. of Shares held	% of Holding
Swastika Investmart Limited	6,10,000	100

Name of the Shareholder	As at March 31, 2019	
	No. of Shares held	% of Holding
Swastika Investmart Limited	6,10,000	100

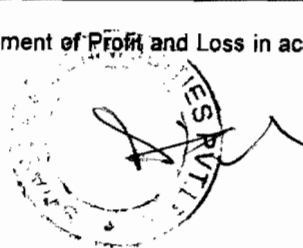
**18. OTHER EQUITY**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
<b>Reserves &amp; Surplus*</b>		
Securities Premium	6,68,47,000	6,68,47,000
General Reserves **	40,00,000	40,00,000
Retained Earnings	(21,97,120)	(42,53,235)
<b>Other Comprehensive Income (OCI)</b>		
-Fair Value of Equity Investments through OCI	(10,83,419)	(5,87,969)
<b>Total</b>	<b>6,75,66,461</b>	<b>6,60,05,796</b>

\* For movement, refer Statement of Changes in Equity.

\*\* General Reserve reflects amount transferred from Statement of Profit and Loss in accordance with regulations of the Companies Act, 2013.



**19. REVENUE FROM OPERATION**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Delay in Pay in	30,78,582	3,00,596
Interest on Loan	51,42,169	58,28,176
Interest Income on deposit with bank	1,68,22,666	1,29,15,067
<b>Total</b>	<b>2,50,43,417</b>	<b>1,90,43,839</b>

**20. FEES AND COMMISSION INCOME**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fees and commission Income	8,13,84,797	5,76,08,594
<b>Total</b>	<b>8,13,84,797</b>	<b>5,76,08,594</b>

**21. SALE OF GOODS**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sales of goods	63,624	27,598
<b>Total</b>	<b>63,624</b>	<b>27,598</b>

**22. OTHER REVENUE FROM OPERATION**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Turnover charges and Others	9,98,641	56,85,180
<b>Total</b>	<b>9,98,641</b>	<b>56,85,180</b>

**23. OTHER INCOME**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	2,79,467	-
Other Income	19,16,736	2,18,242
<b>Total</b>	<b>21,96,203</b>	<b>2,18,242</b>

**24. FINANCE COST**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses	30,36,334	36,19,435
Bank Charges	14,96,610	7,12,038
<b>Total</b>	<b>45,32,944</b>	<b>43,31,473</b>

**25. FEES AND COMMISSION EXPENSE**

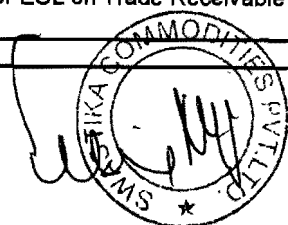
(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Commission	2,43,85,254	1,80,78,919
<b>Total</b>	<b>2,43,85,254</b>	<b>1,80,78,919</b>

**26. IMPAIRMENT ON FINANCIAL INSTRUMENTS**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Provision for ECL on Trade Receivable	63,357	80,467
<b>Total</b>	<b>63,357</b>	<b>80,467</b>



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**27. EMPLOYEE BENEFIT EXPENSES**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Payment to Directors	24,00,000	24,00,000
Salaries and Incentives	4,73,15,041	2,73,71,616
Staff Welfare Expenses	7,60,175	5,64,639
<b>Total</b>	<b>5,04,75,216</b>	<b>3,03,36,255</b>

**28. OTHER EXPENSES**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Auditor's Remuneration (Refer note 28.1 below)	26,500	26,500
Business Promotion	17,64,032	9,75,645
Conveyance Expenses	62,156	1,46,721
Demat Charges	-	1,770
Electricity Charges	15,48,431	11,87,306
Insurance	1,68,227	1,47,516
Connectivity Charges	20,00,690	18,77,682
Loss on F & O Trading	-	1,196
Membership Fees & Subscription	2,83,260	2,32,000
Office Maintenance	21,70,526	17,75,768
Penalty	99,875	5,09,429
Postage & Courier	3,73,486	2,34,005
Printing & Stationary	5,20,918	3,74,745
Professional Expenses	26,34,666	27,11,075
Rent	67,33,654	50,53,987
Software and other Maintenance Charges	50,84,131	32,73,766
SEBI Fees	33,563	91,648
Travelling Expenses	6,89,965	3,86,649
Water Charges	1,87,290	1,32,127
Miscellaneous Expenses	2,14,932	1,94,778
<b>Total</b>	<b>2,45,96,302</b>	<b>1,93,34,313</b>

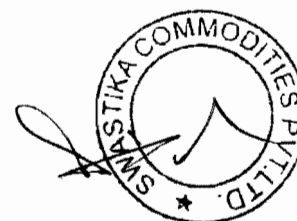
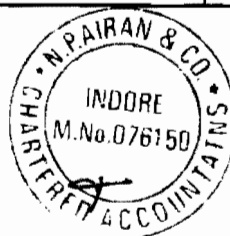
**28.1 Details of Auditor's Remuneration**

(₹)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory Audit Fees	16,500	16,500
Tax Audit Fees	10,000	10,000
<b>Total</b>	<b>26,500</b>	<b>26,500</b>

**29. EARNING PER SHARE**

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(A) Profit attributable to Equity Shareholders (Rs.)	20,56,120	98,42,776
(B) No. of Equity Share outstanding during the year.	6,10,000	6,10,000
(C) Face Value of each Equity Share (Rs.)	10	10
(D) Basic & Diluted Earning per Share (Rs.)	3.37	16.14



**30. CONTINGENT LIABILITIES**

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
(i) Bank Guarantee Issued in favour of MCX/NCDEX	6,50,00,000	6,50,00,000
(ii) Demand raised by Income Tax Department (F.Y. 2011-12)	-	10,000
<b>Total</b>	<b>6,50,00,000</b>	<b>6,50,10,000</b>

**31. INCOME TAX**

The major components of income tax expense for the year ended March 31, 2020

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Current tax:		
Current tax on profit for the year	7,67,121	-
Adjustments for the current tax of prior periods	19,06,973	-
Deferred Tax:		
Deferred tax liabilities/ (assets)	1,87,228	3,49,543
<b>Total</b>	<b>28,61,322</b>	<b>3,49,543</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2020	March 31, 2019
Profit before income tax expense	49,17,437	1,01,92,320
Tax Rate	22.88%	27.82%
Tax at the Indian tax rate of 22.88% (2018-19 27.82%)	11,25,110	28,35,503
Tax Effect of:		
Effect of previous year adjustments	19,06,973	-
Effect of non deductible expenses	1,87,228	-
Entity tax at different rate	(3,57,989)	(24,85,960)
<b>Income Tax Expenses</b>	<b>28,61,322</b>	<b>3,49,543</b>

**32. CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The group monitors capital on the basis of the following gearing ratio:

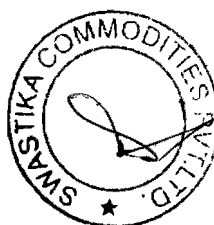
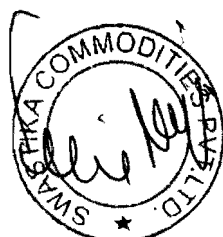
(₹)

Particulars	As at March 31, 2020	As at March 31, 2019
Debt (Total Borrowings)	4,20,50,000	4,28,17,109
Total Equity	7,36,66,461	7,21,05,796
Debt Equity Ratio	0.57	0.59

**33. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006**

(₹)

Particulars	As at	As at
	March 31, 2020	March 31, 2019
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-



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**34. LEASES**

The Company has obtained premises for its business operations under lease. Such leases are generally have a lease term of 12 months or less with the option of premature cancellation of agreement on mutual consent of both the parties without having any purchase option. Lease payments are recognized in the Statement of Profit and Loss under "Rent" in Note no. 28.

**35. FINANCIAL RISK MANAGEMENT**

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The Company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

**(A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit Risk Management**

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having high credit ratings or with higher credentials. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as the company having collateral against the receivables in normal course. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The Company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits.

The maximum exposure to credit risk as at 31 March, 2020 and 31 March, 2019 is the carrying value of such trade receivables as shown in Note No. 4 of the financials.

The Credit Loss allowances are provided in the case of trade receivables as under:

	(₹)
Loss allowance as on 31 March, 2019	80,467
Change in loss allowance	63,357
Loss allowance as on 31 March, 2020	1,43,824

**(B) Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash, other bank balances and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.

Refer Note No.37 for analysis of maturities of financial assets and financial liabilities

**(C) Interest Risk****Interest Rate Risk Exposure**

The Company is exposed to various types of borrowings as stated in Note No. 13.

The Company's exposure to interest rate risks at the end of the reporting period is as follows:

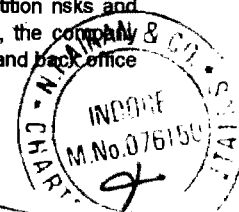
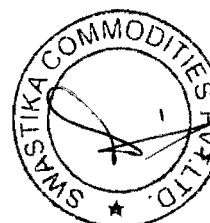
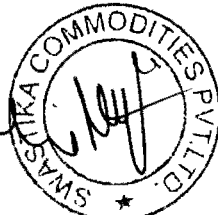
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Variable Rate Borrowings	4,20,50,000	4,28,17,109

**Sensitivity Analysis on Rate Borrowings**

The Company is exposed to various types of borrowings as stated in Note No. 13, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant. For the year ended March 31, 2020 and March 31, 2019, every 0.25% increase in the interest rate would decrease the companies profit approximately by Rs. 72,117 and Rs. 66,412, respectively. A 0.25% decrease in the interest rate would lead to an equal but opposite effect.

**(D) Market Risk**

Market risk is the risk that the fair value of future cash flows of the company will fluctuate because of movement in commodity market. The company's nature of business and operations exposed to the market risks namely commodity market movement risks, competition risks and technology risks. These risks may affect the company's income and expenses or the value equity investments. Nevertheless, the company believes that it has competitive advantage in terms of high quality services and by continuously upgrading its technology for front and back office softwares to meet the needs of its customers.





36. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹)

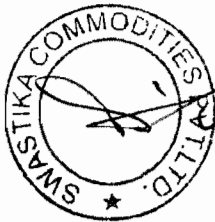
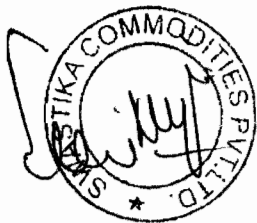
Particulars	March 31, 2020	March 31, 2019
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Cash and Cash Equivalents	12,30,51,997	5,32,58,292
Bank Balance other than above	21,19,13,986	22,46,46,580
Trade Receivables	4,20,02,948	2,88,45,076
Other Financial Assets	4,20,07,981	4,07,47,038
<b>At FVTOCI</b>		
Investments	4,93,135	8,45,150
<b>Total Financial Assets</b>	<b>41,94,70,047</b>	<b>34,83,42,136</b>
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Trade Payables	32,54,40,183	26,58,31,557
Borrowings	4,20,50,000	4,28,17,109
Other Financial Liabilities	1,50,42,937	96,47,522
<b>Total Financial Liabilities</b>	<b>38,25,33,120</b>	<b>31,82,96,188</b>

Fair Value hierarchy & Valuation Technique

(₹)

Particulars	March 31,2020	March 31,2019	Fair value Hierarchy	Valuation Technique
Assets-				
Investment in Equity Instruments through OCI	4,93,135	8,45,150	Level-1	Quoted Market Price

The management assessed that carrying amount of Cash and Cash Equivalents, Loans, Other Balances with Banks, Trade Receivables,other financial assets and financial liabilities such as trade payables considered to be the same as their fair values due to the short-term maturities of these instruments.



**34. LEASES**

The Company has obtained premises for its business operations under lease. Such leases are generally have a lease term of 12 months or less with the option of premature cancellation of agreement on mutual consent of both the parties without having any purchase option. Lease payments are recognized in the Statement of Profit and Loss under "Rent" in Note no. 28.

**35. FINANCIAL RISK MANAGEMENT**

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, price risk, investment of surplus liquidity and other business risks effecting business operation. The Company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

**(A) Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit Risk Management**

For financial assets the Company has an investment policy which allows the Company to invest only with counterparties having high credit ratings or with higher credentials. The Company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as the company having collateral against the receivables in normal course. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The Company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits.

The maximum exposure to credit risk as at 31 March, 2020 and 31 March, 2019 is the carrying value of such trade receivables as shown in Note No. 4 of the financials.

The Credit Loss allowances are provided in the case of trade receivables as under:

	(₹)
Loss allowance as on 31 March, 2019	80,467
Change in loss allowance	63,357
Loss allowance as on 31 March, 2020	1,43,824

**(B) Liquidity Risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash, other bank balances and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The company's treasury team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's liquidity position through rolling forecasts on the basis of expected cash flows.

Refer Note No.37 for analysis of maturities of financial assets and financial liabilities

**(C) Interest Risk****Interest Rate Risk Exposure**

The Company is exposed to various types of borrowings as stated in Note No. 13.

The Company's exposure to interest rate risks at the end of the reporting period is as follows:

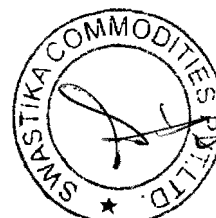
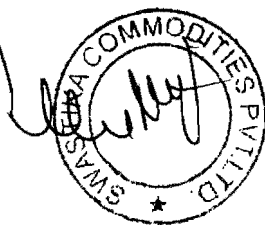
Particulars	As at	As at
	March 31, 2020	March 31, 2019
Variable Rate Borrowings	4,20,50,000	4,28,17,109

**Sensitivity Analysis on Rate Borrowings**

The Company is exposed to various types of borrowings as stated in Note No. 13, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant. For the year ended March 31, 2020 and March 31, 2019, every 0.25% increase in the interest rate would decrease the companies profit approximately by Rs. 72,117 and Rs. 66,412, respectively. A 0.25% decrease in the interest rate would lead to an equal but opposite effect.

**(D) Market Risk**

Market risk is the risk that the fair value of future cash flows of the company will fluctuate because of movement in commodity market, The company's nature of business and operations exposed to the market risks namely commodity market movement risks, competition risks and technology risks. These risks may affect the company's income and expenses or the value equity investments. Nevertheless, the company believes that it has competitive advantage in terms of high quality services and by continuously upgrading its technology for front and back office softwares to meet the needs of its customers.



38. FAIR VALUE MEASUREMENT

Financial instruments by category

(₹)

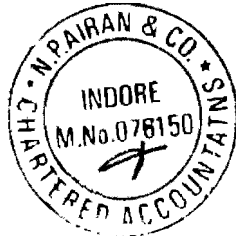
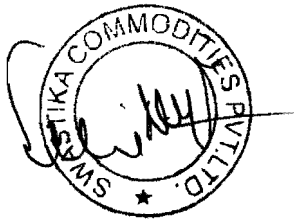
Particulars	March 31, 2020	March 31, 2019
<b>Financial Assets</b>		
<b>At Amortised Cost</b>		
Cash and Cash Equivalents	12,30,51,997	5,32,58,292
Bank Balance other than above	21,19,13,986	22,46,48,580
Trade Receivables	4,20,02,948	2,88,45,076
Other Financial Assets	4,20,07,981	4,07,47,038
<b>At FVTOCI</b>		
Investments	4,93,135	8,45,150
<b>Total Financial Assets</b>	<b>41,94,70,047</b>	<b>34,83,42,136</b>
<b>Financial Liabilities</b>		
<b>At Amortised Cost</b>		
Trade Payables	32,54,40,183	26,58,31,557
Borrowings	4,20,50,000	4,28,17,109
Other Financial Liabilities	1,50,42,937	96,47,522
<b>Total Financial Liabilities</b>	<b>38,25,33,120</b>	<b>31,82,96,188</b>

Fair Value hierarchy & Valuation Technique

(₹)

Particulars	March 31,2020	March 31,2019	Fair value Hierarchy	Valuation Technique
Assets-				
Investment in Equity Instruments through OCI	4,93,135	8,45,150	Level-1	Quoted Market Price

The management assessed that carrying amount of Cash and Cash Equivalents, Loans, Other Balances with Banks, Trade Receivables, other financial assets and financial liabilities such as trade payables considered to be the same as their fair values due to the short-term maturities of these instruments.



**37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

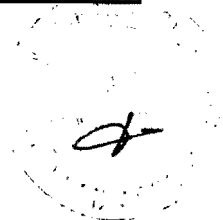
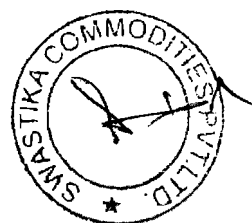
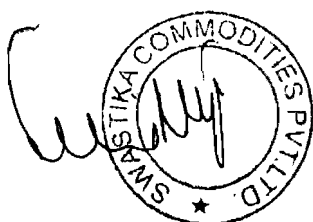
The table below shows Assets and Liability analysed according to when they are expected to be recovered or settled

(₹)

Assets	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial Assets</b>						
Cash and Cash Equivalents	33,49,65,983	-	33,49,65,983	27,79,04,872	-	27,79,04,872
Trade Receivables	2,90,00,848	1,30,02,100	4,20,02,948	2,70,31,646	18,13,430	2,88,45,076
Investments	-	4,93,135	4,93,135	-	8,45,150	8,45,150
Other Financial Assets	3,34,94,238	85,13,743	4,20,07,981	3,22,33,295	85,13,743	4,07,47,038
<b>Non-Financial Assets</b>						
Inventories	-	-	-	57,840	-	57,840
Current Tax Assets (Net)	23,28,151	-	23,28,151	58,68,116	-	58,68,116
Property, Plant and Equipment	-	3,52,63,174	3,52,63,174	-	3,58,45,112	3,58,45,112
Other Intangible Assets	-	7,18,088	7,18,088	-	8,15,588	8,15,588
Other Non-Financial Assets	1,24,733	-	1,24,733	6,78,823	-	6,78,823
<b>Total Assets</b>	<b>39,99,13,953</b>	<b>5,79,90,240</b>	<b>45,79,04,193</b>	<b>34,37,74,592</b>	<b>4,78,33,023</b>	<b>39,16,07,615</b>

(₹)

Liabilities	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Liabilities</b>						
<b>Financial Liabilities</b>						
Trade Payables	32,54,40,183	-	32,54,40,183	26,58,31,557	-	26,58,31,557
Borrowings	4,20,50,000	-	4,20,50,000	4,28,17,109	-	4,28,17,109
Other Financial Liabilities	1,50,42,937	-	1,50,42,937	96,47,522	-	96,47,522
<b>Non-Financial Liabilities</b>						
Deferred Tax Liabilities	2,23,502	-	2,23,502	-	-	-
Other Non-Financial Liabilities	14,81,110	-	14,81,110	13,12,792	-	13,12,792
<b>Total Liabilities</b>	<b>38,42,37,732</b>	<b>-</b>	<b>38,42,37,732</b>	<b>31,96,08,980</b>	<b>-</b>	<b>31,96,08,980</b>



38. Related party disclosures as required under Ind AS 24, "Related Party Disclosures", are given below:

a) Names of the related parties and description of relationship:

S.No.	Related Parties	Nature of Relationship
(i)	<b>Key Management Personnel/individuals having control or significant influence.</b>	
	Mr. Anil Nyati	Whole Time Director
	Mr. Vandit Nyati	Whole Time Director
	Mr. Sunil Nyati	Director
	Mr. Chandra Shekhar Bobra	Director
	Mr. Kailash Chandra Sharma	Director
(ii)	<b>Other parties being relatives of Key Management Personnel</b>	
	Mrs. Anita Nyati	Relative of Key Management Personnel
	Mr. Parth Nyati	Relative of Key Management Personnel
	Mr. Devashish Nyati	Relative of Key Management Personnel
	Sita Nyati	Relative of Key Management Personnel
	Late Chandmal Nyati	Relative of Key Management Personnel
	Mrs. Krithika Nyati	Relative of Key Management Personnel
	Mrs. Anju Agiwal	Relative of Key Management Personnel
	Mrs. Vanadana Nyati	Relative of Key Management Personnel
	Mrs. Megha Nyati	Relative of Key Management Personnel
(iii)	<b>Enterprises owned/controlled by key managerial personnel or individuals having control or significant</b>	
	Sunil Nyati H.U.F.	H.U.F. of Key Management Personnel
	Anil Nyati H.U.F.	H.U.F. of Key Management Personnel
(iv)	<b>Enterprise where control exists:</b>	
	Swastika Investmart Limited	Holding Company
(v)	<b>Subsidiary</b>	
	Swastika Fin-Mart Private Limited	Fellow Subsidiary
	Swastika Insurance Broking Services Ltd.	Fellow Subsidiary
	Swastika Investmart (IFSC) Private Limited	Fellow Subsidiary

b) Details of Transactions during the year with related parties:

(₹)

S.No.	Related parties	Nature of Relationship	Nature of Transactions during the year	For the year ended March 31, 2020	For the year ended March 31, 2019
(i)	<b>Employee Benefits for Key Management Personnel</b>				
	Mr. Anil Nyati	Whole Time Director	Remuneration	18,00,000	18,00,000
	Mr. Vandit Nyati	Whole Time Director	Remuneration	6,00,000	6,00,000
(ii)	<b>Transactions with Subsidiaries</b>				
	Swastika Investmart Limited	Holding Company	Expenses Recovered	6,95,60,333	4,37,18,100
	Swastika Fin-Mart Private Limited	Fellow Subsidiary	Loan given	2,76,69,17,467	2,52,20,31,087
	Swastika Fin-Mart Private Limited	Fellow Subsidiary	Amount received against Loan given	2,76,69,17,467	2,58,18,01,087
	Swastika Fin-Mart Private Limited	Fellow Subsidiary	Interest Income	51,42,169	57,42,658

c) Balances at end of the year with Related Parties.

S.No.	Related parties	Nature of Relationship	As at March 31, 2020	As at March 31, 2019
	<b>Balance of Loan given</b>			
	Swastika Fin-Mart Private Limited	Fellow Subsidiary	-	-

Terms and Conditions of transactions with Related Parties:

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

39. IMPACT OF COVID -19

Spread of COVID-19 has effected the economic activity across the Globe including India. This impact on the business will depend upon future developments that cannot be predicted reliably at this stage. However based on the preliminary estimates the Company does not anticipate any major challenges in meeting the financial obligations, on the long-term basis. Further, the company does not carry any risk in the recoverability and carrying values of its assets. The company does not anticipate any additional liability as at the Balance Sheet date. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

40. The previous year figures have been regrouped and reclassified wherever considered necessary to conform to this year's

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants  
FRN : 07116C

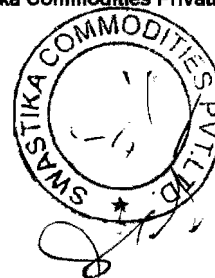
N.P. Airan  
Proprietor  
M.No.076150

Place: Indore  
Date: July 18, 2020

VDPY 20076150 AAAA BN 1773

For & on behalf of the Board of Directors  
Swastika Commodities Private Limited

Sunil Nyati  
Director  
DIN : 00015863



Anil Nyati  
Whole Time Director  
DIN : 00057314

SWASTIKA COMMODITIES PRIVATE LIMITED		
PROVISIONAL BALANCE SHEET AS AT SEPTEMBER 30, 2020		
CIN : U01112MH1996PTC304882		
(C)		
Particulars	Note No.	As at September 30, 2020
<b>I. ASSETS</b>		
<b>1. Financial Assets</b>		
(a) Cash and Cash Equivalents	2	5,25,19,398
(b) Bank Balance other than (a) above	3	24,88,05,643
(c) Receivables		
Trade Receivables	4	7,06,30,270
(d) Loans	5	2,70,00,000
(e) Investments	6	5,97,725
(f) Other Financial Assets	7	99,26,491
<b>Total Financial Assets</b>		<b>40,94,79,528</b>
<b>2. Non-Financial Assets</b>		
(a) Current Tax Assets (Net)	8	-
(b) Property, Plant and Equipment	9	3,49,72,204
(c) Other Intangible Assets	9	6,69,461
(d) Other Non-Financial assets	10	35,955
<b>Total Non-Financial Assets</b>		<b>3,56,77,620</b>
<b>TOTAL ASSETS</b>		<b>44,51,57,147</b>
<b>II. LIABILITIES AND EQUITY</b>		
<b>1. LIABILITIES</b>		
<b>Financial Liabilities</b>		
(a) Payables		
i) Trade Payables		
1. Total Outstanding dues of Micro Enterprises and Small Enterprises		-
2. Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	11	31,21,68,108
(b) Borrowings	12	3,40,77,542
(c) Other Financial Liabilities	13	1,13,77,779
<b>Total Financial Liabilities</b>		<b>35,76,23,429</b>
<b>Non-Financial Liabilities</b>		
(a) Current tax liabilities (Net)	14	68,963
(b) Deferred Tax Liabilities (Net)	15	2,85,357
(c) Other Non-Financial Liabilities	16	20,48,813
<b>Total Non-Financial Liabilities</b>		<b>24,03,133</b>
<b>2. EQUITY</b>		
(a) Equity Share Capital	17	61,00,000
(b) Other Equity	18	7,90,30,585
<b>Total Equity</b>		<b>8,51,30,585</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>44,51,57,147</b>



SWASTIKA COMMODITIES PRIVATE LIMITED		
PROVISIONAL STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020		
CIN : U01112MH1998PTC304882		
Particulars	Note No.	For the year ended September 30, 2020
<b>I. Revenue from Operations</b>		
Interest Income	19	69,24,019
Fees and Commission Income	20	4,63,14,195
Sale of Shares and Securities	21	-
Dividend Income		5,602
Other Revenue from Operation	22	2,09,146
<b>Total Revenue from Operations</b>		<b>5,34,52,962</b>
<b>II. Other income</b>	23	11,12,204
<b>III. Total Revenue (I+II)</b>		<b>5,45,65,166</b>
<b>IV. Expenses:</b>		
Finance Cost	24	18,28,874
Fees and Commission Expense	25	1,36,96,092
Impairment on Financial Instruments	26	1,21,530
Purchase of Shares and Securities		-
Changes in Inventory of Shares and Securities		-
Employee Benefits Expenses	27	1,69,76,668
Depreciation & Amortization Expenses	10	3,39,597
Other Expenses	28	78,15,123
<b>Total Expenses</b>		<b>4,07,77,884</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>1,37,87,283</b>
<b>VI. Exceptional Items</b>		-
<b>VII. Profit/(Loss) before tax (V -VI)</b>		<b>1,37,87,283</b>
<b>VIII. Tax expenses:</b>		
(1) Current Tax		
of Current Year		23,65,898
of Earlier Years		-
(2) Deferred Tax		49,885
<b>IX. Profit/(Loss) for the Period (VII-VIII)</b>		<b>1,13,71,500</b>
<b>X. Other Comprehensive Income</b>		
(i) Items that will not be reclassified to profit or loss		1,04,590
(ii) Income tax relating to items that will not be reclassified to profit or loss		(11,971)
		92,619
<b>XI. Total Comprehensive Income for the period (IX+X)</b> <b>(Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>		<b>1,14,64,119</b>
<b>XII. Earning per Equity Share:</b>	29	
(1) Basic		18.64
(2) Diluted		18.64

