

AN ASCENDING  
GROWTH OF  
**WEALTH & TRUST.**



# Corporate Information

## MANAGING DIRECTOR

Shri Sunil Nyati

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## WHOLE TIME DIRECTOR

Smt. Anita Nyati

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## DIRECTORS

Shri S.N Maheshwari | Shri Anil Nyati | Shri Vinod Gupta  
Shri C.R Doshi | Shri Ramanlal Bhutda | Shri Tarun Kumar Baldua

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## BANKERS

ICICI Bank & HDFC Bank Ltd.

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## REGISTERED OFFICE

1<sup>st</sup> Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai

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## ADMINISTRATIVE OFFICE

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

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## REGISTRAR & SHARE TRANSFER AGENT

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

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## AUDITOR

R.S Bansal & Co.  
Chartered Accountants, Indore

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## LISTED AT

Bombay Stock Exchange

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॥ सर्वे भवन्तु सुखिनः ॥



## Managing Director's letter to the Stakeholders

### Dear Stakeholders,

I am flooded with euphoria as I present the Annual Report for the financial year 2012-13 upon successful completion of 21 years of your company.

Over the last 12 months, your company added more than 20% new clients along with opening of 12 new branches across the country. Thus, we have successfully achieved an active client base of more than 50,000 with a pan India presence in 35 cities with over 43 branches.

Indian economy slowed to a 10-years low of 5% in 2012-13. High fiscal deficit, Rupee depreciation, high inflation and political instability were the reasons to name a few.

Since your company is operating in the Broking industry which directly depends on various external factors like economic policies and reforms, RBI policies, political measures, investments by FIIs etc, the company's performance has been affected by the sluggish performance of these factors. Further, retail sector participation withdrew by about 5-7% in the NSE Segment and 20-22% in the BSE segment which directly affected the company's performance.

Despite all the difficulties, your company managed to perform exceedingly well, though the profit figures are low as compared to the previous financial year. The dip corresponds to the overall reduction in the retail broking business, reductions in margins due to high competition and expansion of the business which includes opening of more than 12 branches across India which hardly managed to achieve breakeven due to the gestation period (which would prove to be highly fruitful in the upcoming years). On

a whole, your company managed to perform better than most of the peers.

I feel excited to tell you that we are in the process of registering ourselves as Category 1 Merchant Banker with SEBI which will be another feather in the company's hat. Furthermore, we are continuously focussing to improve our business model by using new technologies and entering into new areas which are not much explored yet.

Your company has constantly been paying dividend for the last 8 consecutive years and following the same trend your board has proposed a dividend of Rs 1/- per share, i.e., 10% of the face value of the share.

While we maneuver your company on its way towards prosperity, it is imperative to demand relentless perseverance of our management team, unwavering commitment of our employees and unflinching trust and support of our shareholders. Fortunately, we have received these in abundance and we look forward to have all of you aboard with us on this journey to achieve our ultimate objective -

**॥ सर्वे भवन्तु धनिनः ॥**

With Best Wishes.

**SUNIL NYATI**  
(Managing Director)  
Swastika Investmart Limited



Best Emerging Broker- Awarded by BSE (Derivatives)



Appreciation by NSE in Investothn 2012



Best Performer of Swastika: Awarded by NSE CMD Ms. Chitra R.



Memory of Core Group Meeting

# The Year that was



Recreational Activities



***DIRECTORS' REPORT***

Dear Members,  
Swastika Investmart Ltd.

Your Directors have immense pleasure in presenting the 21st Annual Report of the Company and the Audited Accounts for the financial year ended 31st March, 2013.

**FINANCIAL HIGHLIGHTS**

(Amount in ₹ Lacs)

<b>PARTICULARS</b>	<b>31.03.2013</b>	<b>31.03.2012</b>
Total Income	1322.47	1341.05
Profit before exceptional and extraordinary items and tax	(34.19)	88.41
Exceptional Items	37.01	1.49
Profit before extraordinary items and tax	2.82	89.90
Less : Extraordinary Items	-	-
Profit before tax	2.82	89.90
Less : Provision for Taxation		
Current tax	0.57	36.25
Deferred Tax	(4.59)	(7.53)
Profit for the Year	6.84	61.18
Amount Transferred to General Reserve	-	50.00
Earning per Share		
Basic	0.23	2.07
Dilute	0.23	2.07

**SUBSIDIARY COMPANIES AND CONSOLIDATION OF ACCOUNTS**

The Ministry of Corporate Affairs has vide its circular dated 8th February 2011, had granted general exemption to companies from attaching to their balance sheet, the accounts and other documents of their subsidiary companies, subject to fulfillment of specified conditions. In view of this general exemption and being in compliance with the conditions thereof, the accounts and other documents of the company's subsidiaries are not attached to the Annual report of the company. The consolidated financial statement of the Company, which includes the financial information of all its subsidiaries (i.e. Swastika Commodities Private Limited, Swastika Fin-mart Private Limited, Swastika Insurance Services Limited) are forming part of this annual report.

The Annual accounts and financial statements of the Subsidiary companies of your company and related detailed information shall be made available to members on request and are open for inspection at the Registered office of your company.

## **DIVIDEND**

To maintain a trend of dividend, your Directors are pleased to recommend a dividend of 10% on the equity shares i.e. ₹ 1/- per Equity Share of face value Rs.10/- subject to Approval of the members in ensuing Annual General Meeting .

## **DIRECTORS**

In accordance with the provision of the Companies Act, 1956 and as per Article 128 of Articles of Association of the Company Mr. Vinod Kumar Gupta and Mr. Tarun Kumar Baldua Directors of the Company, retire by rotation and being eligible offer themselves for reappointment in ensuing Annual General Meeting.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibility Statement, your directors hereby confirm:

- i) That in the preparation of the annual accounts for the financial year ended 31st March 2013; the applicable accounting standards have been followed ;
- ii) That they have selected such accounting policies and applied them consistently and made judgments, and estimate that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the year under review;
- iii) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act, for safeguarding the assets of the Company and for preventing and detecting Fraud and other irregularities.
- iv) That they have prepared the annual accounts on a going concern basis.

## **PUBLIC DEPOSITS**

Your Company has not accepted any Public deposit within the meaning of section 58A of the Companies Act 1956, read with the Companies (Acceptance of Deposit) Rules, 1975

## **COMPANIES RULES 1988 (DISCLOSURE OF PARTICULARS IN THE REPORTS OF BOARD OF DIRECTORS)**

As the Company is not engaged in any manufacturing activities, hence provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies Rules, 1988 are not applicable to the Company. Further there was neither inflow nor outflow of foreign exchange during the year.

## **PARTICULARS OF EMPLOYEES**

The Company did not have any employee, during the year drawing remuneration attracting the provision of section 217 (2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rule 1975. The company continued to have cordial and harmonious relations with employees.

## **HUMAN RESOURCES DEVELOPMENT**

Your Company believes that nurturing and development of human capital is of key importance for its operations, The HR policies and procedures of your Company are geared up towards this objective. In totality our employees have shown a high degree of maturity and responsibility in responding to the changing environment, economic and the market condition.

## **AUDITORS**

The auditors, M/s R.S. Bansal & Company, Chartered Accountants, Indore retire and being eligible offers themselves for re-appointment. Comments of the Auditors in their report and notes forming part of the Accounts are self-explanatory and need no comments.

## **AUDITORS REPORT**

The auditors report to the shareholders on the Accounts of the Company for the financial year 31st March 2013 does not contain any qualification or adverse remark.

## **SECRETARIAL COMPLIANCE CERTIFICATE**

As per the requirement of provision of section 383A of the Companies Act, 1956, the company appointed M/s. L.N.Joshi & Co., Company Secretaries and obtained a Secretarial Compliance Certificate which is annexed herewith.

## **CODE OF CONDUCT**

The company has laid-down a code of conduct for all Board members and senior management of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct. The code of conduct has posted on website of the company i.e [www.swastika.co.in](http://www.swastika.co.in)

## **CORPORATE GOVERNANCE**

A separate section titled "Corporate Governance" including a certificate from the Auditors of the Company confirming compliance of the conditions of the Corporate Governance as stipulated under clause 49 of the Listing Agreement and also the Management Discussion and Analysis Report and CEO certification are annexed hereto and form part of the report.

## **AUDIT COMMITTEE**

Under the provisions of Companies Act, 1956 and Listing Agreement with the Stock Exchanges a Audit Committee Comprises of CA Vinod Gupta, Shri C.R. Doshi and , Shri R.L. Bhutda.

## **DEPOSITORY SYSTEM**

Your Company's shares are tradable compulsorily in electronic form and your Company has connectivity with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Service (India) Limited (CDSL). In view of the numerous advantage offered by the Depository System, members are requested to avail of the facility of Dematerialization of the Company's shares on either of the Depositories mentioned as aforesaid.

## **INSURANCE**

The Company's assets are adequately insured against the loss of fire and other risk, as considered necessary by the Management from time to time .The Company has also taken insurance cover for any claims /losses arising out of its core business of security broking.

## **GREEN INITIATIVES IN THE CORPORATE GOVERNANCE**

In order to reduce cost of posting and speedy delivery of documents, service of documents through electronic mode has been permitted under section 53 of the Companies Act, 1956 in place of service of document under certificate of posting. Similarly, to reduce the consumption of papers and speedy secure delivery, service of copies of Balance Sheets and Auditors Report etc., to the members of the company as required under section 219 of the Companies Act, 1956 has been allowed to be served through electronic mode by capturing their e-mail addresses available with the depositories or by obtaining directly from the shareholders.

## **LISTING OF THE SHARES**

Equity shares of the company are listed on Bombay Stock Exchange Ltd., Mumbai and company has paid annual listing fee for financial year 2013-2014.

## **ACKNOWLEDGEMENT**

The Directors place on record their gratitude to the government, regulators, stock exchanges, other statutory bodies, customers, business partners and the company's bankers for the assistance, co-operation and encouragement they extended to the company. The Directors also place on record their sincere appreciation of the employees for their continuing support and dedicated efforts made in ensuring and excellent all-round operational performance. Last but not the least; the directors would like to thank valuable shareholders for their co-operation, support and contribution. We look forward to their continued support and co-operation in the future.

**For & on behalf of the Board of Directors**

**Place : Indore**  
**Date : 14.05.2013**

**Sunil Nyati**                      **Anita Nyati**  
Managing Director              Whole Time Director

## **REPORT ON CORPORATE GOVERNANCE**

A report of the financial year ended 31st march, 2013 on the compliance by the company with the corporate governance requirement under clause 49 of the Listing agreement, is furnished below:

### **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good corporate governance leads to long term shareholders value and enhances interest of all stakeholders. It brings into focus the fiduciary and trusteeship role of the Board of align and direct the actions of the organization towards creating wealth and shareholder value.

The company's essential character is shaped by the value of transparency, customer satisfaction, integrity, professionalism and accountability. The Company continuously endeavors to improve on these aspects. The Board views corporate governance in its widest sense. The main objective is to create and adhere to corporate culture of integrity and consciousness, transparency and openness. Corporate governance is a journey for constantly improving sustainable value creation and is an upward moving target. The Company's philosophy on corporate governance is guided by the company's philosophy of knowledge, action and care.

### **A) BOARD OF DIRECTORS**

- i) The Company's policy is to maintain an optimum combination of Executive and non Executive Independent directors. The Composition of your Company's Board, which comprises of eight directors, is given in the table below and is in conformity with clause 49 of the listing agreement and with stock exchange. As will be seen from the following table, none of the directors hold directorship in more than 15 public limited company, nor is any of them a member of more than ten committees of the prescribed nature or holds chairmanship of more than five such committee across all public limited companies in which they are directors. The Board does not have any nominee director representing any institution.

Name of Director	Category	No. of Board Meetings Attended	Other Directorship		Committee Position		Whether Attended Last AGM held on 14.09.2012
			Chairman	Member	Chairman	Member	
Sunil Nyati	MD	11	-	3	-	-	Yes
S.N. Maheshwari	NED	11	-	-	-	-	No
Anil Nyati	NED	05	-	2	-	-	No
Vinod Gupta	ID	04	-	-	3	3	No
C.R. Doshi	ID	04	-	-	-	3	No
Anita Nyati	WTD	11	-	1	-	-	Yes
Raman Lal Bhutda	ID	04	-	-	-	3	No
Tarun Kumar Baldua	ID	04	-	-	-	-	No

MD = Managing Director, NED = Non Executive Director, ID = Independent Director, WTD= Whole Time Director

**Note:** This includes directorship in public limited companies and subsidiary of public limited companies and excludes directorship in private Limited companies, overseas companies, companies under section 25 of the Companies Act, 1956 and alternate directorship.

During the year 2012-13 the Board met 11 (Eleven) times on the following dates, namely:

13.04.2012	25.04.2012	28.05.2012	05.06.2012
21.07.2012	10.08.2012	18.09.2012	30.10.2012
03.12.2012	31.01.2013	02.03.2013	

**ii) Inter-se Relationship Among Directors**

Mr Sunil Nyati and Mrs Anita Nyati are husband and wife, Mr Sunil Nyati and Mr Anil Nyati are brother and Mrs anita Nyati is daughter of Shri S.N Maheshwari. Except for this, there are no inter-se relationship among the directors.

**iii) Role of Independent Director**

Independent Directors play a key role in the decision making process of the Board and in shaping various strategic initiatives of the Company. The Independent directors are committed to act in what they believe to be in the best interest of the Company and its stakeholders. The independent Directors are professionals, with expertise and experience in general corporate management, public policy, finance, financial services and other allied fields. The Company benefits immensely from their inputs in achieving its strategic direction.

**iv) Shareholding of Non-Executive Directors**

The Number of equity shares held by Non-Executive Directors as on 31.03.2013 were as under:

Name of Director	No. of shares
S.N. Maheshwari	44900
Anil Nyati	154400
Vinod Gupta	-
C.R. Doshi	-
Raman Lal Bhutda	2500
Tarun Kumar Baldua	-

**v) Details of the Directors seeking re-appointment at the forthcoming Annual General Meeting as per Clause 49(1) (A) of the Listing Agreement**

Name	Vinod Gupta	Tarun Kumar Baldua
Date of Birth	05/02/1971	18/09/1971
Date of Appointment	31/03/1998	20/08/2008
Qualification	Chartered Accountant by profession	Chartered Accountant by profession
Expertise in specific functional area	Vast experience in Finance and Taxation	Vast experience in Account Finance and Taxation
Directorship held in other Companies	Drishti Multi Commodity Private Limited	N.A
Number of shares held in the Company	N.A	N.A
Relationship	No relationship with any other director	No relationship with any other director

**B) Board Procedure**

A detailed agenda folder is sent to each Director in advance of Board and Committee meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director briefs the Board at every meeting on the overall Company performance and compliance of the company wherever applicable.

**C) Committees of the Board****l) Audit Committee (Mandatory Committee)**

The Company has constituted a qualified and independent Audit committee under section 292A of the Companies Act, 1956 read with clause 49 of the listing agreement. All the members of the committee, including committee chairman are independent director. All the members of the committee are financially literate.

**i) Meeting and Composition**

The Composition of Audit Committee as on 31.3.2013 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of Meetings	
			Held During Tenure	Attended
CA Vinod Gupta	Non Executive Independent Director	Chairman	4	4
Mr. C.R. Doshi	Non Executive Independent Director	Member	4	4
Mr. Raman Lal Bhutda	Non Executive Independent Director	Member	4	4

During the year the committee met on four occasions on following dates namely:-

28/05/2012	10/08/2012	30/10/2012	31/01/2013
------------	------------	------------	------------

As mandated by clause 49 of the Listing agreement

1. The representative of statutory and internal auditors of the company are also invited in the audit committee meetings.
2. The gap between two audit committee meetings was not more than four months.

**ii) Terms and reference of the Audit Committee**

The terms of reference of Audit Committee are as under:

- Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and approval of payment of any other services:
- Reviewing with management, the annual financial statement before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors responsibility statement to be included in the boards report as per Section 217(2AA) of the Companies Act, 1956.
  - b) Changes in the Accounting policies and practices and the reasons for the same, major accounting entries and significant adjustments made in the financial statements arising out of audit findings.

- c) Compliance with listing and other legal requirements relating to financial statements.
- d) Disclosure of any related party transactions.
- e) Qualifications in the draft audit report if any.
- Reviewing with the management and external and internal auditors, the adequacy of internal control systems:
- Reviewing the adequacy of internal audit function;
- Discussing with internal auditors, any significant findings and follow up on such issues;
- Reviewing the findings of any internal investigations by the internal auditors in matters where there is suspected fraud or irregularity, or a failure of internal control systems of a material nature, and then reporting such matters to the Board;
- Discussing with external auditors before the audit commences on the nature and scope of audit, as well as having post-audit discussion to ascertain any area of concern,
- Reviewing the management discussion and analysis of the financial conditions and results of operations.
- Reviewing with the management and the statutory auditors anticipated changes in the Accounting Standards.
- Reviewing the Company's financial and risk management policies;
- Undertake such other functions as may be entrusted to it by the Board from time to time.

## II) Shareholder / Investors Grievance Committee

Pursuant to clause 49 of the listing agreement, the Company has constituted a Board Committee designated as shareholder's/investor's Grievance Committee under the Chairmanship of Non Executive independent director to specifically look in the redressal of shareholder's/investor's complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend and other ancillary matters. Smt. Smita Chaskar is the compliance Officer of the company.

### i) Meeting and Composition

The Composition of Committee as on 31.3.2013 and attendance record of the members at the meetings held during the year was as under:

Name of the Member	Category	Status	No. of Meetings	
			Held During Tenure	Attended
CA Vinod Gupta	Non Executive Independent Director	Chairman	4	4
Mr. C.R. Doshi	Non Executive Independent Director	Member	4	4
Mr. Raman Lal Bhutda	Non Executive Independent Director	Member	4	2

During the year the committee met on four occasions on following dates namely:-

28/05/2012	10/08/2012	30/10/2012	31/01/2013
------------	------------	------------	------------

- ii) During the year under review 1 (One) complaint was received from shareholder and the same was resolved to the satisfaction of the shareholder and there were no complaints pending unresolved as at the end of the year.
- iii) Share transfer in physical form are registered by the Registrar and returned to respective Transferee/person within a period ranging from one to two weeks provided the documents lodged with Registrar/Company are clear in all respects.

### III) Remuneration Committee (Non mandatory Committee)

The Company has constituted a remuneration committee under Schedule XIII to the Companies Act, 1956 read with clause 49 of the listing agreement. All the members of the committee are Non Executive independent directors.

i) **Terms of reference**

The terms of reference of remuneration committee is to deal with, decide and recommended to the Board of the Directors on all matters relating to appointment and remuneration to managing director and whole time director .

ii) **Meeting and Composition**

The composition of committee as on 31.3.2013 and attendance record of the members at the meeting held during the year are as under:

Name of the Member	Category	Status	No. of Meetings	
			Held During Tenure	Attended
CA Vinod Gupta	Non Executive Independent Director	Chairman	1	1
Mr. C.R. Doshi	Non Executive Independent Director	Member	1	1
Mr. Raman Lal Bhutda	Non Executive Independent Director	Member	1	1

iii) **Remuneration Policy Executive Directors**

The remuneration of executive directors is reviewed by the remuneration committee and thereafter recommended to the Board of the directors of the Company for subject to approval of the members at general meeting and such other authorities as may be required. While recommending remuneration, the committee considers various factors such as practices prevalent in the industry for the time being, qualification, expertise, performance and defined assessment criteria appointee executives and financial position of the company. Remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration policy is in accordance with the existing industry practice.

iv) **Remuneration of Directors**

The Company pays remuneration to its Managing Director and Whole Time Director by way of salary and perquisites. The remuneration is approved by the Board of the Directors and is within the overall limits approved by the shareholders of the Company. Remuneration paid or payable to Directors during the year 2012-2013 as under:

(In ₹)

Name of Director	Sitting Fees	Commission on Profit	Salary & Allowance	Contribution to PF	Perquisites	Total
Sunil Nyati	---	---	30,00,000	9,360	---	30,09,360
Anita Nyati	---	---	15,00,000	9,360	---	15,09,360

- No sitting Fees was paid to any Director of the Company during the financial year
- The company does not have any service contract with any of its directors.
- The company has not granted any stock option to any of its director/employees.
- During the year the committee met on one occasions during the year.

**MANAGEMENT**I) **The Management Discussion and Analysis Report**

The Annual Report has a detailed chapter on Management Discussion and Analysis.

II) **Disclosure by Management to the Board**

All details relating to the financial and commercial transactions where directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion, nor do they vote on such matters.

III) **Compliance with Mandatory / Non Mandatory Requirements**

- The Company has complied with all the applicable mandatory requirement of clause 49 of the listing agreement.
- The Company has also adopted the non mandatory requirement as specified in Annexure 1D to clause 49 of the listing agreement regarding constitution of remuneration committee, the details of which already been provided in this report and audit qualification. There is no audit qualification in the financial statement.

## SUBSIDIARY COMPANY

Swastika Investmart Limited has three subsidiaries company viz. M/s Swastika Commodities Private Limited, Swastika Insurance Services Limited and Swastika fin-mart Private Limited and Sunil Nyati and Mr. Anil Nyati are also Directors in Swastika Commodities Private Limited and Swastika Insurance Services Limited. Mr. Sunil Nyati and Mrs. Anita Nyati are directors in Swastika Fin-mart Private Limited. As required under new clause 49 the Company has adopted a practice of placing the minutes and statements of all the significant transactions of unlisted subsidiary companies in the meeting of Board of Directors of Swastika Investmart Limited. The Audit Committee of the Company regularly reviews the financials of the subsidiary Company M/s swastika Commodities Private Limited only as other subsidiary companies yet not started its substantial business activities.

## DISCLOSURES

- i) There were no material transactions of the Company with its promoters, directors, and management on their relatives that may have conflict with the interest of the Company at large.
- ii) The particulars of transactions between the Company and its related parties in accordance with the accounting standard 18 are set out in Annual report. These transactions are in the ordinary course of business and are not likely to have any conflict with the interest of the Company.
- iii) The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, and in conformity, in all respects, with the generally accepted accounting principles and standards in India. The estimates/judgments made in preparation of these financial statements are consistent, reasonable and on prudent basis so as to reflect true and fair view of the state of affairs and results/operations of the Company
- iv) The Company has well defined management policies to manage the risk inherent in the various aspects of business. The Board is regularly informed about the business risks and the steps taken to mitigate the same.
- v) The following amounts of penalty have been levied by stock exchange for non compliance found in routine stock broking operations, during last three years :

FY	Amount (In ₹)
Year 2010/11	25,000/-
Year 2011/12	19,000/-
Year 2012/13	320,126/-

- vi) During the year under review Company has not issued any type of securities. No GDR/ADR issued by the Company.
- vii) The company has established a mechanism for employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- viii) As per clause 5(A)(II) of the listing agreement there is no unclaimed shares in the company.
- ix) During the year ended on 31st March 2013 the company has transferred ₹ 150,714/- being the amount of unclaimed dividend for the year 2004-05 to Investors Education and Protection Fund.

## SHAREHOLDER'S INFORMATION

### i) Means of Communication

Presently, the quarterly/half yearly financial result is not sent individually to the shareholders. However as required under the listing agreement, the same are published in the Free Press Journal (English) and Dainik Navshakti (Marathi)

The Company's website [www.swatika.co.in](http://www.swatika.co.in) contains information on the Company and its performance. Presentations to analysts, as and when made, are immediately put on the website for the benefit of the shareholders and the public at large. The secretarial department's mail is [secretarial@swatika.co.in](mailto:secretarial@swatika.co.in)

**ii) General body meetings**

The last three Annual General Meetings of the Company were held as detailed below:

Meeting	Date	Time	Venue
20th	14th September 2012	2.00 p.m.	1st Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai- 400001
19th	12th September 2011		
18th	2nd September 2010		

**iii) Postal Ballot & Special Resolution:**

- No resolutions were passed by postal ballot in last three years.
- None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a resolution through Postal Ballot.
- Following special resolutions were passed in last three Annual General meeting by way of show of hands:
  - a) Re-appointment of Managing Director and increase in remuneration of whole time Director in the annual general meeting held on 02.09.2010
  - b) Authorization to Board of Directors of the company to make investments and loan and guarantee up to Rs. 50 crores

**General Shareholder Information**

- **Registered office of the Company:**  
1st Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai 400001
- **Forthcoming Annual General Meeting:**  
Date & time of meeting: 20th September, 2013 2.00 p.m. (Friday)  
Venue of the meeting: Registered Office  
Last date for receipt of proxy forms: 18th September, 2013
- **Financial Calendar:**

Particulars	1st April 2012 to 31st March 2013
<b>Annual General Meeting</b>	20th Sept. 2013
<b>Results for the quarter ended</b>	
1st Quarter ending 30th June, 2013 (First quarter)	Before 14th Aug. 2013
2nd Quarter ending 30th Sept, 2013 (Second quarter)	Before 14th Nov. 2013
3rd Quarter ending 31st Dec, 2013 (Third quarter)	Before 14th Feb. 2014
4th Quarter ending 31st Mar, 2014 (Fourth quarter and Annual)	Before 30th May 2014

- **Book Closure:**  
The book closure period is from 16th September, 2013 to 20th September, 2013 (both days inclusive) to determine the members entitled to dividend.
- **Dividend Payment:**  
Dividend, if any, declared in the forthcoming Annual general Meeting will be paid between 21st September to 27th September, 2013.

- **Transfer Unpaid/Unclaimed amount of Dividend to Investor Education and Protection fund:**

Those members who have so far not encashed their dividend warrants for the below mentioned financial years, may claim or approach the company for payment thereof as the same will be transferred to Investor Education and Protection Fund (IEPF) established by the Central Government, pursuant to section 205C of the Companies Act, 1956 on the respective dates mentioned below. Intimation in this regard is being sent to the concerned shareholder periodically. Kindly note that after such dates the members will lose their right to claim such dividend.

Financial Year	Date of Declaration	Due Date of Transfer of Unpaid Dividend to IEPF
2005-06	30.09.2006	29.10.2013
2006-07	29.09.2007	28.10.2014
2007-08	25.09.2008	24.10.2015
2008-09	29.09.2009	28.10.2016
2009-10	02.09.2010	01.10.2017
2010-11	12.09.2011	11.10.2018
2011-12	14.09.2012	13.10.2019

- **Listing on Stock Exchange**

The Company's equity shares are listed on "The Bombay Stock Exchange Ltd, Mumbai". The Company has paid listing fees for the Financial year 2013-2014.

The stock code is as under:

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange, Mumbai	530585

The ISIN Number of Swastika Investmart Limited on both NSDL and the CSDL is **INE691C01014**.

- **Secretarial Audit for Reconciliation of Capital**

As stipulated by SEBI a qualified practicing Company Secretary carries out secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the listed stock exchanges. The audit confirms that the total listed and paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialized form. (Held with NSDL/CDSL) and total number of shares in physical form.

- **Code of Conduct**

The Company has laid down a code of conduct for all Board members and senior management of the Company. All the Board members and management personnel have affirmed compliance with the Code of Conduct. The Code of conduct is posted on the website of the Company i.e [www.swastika.co.in](http://www.swastika.co.in)

- **Code for Prevention of Insider Trading Practices**

In Compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1997, as amended till date on prohibition of insider trading, the Company has a comprehensive code of conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences on non-compliance thereof.

- **CEO/CFO Certification**

The CEO/CFO certification of the financial statements and the cash flow statement for the year is obtained and was placed before the Board.

- **Auditors Certificate on corporate governance**

As required under clause 49 of the listing agreement, the company has obtained certificate from statutory auditors regarding compliance of conditions of corporate governance. The same is annexure to this report.

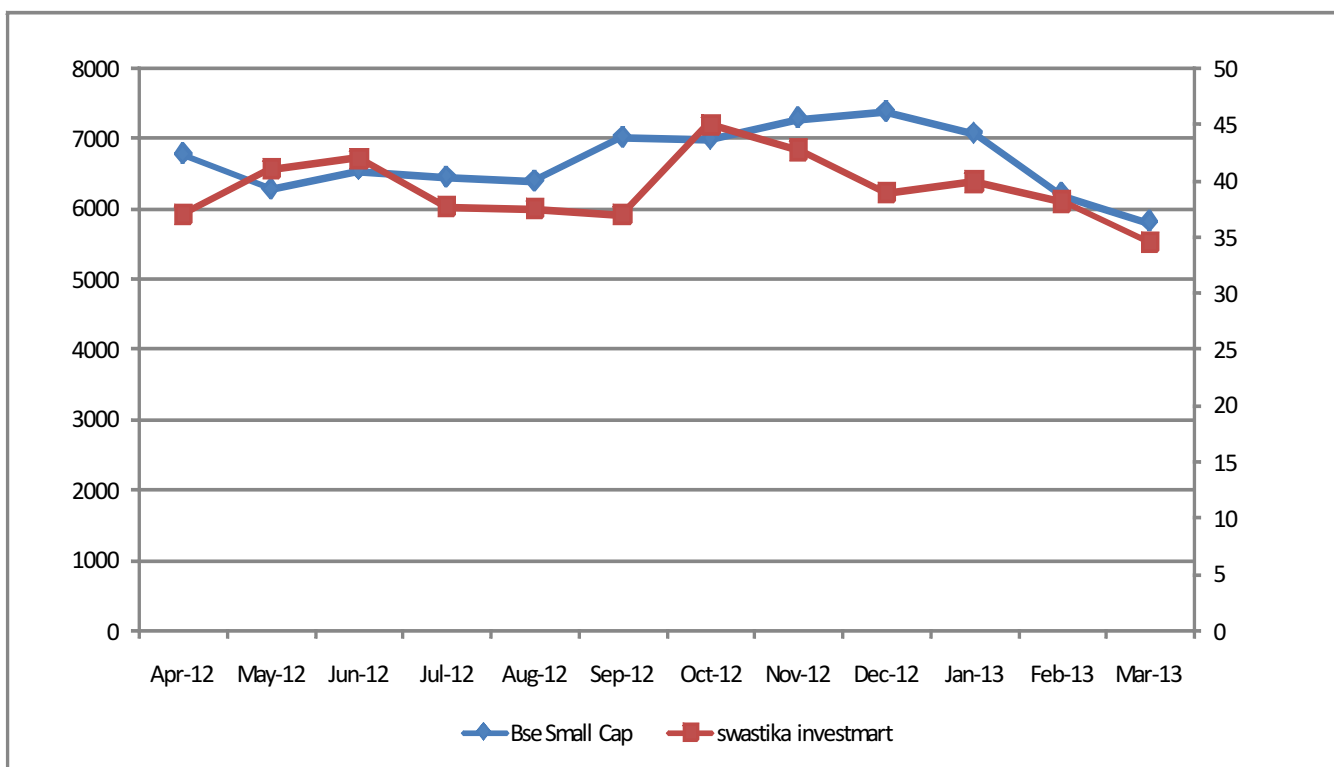
- Market Price Data:**

The Monthly High and Low prices and volume of Shares of the Company at the Bombay Stock Exchange for the year 2012-13 are as under:

Swastika Share Price (In ₹) :

April, 2012 to March, 2013 at BSE												
Month	Apr.12	May12	June12	July12	Aug12	Sept12	Oct12	Nov12	Dec12	Jan13	Feb13	March13
High	46.90	44.00	46.25	41.00	41.65	43.70	50.00	49.50	43.20	44.90	42.10	40.00
Low	27.05	38.10	37.70	34.05	33.35	30.25	40.05	36.15	34.75	35.00	34.25	29.05
Average	36.975	41.05	41.975	37.525	37.5	36.975	45.025	42.825	38.975	39.95	38.175	34.525
Avg. volume (in Nos.)	26454	18641	8755	80888	34846	9451	10798	1493	72849	5564	2013	2693

**comparison of the company's share price with BSE smallcap(FY 12-13)**



**SHAREHOLDING PATTERN AS AT 31st MARCH 2013**

	<b>Category</b>	<b>No. of Share Held</b>	<b>Percentage of Shareholding</b>
<b>A</b>	<b>Promoters Holding</b>		
1.	Promoters: Indian Promoters Foreign Promoters	18,770,48 --	63.42 --
2.	Persons acting in concert	--	--
	<b>Sub Total</b>	<b>1,877,048</b>	<b>63.42</b>
<b>B</b>	<b>Non-Promoters Holding</b>	--	--
1.	Institutional Investors	--	--
2.	Mutual Funds and UTI	--	--
3.	Banks, Financial Institutions, Insurance Companies [Central/ State Govt. Institutions, Non- Government Institutions]	--	--
4.	FIs	--	--
	<b>Sub-Total</b>	--	--
5.	Others	--	--
	Private Corporate Bodies	365,089	12.34
6.	Individuals		
	Holding shares of value up to ₹ 1.00 Lac	497,209	16.80
	Holding shares of value in excess ₹ 1.00 Lac	218,221	7.37
7.	NRIs/OCBs	2,002	0.07
8.	Any other [Clearing Member]	131	0.004
	<b>Sub-Total</b>	<b>1,082,652</b>	<b>36.58</b>
	<b>Grand Total</b>	<b>2,959,700</b>	<b>100.00</b>

**Distribution of Shareholding by size as on 31st March 2013:**

<b>Shareholding of Nominal Value of ₹</b>	<b>Shareholder</b>		<b>Share Value</b>	
	<b>Number</b>	<b>% of Total</b>	<b>In ₹</b>	<b>% of Total</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
upto 1000	378	39.13	230900	0.78
1001-2000	135	13.98	254830	0.86
2001-3000	68	7.04	194040	0.66
3001-4000	38	3.93	149600	0.51
4001 - 5000	105	10.87	520080	1.76
5001 10000	113	11.70	916800	3.10
10001 20000	37	3.83	544710	1.84
20001 30000	22	2.28	577210	1.95

Shareholding of Nominal Value of ₹	Shareholder		Share Value	
	Number	% of Total	In ₹	% of Total
(1)	(2)	(3)	(4)	(5)
30001 - 40000	4	0.41	140810	0.48
40001 - 50000	16	1.66	786650	2.66
50001 - 100000	19	1.97	1215210	4.11
100001 and above	31	3.21	24066160	81.31
	996	100.00	29597000	100.00

- **Shares held in Physical and Dematerialization form:**

As on 31st March 2013, 96.07% of shares were held in dematerialized form and rest 3.93% in physical form

- **Outstanding GDRs / ADRs / Warrants or convertible instruments**

Not Applicable

- **Address for Correspondence**

**Registrars and Share Transfer Agents**

Ankit Consultancy Pvt. Ltd.

60, Electronics complex

Pardeshipura, Indore 452010 (M.P.)

Ph.0731-3198601-601 Fax: 0731-4065798

- **Administrative Office of the Company (For general assistance)**

Swastika Investmart Ltd.

48, Jaora Compound, M.Y.H. Road, Indore- 452 001(M.P.)

Ph.0731-4043100

## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for the Board of Directors and Senior Management of the Company. The same is available on website of the Company as [www.swastika.co.in](http://www.swastika.co.in).

As Managing Director of the Swastika Investmart Limited and as required by clause 49(1)(D)(ii) of the Listing Agreement of the Stock Exchange in India, I hereby declare that all the Board Members and senior Management personnel of the Company have affirmed compliance with the code of Conduct for financial year 2012-2013.

**Place : Indore**  
**Date : 14.05.2013**

**Sunil Nyati**  
Managing Director

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## CEO CERTIFICATION

I hereby certify to the Board of Directors of **SWASTIKA INVESTMART LIMITED** that:

- a. I have reviewed financial statements and the cash flow statement for the year ended on 31/03/2013 and that to the best of my knowledge and belief.
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements, and
  - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Place : Indore**  
**Date : 14.05.2013**

**For Swastika Investmart Limited**

**Sunil Nyati**  
Managing Director

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## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

We have examined to the compliance of conditions of Corporate Governance by Swastika Investmart Limited, for the year ended 31st March, 2013, as stipulated in the clause 49 of the Listing agreement entered into by the company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2013, the Registrars of the Company have certified that as at 31st March, 2013, there were no investor grievances remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place : Indore**

**Date : 14.05.2013**

**For R.S. Bansal & Company**  
**Chartered Accountants**

**Vijay Bansal**  
(Partner)

**Membership No.: 075344**

## ***ANNEXURE TO THE DIRECTORS' REPORT***

### **Management Discussion and Analysis**

#### **1) Macro Economics**

During the fiscal 2012-13, Indian Economy grew by a sluggish 5%, the slowest levels in 10 years. On account of high borrowing costs, douse inflation; hurt corporate investment and consumer spending, and weak external demand curbed export growth, also India's Current account deficit widened to a record 4.8 percent of the country's gross domestic product (GDP) in the financial year ended March 31, due to high imports of gold and oil and sluggish exports. The growth in GDP (Gross Domestic Product) during 2012-13 was at 5% as compared to a growth rate of 6.2% in 2011-12, Europe continues to be a worry, with Cyprus being one more country to be rocked by a crisis, apart from the tension in the Middle East, there is heightened tension between North and South Korea.

#### **2) Business Outlook**

During the Financial year 2012-13 Index performed relatively better than previous years, The sensex has gained around 8.23 percent, in the last year as compared to the previous fiscal. FIIs also shown their faith in the Indian economy by infusing huge capital, Government also is making continuous efforts to improve the market conditions through measures like introduction of Rajiv Gandhi Equity Savings Scheme for enhancing retail participation by new investors,

Your company's performance purely depends on the participation of retail clients and due to the degradation of retail industry participation, reduction in the margins your company faced a downward growth but your company is optimistic to find more opportunities in the upcoming years about its growth and performance and also is making new efforts for expansion by entering into new areas like Merchant Banking, Portfolio Management Services etc.

#### **3) Opportunities and Challenges**

Inflation plays the major role in the growth of any economy, during the financial year 2012-13 inflation had reached high of 12-13% which reduced to a standard range of 5-6% at the end of the year after the RBIs rigid monitoring policies, so it is expected that RBI shall continue to remain liberal in its policies which would increase retail investors participation and the company's business.

The finance budget for the financial year 2013-14 has few provisions aimed at increasing investments in manufacturing and investments in capital markets. Going ahead, most market analysts expect FY 2013-14 GDP to be around 6%, assuming a normal monsoon. The Reserve Bank of India remains focused on containing inflation, and is expected to continue following a conservative policy on interest rates. Price of gold had massive plunge along with other commodities, including crude. In India, capital markets largely depend on the ensuing elections, on the new economic reforms, key ministries and policy initiatives. Regulatory changes continue with an aim to make capital markets more transparent and providing better investor's protection. Long term prospects for the Indian economy, however, continue to remain bright, given the favorable demographics and the directional commitment towards liberalization.

#### **4) Risk Management policies**

Your company has an adequate risk management policy appropriate to the size and nature of the business, the industry in which your company operates is vulnerable to various risks namely credit risk, market risk, political risk, economic risk, regulatory and compliance risk. Also your company has diversified its risks by making entry into the new undiscovered areas so as to enhance its revenue generating capacity

The audit committee regularly conducts meetings and reviews the policies and procedures being followed and takes immediate action, if required

**5) Internal Control system**

Your company have an internal control system consists of all the procedures, methods and measures (control measures) institute by the Board of Directors and management to ensure that operational activities progress in a proper state, your company has an effective and efficient Internal control in accordance to the size and nature of the business to adhere with all the accounting policies and principles , compliances with all the applicable laws and regulations prescribed by the various regulators and rules and policies framed by the management

**6) Human Resources**

Human Resource is the biggest asset of the company, with qualified competent young and dynamic workforce your company is continuously striving best for achieving heights, with more than 500 employees at the end of the year, your management believes that foundation of growth for any organization is their human resources, in the current year numerous seminars, events were organized to enhance employee motivation and morale. Your Company continued to maintain its strong focus on employee engagement to help in retaining the skills and resources needed to fulfill its commitments to customers, significant initiatives were taken in Improving employee engagement and motivation through numerous seminars, events etc, also to ensure employees continuous learning we make them appears in exams like NCFM, NISM etc.

**7) Financial And Operational Performance**

Financial and Operational performance forms part of the annual report and is presented elsewhere in this report.

**8) Cautionary Statement**

Statements in the Management discussion and analysis describing company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities, laws and regulations. Actual results could differ materially from those expressed or implied by the management. Important factors that could influence the company's operations include various global and domestic economic factors which are out of the control of the company; it is based on certain assumptions and expectations for future and are subject to some risk and uncertainties.

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

**Place : Indore  
Date : 14.05.2013**

**Sunil Nyati                      Anita Nyati**  
Managing Director            Whole Time Director

## COMPLIANCE CERTIFICATE (See Rule 3)

CIN No.:L65910MH1992PLC067052  
Nominal Capital : ₹ 500 Lacs

To,  
The Members  
M/S. SWASTIKA INVESTMART LIMITED.  
1<sup>st</sup> Floor Bandukwala Building,  
British Hotel Lane Fort,  
Mumbai – (M.H.)

We have examined the registers, records, books and papers of M/S.SWASTIKA INVESTMART LIMITED as required to be maintained under the Companies Act, 1956, (herein after called Act) and rules made there under and also the provisions contained in the Memorandum and Article of Association of the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

- 1) The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
- 2) The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Maharashtra with in time as prescribed under the Act and the rules made there under.
- 3) The Company, being a Public Limited Company, Comments are not required.
- 4) The Board of Directors duly met eleven times on 13.04.2012, 25.04.2012, 28.05.2012, 05.06.2012, 21.07.2012, 10.08.2012, 18.09.2012, 30.10.2012, 03.12.2012, 31.01.2013 and 02.03.2013 respectively in respect of which, meeting proper notices were given and the proceedings were properly recorded and signed.
- 5) The Company closed its Register of Members from Saturday 8th September 2012 to Friday 14th September 2012 (both days inclusive) for the purpose of Annual General Meeting and Dividend and necessary compliance of section 154 of the Act has been made.
- 6) The Annual General Meeting for the financial year ended on 31st March 2012 was held on 14th September, 2012 giving due notice to the members of the Company and resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
- 7) No Extra Ordinary General Meeting was held during the financial year.
- 8) The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Companies Act, 1956 except ordinary course of business.
- 9) As informed by Management, except in normal course business transactions payment of expenses on behalf of subsidiary company, the Company has not entered into any contracts falling within the purview of section 297 of the Act.
- 10) The Company has made necessary entries in the register maintained under section 301(3) of the Act.
- 11) As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approval from the Board of Directors, members or central government.
- 12) The Company has issued duplicate share certificate during the financial year in accordance with the provision of the Act.
- 13) The Company has:
  - i) Not allotted any securities during the financial year. However company has delivered all the certificate on lodgment thereof for transfer/transmission or any other purpose in accordance with the provision of the Act.
  - ii) Deposited the amount of dividend declared during the year in separate bank account.
  - iii) posted/paid warrants for dividends to all the members entitled for dividend within a period of 30 days from the date of declaration and that all unclaimed/unpaid dividends has been transferred to Unpaid Dividend account of the Company in prescribed time.

- iv) has transferred the amounts of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- v) duly complied with the requirements of section 217 of the Act.
- 14) The Board of Directors of the Company is duly constituted and there was no appointment of additional Directors, alternate Directors and Directors to fill casual vacancy during the year.
- 15) The appointment of Managing Director/Whole time Director/Executive Director has been made in compliance with the provision of section 269 read with Schedule XIII to the Act wherever required.
- 16) The Company has not appointed any sole selling agent during the financial year of the Company.
- 17) The Company has not obtained any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
- 18) The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
- 19) The Company has not issued any shares, debentures or other securities during the financial year.
- 20) The Company has not bought back any shares during the financial year.
- 21) The company does not have any preference share capital nor it has issued any debentures and therefore, the question of redemption of the same does not arise.
- 22) There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
- 23) The Company has not invited/accepted any deposits including any unsecured loan falling within the purview of section 58A of the Act, read with the Companies (Acceptance of Deposits) Rules, 1975.
- 24) The Company has not made any borrowing during the financial year ended 31st March 2013 exceeding the limit prescribed under section 293(1)(d) of the Act.
- 25) The Company has made loans and investments, or given guarantees or provides securities to other bodies corporate in compliance with the provision of the Act.
- 26) The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another state during the year under scrutiny.
- 27) The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
- 28) The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
- 29) The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
- 30) The Company has not altered its Articles of Association during the financial year.
- 31) There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
- 32) As per information provided by the management, the Company has not received any money as security from its employees during the financial year.
- 33) The Company has deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

Place: Indore  
Date : 14.05.2013

For L.N. Joshi & Co.  
(Company Secretaries)

L.N. Joshi  
C.P. No.: 4216

## Annexure A

CIN No.:L65910MH1992PLC067052  
Nominal Capital : ₹ 500 Lacs

Registers as maintained by **M/s Swastika Investmart Limited.**

### **Statutory Register.**

1. Register of Members U/s 150 and Register of Index of Members U/s.151 under the Companies Act, 1956.
2. Registers and Returns under section 163 of Companies Act, 1956.
3. Minutes Book of Meeting under Sec 193 of the Act.
4. Books of Accounts U/s 209 of Companies Act, 1956.
5. Register maintained u/s 301(3) of the Act.
6. Register of Directors under section 303 of the Act.
7. Register of Directors' Shareholding under section 307 of the Act.
8. Register of Duplicate Share Certificate under Rule 7 of Companies (Issue of Share Certificates Rules, 1960).
9. Register of Charges.

### **Other Registers.**

1. Register of Share Transfer/ Transmission.
  2. Register of Shareholder's attendance.
  3. Register of Proxies.
- 

**Place: Indore**

**Date : 14.05.2013**

**For L.N. Joshi & Co.  
(Company Secretaries)**

**L.N. Joshi  
C.P. No.: 4216**

**Annexure B**

Forms and Returns as filed by the Company with Registrar of Companies, Maharashtra during the financial year ending 31st March 2013.

S. No.	Form No/ Return	Filed u/s	For	Date of Filing & ROC receipt No.	Whether filed Within Prescribed Time; Yes/No	If delay in filing Whether requisite Additional fee paid; Yes/No
1.	Form 5 INV (Statement of unclaimed and unpaid amounts)	Rule 3 of IEPF Rule 2012	F.Y.2010-2011 AGM: 12.09.11	31.07.2012 S11650710	Yes	NA
2.	Form 23	192	Registration of Resolution u/s. 293(1)(d) & 372A	19.09.2012 B57913154	Yes	No
3.	Secretarial Compliance Certificate Form No. 66	383A	FY 2011-2012	12.10.2012 P90016536	Yes	No
4.	Annual Return (Form No. 20B)	159	FY 2011-2012 AGM: 14.09.12	11.11.2012 P95622403	Yes	No
5.	Form 1 INV (Statement of amount credit to IEPF Fund)	Rule 3 of IEPF Rule 2001	Unclaimed Dividend amount for year 2003-04	24.11.2012 B62324132 B61914602	Yes	No
6.	Form 5 INV (Statement of unclaimed and unpaid amounts)	Rule 3 of IEPF Rule 2012	F.Y.2011-2012 AGM: 14.09.12	13.12.2012 S17304999	Yes	No
7.	Balance Sheet (Form No. 23AC & 23ACA in XBRL form)	220	F.Y.2011-2012	14.01.2013 Q05869953	Yes	No

Place: Indore

Date : 14.05.2013

For L.N. Joshi & Co.  
(Company Secretaries)

L.N. Joshi  
C.P. No.: 4216

## AUDITOR'S REPORT

To,  
The Members,  
Swastika Investmart Ltd.

### Report on the Financial Statements:

We have audited the accompanying financial statements of **SWASTIKA INVESTMART LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required under provisions of section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
  - e) (On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**Place : Indore**  
**Date : 14.05.2013**

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

**Vijay Bansal**  
Partner  
**Membership No: 075344**

**ANNEXURE TO THE AUDITOR'S REPORT AS REFERRED IN  
 Referred to in Paragraph 1 under the heading of "Report on Other Legal and  
 Regulatory Requirements" of our report of even date to the members of  
 Swastika Investmart Ltd. for the year ended on 31.03.2013**

As required by the Companies Auditor's Report Order, 2003 issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, we further report that :-

**1) IN RESPECT OF ITS FIXED ASSETS:**

- a) As informed to us, the company has maintained proper records, on yearly basis, showing full particulars, including quantitative details and situation of fixed assets. The records have been maintained on computer system.
- b) As informed to us, the company has physically verified fixed assets during the year. According to information and explanation given to us, no material discrepancies were noticed on such verification.
- c) In our opinion and according to the information and explanation given to us, the company has not disposed off substantial assets during the year which has affected its status as going concern.

**2) IN RESPECT OF ITS INVENTORIES:**

- a) The inventory of the company comprising of shares and securities, which have been physically verified during the year by the management at regular interval.
- b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) In our opinion and according to the information and explanation given to us, the company has maintained proper records of its inventories. No material discrepancies have been noticed on physical verification of stock as compared to book records.

**3) IN RESPECT OF LOANS SECURED OR UNSECURED GRANTED OR TAKEN BY THE COMPANY:**

- a) As per information and explanation given to us, the Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Act. Hence clauses 4(iii)(a), (b) & (c) are not applicable.
- b) As per information and explanation given to us, the Company has obtained unsecured loans from parties covered under Section 301. The details are as under:

Name	Maximum Amount	Amount Outstanding
Swastika Fin-Mart Pvt. Ltd.	35,95,000/-	NIL
Nyati Holdings Pvt. Ltd.	3,75,000/-	NIL

- c) The Company has not paid interest on such loans. As per the information provided to us, the other terms & conditions are not prejudicial to the interest of the Company.
- d) As per information and explanation given to us, there was no stipulation as to payment of principal & interest. Hence we are unable to comment on this clause. Although there was no outstanding amount as at the end of the year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate Internal Control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of services.

- 5) As explained & informed to us Company has entered all transactions, which are required to be entered in the register maintained in pursuant of the Section 301 of the Companies Act, 1956.
- 6) In our opinion and according to the information and explanations given to us, the Company neither accepted nor invited any deposits from public within the provision of Section 58A, 58AA of Companies Act, 1956 and rules made there under. As explained and informed to us no order against the company has been passed by Company Law Board, National Company Law Tribunal or Reserve Bank India or any Tribunal or Court.
- 7) As explained and informed to us, the company has its own system for Internal Audit, which seems to be reasonable looking the size and nature of its business.
- 8) As informed to us, the Central Government has not prescribed the maintenance of cost record U/s 209 (1) (d) of the Companies Act, 1956.
- 9) IN RESPECT OF STATUTORY DUES:
- a) According to information and explanations given to us, there are no undisputed statutory dues in respect of Provident Fund, Employee's State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty & Cess, Investor Education and Protection Fund, which are outstanding for a period of more than 6 months as at the last date of financial year from the date they became payable, except to the following:

S.no.	Particulars	Amount in ₹
1	Income Tax on Assessment (A.Y. 2008-09 & 2009-10)	3,94,000/-

- b) As informed and explained to us, that all the dues towards Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty & Cess, if any, are properly accounted in the books.

The detail of disputed demand is as under:-

Name of the Statute	Forum where Dispute is Pending	Period to Which the Amounts Relates	Amount in ₹
Income Tax Act	ITAT	FY 2006-07 (AY 2007-08)	93,375/-
Finance Act, 1944 (for Service Tax)	C.C., CE & ST, Indore	FY 2005-06 to FY 2007-08	30,89,019/-
SEBI Act, 1992	Securities Appellate Tribunal (SAT)	10/10/2008 to 20/11/2008	700,000/-

- 10) As informed and explained to us there is no accumulated cash losses of the company. Further, the Company has not incurred any cash losses during the period covered by the report and immediately preceding the financial year.
- 11) Based on our audit and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of any loan from Financial Institutions or Banks.
- 12) According to the information and explanation given to us, the Company has not given any loans and advances on the basis of security by way of Pledge of Shares, debentures and other securities.

- 13) In our opinion, the Company is not a chit/nidhi/mutual benefit fund/society. Therefore, the provisions of clause(xiii) of paragraph of the Order are not applicable to the Company.
- 14) According to the information and explanations given to us, the company is dealing or trading in share, securities, debentures and other investments. In our opinion, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other securities have been held by the company, in its own name as per the provisions of section 49 of the Act.
- 15) According to the information and explanation given to us, the Company has not given any guarantee in respect of loan taken by others from any banks or financial institutions.
- 16) According to the information and explanations given to us, the company has not taken any term loan during the period covered under audit. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- 17) According to the information and explanations given to us, and based on documents provided to us, we are of the opinion that no short-term fund has been utilized for Long Term Investment.
- 18) We are informed that, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained u/s 301 of the Act.
- 19) According to the information and explanations given to us and records examined by us, the Company has not issued debentures and hence regarding creation of securities in respect of debentures issued does not arise.
- 20) The Company has not raised any money by public issue of shares during the period.
- 21) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the period.

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

**Place : Indore**  
**Date : 14.05.2013**

**Vijay Bansal**  
Partner  
**Membership No: 075344**

## BALANCE SHEET AS AT 31.03.2013

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
A. Share Capital	2	29,825,500	29,825,500
B. Reserve & Surplus	3	89,835,583	92,590,967
	<b>Total</b>	<b>119,661,083</b>	<b>122,416,467</b>
<b>2. Non- Current Liabilities</b>			
A. Deferred Tax Liabilities (net)		2,764,094	3,223,958
B. Long-term Provisions	4	647,378	398,330
		<b>3,411,472</b>	<b>3,622,288</b>
<b>3. Current Liabilities</b>			
A. Short-term Borrowings	5	191,443,325	156,956,371
B. Trade Payables	6	563,272	730,556
C. Other Current Liabilities	7	201,916,226	224,408,822
D. Short- Term Provisions	8	10,900,920	13,428,617
		<b>404,823,743</b>	<b>395,524,366</b>
	<b>Total</b>	<b>527,896,298</b>	<b>521,563,121</b>
<b>II ASSETS</b>			
<b>1. Non- Current Assets</b>			
A. Fixed Assets	9		
(i) Tangible Assets		26,854,364	27,906,336
(ii) Intangible Assets		7,603,386	4,524,267
B. Non- Current Investments	10	61,030,395	57,535,559
C. Long- Term Loans And Advances	11	18,092,720	16,787,360
D. Other Non- Current Assets	12	960,675	176,362
		<b>114,541,540</b>	<b>106,929,884</b>
<b>2. Current assets</b>			
A. Inventories	13	10,537,326	10,518,441
B. Trade Receivables	14	336,524,122	361,079,565
C. Cash and Bank Balances	15	47,223,295	25,217,636
D. Short-term Loans and Advances	16	17,528,722	17,259,097
E. Other Current Assets	17	1,541,293	558,498
		<b>413,354,758</b>	<b>414,633,237</b>
	<b>Total</b>	<b>527,896,298</b>	<b>521,563,121</b>
Significant accounting policies	1		
Other Notes to Financial Statements	24		

As per our Separate Report Attached  
FOR R.S. BANSAL & COMPANY  
Chartered Accountants  
FRN : 000939C

VIJAY BANSAL  
Partner  
Membership No: 075344

Place: Indore  
Date: May14, 2013

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

Sunil Nyati                      Anita Nyati  
Managing Director              Whole Time Director

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31.03.13

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
I. Revenue from operations	18	125,021,657	128,509,721
II. Other income	19	7,225,913	5,595,232
<b>III. Total Revenue</b>		<b>132,247,570</b>	<b>134,104,953</b>
<b>IV. Expenses:</b>			
Purchases of Shares and Securities		4136,538	12,335,769
Decrease in inventories of Shares and Securities		(18,885)	3,771,049
Employee benefits expense	20	38,317,022	29,541,015
Finance costs	21	17,840,713	12,196,029
Depreciation and amortization expense		7,295,433	8,280,689
Other expenses	22	68,096,215	59,139,139
<b>Total Expenses</b>		<b>135,667,036</b>	<b>125,263,690</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>(3,419,466)</b>	<b>8,841,263</b>
VI. Exceptional Items	23	3,701,522	149,380
<b>VII. Profit before extraordinary items and tax</b>		<b>282,056</b>	<b>8,990,643</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>282,056</b>	<b>8,990,643</b>
<b>X. Tax expense:</b>			
(1) Current tax		57,540	3,625,488
(2) Deferred tax		(459,864)	(753,767)
<b>XI. Profit for the period (IX-X)</b>		<b>6,84,380</b>	<b>6,118,922</b>
XII. Earnings per equity share:			
(1) Basic		0.23	2.07
(2) Diluted		0.23	2.07
Significant accounting policies	1		
Other Notes to Financial Statements	24		

As per our report of even date  
**FOR R.S. BANSAL & COMPANY**  
Chartered Accountants  
FRN : 000939C

**VIJAY BANSAL**  
Partner  
Membership No: 075344

Place: Indore  
Date: May 14, 2013

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

**Sunil Nyati**                      **Anita Nyati**  
Managing Director              Whole Time Director

**CASH FLOW STATEMENT**

PARTICULARS	For the year ended 31.03.13 ₹	For the year ended 31.03.12 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax	282,056	8,990,643
Adjustments for :		
<b>Extraordinary Items &amp; Non Cash Items</b>		
Excess Income Tax Provision Written Back	-	(149,380)
Excess Provision For Gratuity Written Back	(172,95)	-
Excess Depreciation Written Back	(3,684,227)	-
<b>Net Profit before Tax and Extra Ordinary items</b>	<b>(3,419,466)</b>	<b>8,841,263</b>
Adjustments to reconcile Net Profit before Tax to cash provided by Operating activities		
Depreciation	7,295,433	8,280,689
Wealth Tax	30,263	30,136
( Profit ) / Loss on sale of Investments	-	(36,853)
( Profit ) / Loss on sale of Fixed Assets	23,545	(80,000)
Dividend Income	(700,325)	(638,491)
Interest Income	(4,298,272)	(4,477,561)
Interest Expenses	17,222,495	11,804,248
<b>Operating profit before Working Capital Changes</b>	<b>16,153,673</b>	<b>23,723,431</b>
Adjustments For :		
Short-term Borrowings	34,486,954	105,379,184
Trade Payables	(167,284)	(1,721,985)
Other Current Liabilities	(22,430,166)	26,771,131
Short-term Provisions	1,057,493	275,250
Long-term Provisions	249,048	398,330
Inventories	(18,885)	3,771,049
Trade Receivables	24,555,443	(132,789,889)
Short-term Loans And Advances	(1,614,274)	(996,320)
Other Current Assets	(982,795)	761,533
Non Current Assets	(784,313)	(176,362)
<b>Cash Generated from Operations</b>	<b>50,504,893</b>	<b>25,395,352</b>
Direct Taxes Paid	(2,310,976)	(3,404,085)
<b>Cash Flow Before Extra-Ordinary Items</b>	<b>48,193,918</b>	<b>21,991,267</b>
<b>Net Cash Flow from Operating Activities</b>	<b>( A ) 48,193,918</b>	<b>21,991,267</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(5,985,188)	(10,241,063)
Sale of Fixed Assets	323,290	80,000
Purchase of Investments (Shares and Securities)	(3,494,836)	(19,817,462)
Fixed Deposit	(521,016)	17,625,000
Sales of Investments	-	1,376,918
Loans and Advances	(1,305,360)	(736,020)
Dividend Received	700,325	638,491
Interest Received	4,298,272	4,477,561
<b>Net Cash Flow from Investing Activities</b>	<b>( B ) (5,984,513)</b>	<b>(6,596,575)</b>

PARTICULARS	For the year ended 31.03.13 ₹	For the year ended 31.03.12 ₹
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(17,222,495)	(11,804,248)
Dividend & Dividend Tax	(3,502,267)	(3,392,764)
<b>Net Cash Flow from Financing Activities ( C )</b>	<b>(20,724,762)</b>	<b>15,197,012</b>
<b>Net Increase in Cash &amp; Cash Equivalents ( A+B+C )</b>	<b>21,484,643</b>	<b>197,680</b>
Cash & Cash Equivalents (Opening)	5,217,636	5,019,956
Cash & Cash Equivalents (Closing)	<b>26,702,279</b>	<b>5,217,636</b>
<b>NOTE : Previous year figures have been regrouped / rearranged wherever necessary.</b>		
Cash & Cash Equivalents as on 31.03.2013 include balance in unclaimed dividend accounts of ₹ 786,628 Previous year ₹ 849,058		

**As per our report of even date  
FOR R.S. BANSAL & COMPANY  
Chartered Accountants  
FRN : 000939C**

**Vijay Bansal  
(Partner)  
Membership No: 075344**

**Place : Indore  
Date : 14.05.2013**

**For and on behalf of the Board of Directors**

**Sunil Nyati  
Managing Director**

**Anita Nyati  
Whole Time Director**

## **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

### **NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

#### **1. A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and in compliance with the Accounting Standard referred to in section 211 (3C) and other requirements of the Companies Act, 1956.

#### **B) USE OF ESTIMATES:**

The Preparation of Financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known.

#### **2. EMPLOYEE BENEFITS:**

##### **A) Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonus, incentives, etc. are recognized in the period in which the employee renders the related services.

**B) Post-Employment Benefits****i) Defined Contribution Plans:**

The Company's contribution paid/payable under the Provident Fund Scheme is recognized as expense in the Statement of profit and loss during the period in which the employee renders the related service.

**ii) Defined Benefit Plans:**

The Company has taken Group Gratuity Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC. The Actuarial gains or losses are recognized immediately in the Statement of Profit & Loss.

**3. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provision involving a substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

**4. REVENUE RECOGNITION**

- i) Brokerage from secondary market 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 and Securities Transaction Tax(stt) wherever applicable.
- ii) Income from Sale of Shares and Securities is recognized on the date of billing of the relevant transactions.
- iii) Income from Depository operations is accounted on accrual basis.
- iv) Equity Index / Stock Future/Currency Futures
  - Equity Index / Stock Futures/ Currency Futures are marked to market on a daily basis. Debit or Credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark to Market Margin Equity Index / Stock Futures/Currency Account, represents the net amount paid or received on the basis of movement in the process of Index / Stock futures /Currency Futures till the balance sheet date.
  - As on the Balance Sheet, Profit / Loss on open position in Equity Index /Stock Futures/Currency Futures is accounted as follows:
    - a) 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 Profit and Loss Account.
    - b) Debit balance in the Mark-to-Market Margin Equity Index/ Stock Futures//Currency Futures Account, being the anticipated loss, is provided in the Profit and Loss Account.
  - On final settlement or squaring up of contracts for Equity Index/ Stock Futures/ Currency Futures, the Profit or Loss is calculated as the difference between the settlement / squaring up price and the contract price. Accordingly, debit or credit balance pertaining to the settled /squared - up contract in Mark to Market Margin - Equity Index/ Stock Futures /Currency Futures Account after adjustment of the provision for anticipated losses is recognized in the Profit and Loss Account. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures /Currency Futures contract to which the squared up contract pertains is outstanding

at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using the weighted average cost method for calculating the Profit / Loss on Squaring up.

v) Option Contracts

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

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

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

viii) Advisory fees and other income are accounted on accrual basis, net of service tax.

## 5. FIXED ASSETS AND DEPRECIATION

- i) Fixed Assets are stated at cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.
- ii) Depreciation is provided under the straight-line method at the rates specified in Schedule XIV of the Companies Act 1956. In cases where the useful lives are estimated to be lower than those considered in determining the rates specified in that Schedule, depreciation is provided under the straight-line method over the useful lives of the assets. V-SAT is depreciated @ 10% p.a. on Straight Line Basis.
- iii) Membership Rights in Stock Exchanges are amortized on straight- line basis over a period of 20 years according to the Management decision on the basis of its useful life.
- iv) Other Intangible assets are stated at cost and are amortized on straight-line basis over the period of 6 years on the basis of useful life determined as per the economic benefit of the asset.

## 6. INVESTMENTS

Investments are stated at cost of acquisition since they are long term in nature.

## 7. STOCK-IN-TRADE

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

## 8. TAXES ON INCOME

- i) Tax on income for the current period is determined on the basis of estimated taxable income as per the Minimum Alternate Tax provisions and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessment/appeals.
- ii) Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes & accounting income that originate in one period and are capable of reversal in one or more subsequent period.
- iii) Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## 9. IMPAIRMENT OF ASSETS

At each balance sheet date, the management reviews the carrying amount of all the assets to determine whether there is any indication that those assets were impaired .If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. And the impairment loss, if any, is debited to the Profit and Loss Account.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 2: SHARE CAPITAL</b>			
<b>A) Authorised, Subscribed &amp; Paid-Up</b>			
5,000,000 Equity Shares of ₹ 10 each (Previous Year 5,000,000 Equity Shares of ₹ 10 each)		50,000,000	50,000,000
<b>Issued :</b>			
2,959,700 Equity Shares of ₹ 10 each (Previous Year 2,959,700 Equity Shares of ₹ 10 each)		29,597,000	29,597,000
<b>Subscribed &amp; Paid-Up:</b>			
2,959,700 Equity Shares of ₹ 10 each fully paid (Previous Year 2,959,700 Equity Shares of ₹ 10 each)		29,597,000	29,597,000
<b>Add : Share Forfeiture</b>		228,500	228,500
<b>Total</b>		<b>29,825,500</b>	<b>29,825,500</b>

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.

**B) Reconciliation of the number of Shares as at the beginning and at the end of the Financial Year**

Particulars	Equity Share		Equity Share	
	As at 31 March 2013		As at 31 March 2012	
	Number	Amount ₹	Number	Amount ₹
Shares outstanding at the beginning of the year	2,959,700	29,597,000	2,959,700	29,597,000
Shares outstanding at the end of the year	2,959,700	29,597,000	2,959,700	29,597,000

**C) ShareHolders holding more than 5% of Shares**

Name of the Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Nyati	398,900	13.48	398,900	13.48
Anita Nyati	298,000	10.07	298,000	10.07
Devashish Nyati	287,000	9.70	287,000	9.70
Parth Nyati	287,000	9.70	287,000	9.70
Anil Nyati	154,400	5.22	154,400	5.22

**NOTE 3 : RESERVES AND SURPLUS****A) General Reserve**

Opening Balance	86,941,419	81,941,419
(+) Current Year Transfer	-	5,000,000
<b>Closing Balance(A)</b>	<b>86,941,419</b>	<b>86,941,419</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>B) Surplus of Statement of Profit and Loss</b>			
Opening Balance		5,649,548	7,970,463
(+) Net Profit for the current year		684,380	6,118,922
		<b>6,333,928</b>	<b>14,089,385</b>
<b>Less: Appropriations during the year:</b>			
Proposed Dividends		2,959,700	2,959,700
Dividend Distribution Tax		480,064	480,137
Transfer to General Reserves		-	5,000,000
<b>Closing Balance(B)</b>		<b>2,894,164</b>	<b>5,649,548</b>
<b>Grand Total (A+B)</b>		<b>89,835,583</b>	<b>92,590,967</b>
<b>NOTE 4 : LONG TERM PROVISIONS</b>			
<b>Provision for Employee Benefits</b>			
Gratuity		647,378	398,330
<b>Total</b>		<b>647,378</b>	<b>398,330</b>
<b>NOTE 5: SHORT TERM BORROWINGS</b>			
<b>A) Secured</b>			
<b>Loans repayable on demand</b>			
<b>From Banks</b>			
i) ICICI Bank		-	80,123,032
ii) HDFC Bank Ltd.		-	2,759,992
(Secured By Pledge of Own Shares and Shares held in Clients' beneficiary account and Pledge of Company's FDRs)			
<b>From Other Parties</b>			
Investmarts Financial Services Limited		114,116,706	38,690,855
Aditya Birla Finance Limited		55,441,912	-
(Secured By Pledge of Own Shares and Shares held in Clients' beneficiary account)			
		<b>169,558,618</b>	<b>121,573,879</b>
<b>B) Unsecured</b>			
<b>Deposits</b>			
		<b>21,884,707</b>	<b>35,382,492</b>
<b>Total</b>		<b>191,443,325</b>	<b>156,956,371</b>
<b>NOTE 6: TRADE PAYABLES</b>			
Creditors for Expenses		563,272	730,556
<b>Total</b>		<b>563,272</b>	<b>730,556</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 7: OTHER CURRENT LIABILITIES</b>			
<b>A) Unpaid dividends</b>			
FY 04-05		-	150,914
FY 05-06		137,320	137,820
FY 06-07		179,451	179,851
FY 07-08		149,769	151,369
FY 08-09		98,656	98,856
FY 09-10		69,699	70,099
FY 10-11		59,742	59,942
FY 11-12		91,784	-
<b>B) Other Payables</b>			
Credit Balances of Clients		201,129,805	223,559,971
	<b>Total</b>	<b>201,916,226</b>	<b>224,408,822</b>
<b>NOTE 8: SHORT TERM PROVISIONS</b>			
<b>A) Provision for Employee Benefits</b>			
Salary and Reimbursements		3,475,626	1,091,210
Contribution to PF		19,532	16,197
		<b>3,495,158</b>	<b>1,107,407</b>
<b>B) Others</b>			
Income Tax		57,540	3,625,488
Dividend Payable		2,959,700	2,959,700
Dividend Tax Payable		480,064	480,137
Wealth Tax Payable		30,263	30,136
Income Tax on Assessment Payable (AY 08-09 and AY 09-10)		394,000	394,000
Provision for Income Tax 2009-10 (A.Y. 2010-11)		67,700	-
Interest Payable		-	432,992
Auditors Remuneration Payable		171,000	157,500
Contribution to IPF		1,370	1,051
Electricity Expenses		185,034	149,928
General Expenses		304,324	57,492
Telephone Expenses		62,333	180,236
V SAT Expenses		16,000	49,000
Professional Tax		24,417	22,148
TDS		1,320,741	1,364,350
Expenses payable to Exchange		1,331,276	2,417,052
		<b>7,405,762</b>	<b>12,321,210</b>
	<b>Total</b>	<b>10,900,920</b>	<b>13,428,617</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 9: FIXED ASSETS

(In ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2012	ADDITION	DEDUCTION	AS AT 31.03.2013	UPTO 1.04.2012	FOR THE PERIOD UPTO MARCH-13	WRITTEN BACK	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 01.04.12
<b>A. Tangible Assets</b>										
CAR	8,502,174	-	-	8502174	1,668,201	807,707	-	2,475,908	6,026,266	6,833,973
COMPUTER	17,352,262	1,828,955	1,495,055	17,686,162	13,470,140	2,948,052	1,495,055	14,923,137	2,763,025	3,882,122
FURNITURE	12,030,998	990,425	-	13,021,423	3,253,708	879,320	-	4,133,028	8,888,395	8,777,290
SCOOTER	239,816	-	-	239,816	177,105	22,783	-	199,888	39,928	62,711
AIR CONDITIONER	1,287,137	185,160	-	1,472,297	426,130	66,675	-	492,805	979,492	861,007
OFFICE EQUIPMENT	8,409,364	1,699,620	544,707	9,564,277	1,658,671	526,000	197,872	1,986,799	7,577,478	6,750,693
V-SAT	1,587,603	-	-	1,587,603	849,063	158,760	-	1,007,823	579,780	738,540
<b>TOTAL - A</b>	<b>49,409,354</b>	<b>4,704,160</b>	<b>2,039,762</b>	<b>52,073,752</b>	<b>21,503,018</b>	<b>5,409,297</b>	<b>1,692,927</b>	<b>25,219,388</b>	<b>26,854,364</b>	<b>27,906,336</b>
<b>B. Intangible Assets</b>										
INTANGIBLE ASSET	17,612,970	271,028	-	17,883,998	17313704	1,534,987	3,684,227	15,164,464	2,719,534	299,266
BSE CARD	6,500,001	-	-	6,500,001	2,275,000	325,000	-	2,600,000	3,900,001	4,225,001
MCX CARD	-	1,010,000	-	1,010,000	-	26,149	-	26,149	983,851	-
<b>TOTAL - B</b>	<b>24,112,971</b>	<b>1,281,028</b>	<b>-</b>	<b>25,393,999</b>	<b>19,588,704</b>	<b>1,886,136</b>	<b>3,684,227</b>	<b>17,790,613</b>	<b>7,603,386</b>	<b>4,524,267</b>
<b>GRAND TOTAL</b>	<b>73,522,325</b>	<b>5,985,188</b>	<b>2,039,762</b>	<b>77,467,751</b>	<b>41,091,722</b>	<b>7,295,433</b>	<b>5,377,154</b>	<b>43,010,001</b>	<b>34,457,750</b>	<b>32,430,603</b>
<b>PREVIOUS YEAR</b>	<b>65,831,477</b>	<b>10,241,063</b>	<b>2,550,215</b>	<b>73,522,325</b>	<b>35,361,248</b>	<b>8,280,689</b>	<b>2550215</b>	<b>41,091,722</b>	<b>32,430,603</b>	<b>30,470,229</b>

### NOTE 10: NON CURRENT INVESTMENTS

#### A. Trade Investments

Sr. No.	Name of the Body Corporate	Face Value ₹	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount in ₹	
				As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(10)	(11)
a)	Investment in Equity Instruments								
	Bombay Stock Exchange Ltd.	1	Others	558,74	55,874	Unquoted	Fully Paid	4,298	4,298
	Swastika Commodities Pvt.Ltd.	10	Subsidiary	199,400	199,400	Unquoted	Fully Paid	14,981,000	14,98,1000
	Swastika Finmart Private Limited	10	Subsidiary	2,109,800	2,109,800	Unquoted	Fully Paid	2,109,8000	2,109,8000
	Swastika Insurance Services Limited	10	Subsidiary	49,400	49,400	Unquoted	Fully Paid	4,94,000	4,94,000
							<b>Total (A)</b>	<b>36,577,298</b>	<b>36,577,298</b>

#### B. Other Investments

Sr. No.	Name of the Body Corporate	Face Value ₹	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount in ₹	
				As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(10)	(11)
a)	Investment in Equity Instruments								
	3IInfotech Ltd.	10	OTHERS	25,000	25000	Quoted	Fully Paid	1,214,137	1,214,137
	Biocon Ltd.	5	OTHERS	1,100	1,100	Quoted	Fully Paid	3,96,744	3,96,744

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

Sr. No.	Name of the Body Corporate	Face Value ₹	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount in ₹	
				As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(10)	(11)
	Century Enka	10	OTHERS	17,900	-	Quoted	Fully Paid	2,375,055	-
	Decolight Ceramics Ltd.	10	OTHERS	10,000	10,000	Quoted	Fully Paid	2,33,504	2,33,504
	Good luck ST	2	OTHERS	50,000	-	Quoted	Fully Paid	1,119,781	-
	Gujrat NRE Coke Ltd.	10	OTHERS	5,800	5,800	Quoted	Fully Paid	2,45,163	2,45,163
	Hindustan Construction Company Ltd.	1	OTHERS	50,000	50,000	Quoted	Fully Paid	1,811,192	1,811,192
	Kriti Industries India Ltd.	1	OTHERS	39,000	39,000	Quoted	Fully Paid	2,70,319	2,70,319
	Kriti Nutrients Ltd.	1	OTHERS	39,000	39,000	Quoted	Fully Paid	2,70,319	2,70,319
	Lakshmi machine Works Ltd.	10	OTHERS	104	104	Quoted	Fully Paid	1,73,550	1,73,550
	NHPC Ltd.	10	OTHERS	2,03,565	2,03,565	Quoted	Fully Paid	5,089,156	5,089,156
	Rajratan Gustav Wolf Ltd.	10	OTHERS	28,000	28,000	Quoted	Fully Paid	6,31,7779	6,31,7779
	Reliance Communications Ltd.	5	OTHERS	3,000	3,000	Quoted	Fully Paid	1,248,247	1,248,247
	Shricon Industries Ltd.	10	OTHERS	49,150	49,150	Quoted	Fully Paid	2,742,469	2,742,469
b)	State Trading Corporation of India Ltd	10	OTHERS	400	400	Quoted	Fully Paid	65,842	65,842
	Wire and Wireless India Ltd.	1	OTHERS	24,913	24,913	Quoted	Fully Paid	3,79,840	3,79,840
	<b>Investments in Mutual Funds</b>								
	Axis Equity Fund	10	OTHERS	50,000	50,000			5,00,000	5,00,000
							<b>Total(B)</b>	<b>24,453,097</b>	<b>20,958,261</b>
						<b>Grand Total</b>	<b>(A+B)</b>	<b>61,030,395</b>	<b>57,535,559</b>

Notes: 1) All Investments have been stated at Cost.

2) Aggregate Market Value of Quoted Investment is ₹ 17,290,707/- (Previous Year ₹ 16,907,845/-)

PARTICULARS	Note No.	As at	As at
		31.03.13 ₹	31.03.12 ₹
<b>NOTE 11: LONG TERM LOANS AND ADVANCES</b>			
<b>A) Unsecured, Considered Good</b>			
Security Deposits		17,675,000	15,675,000
		<b>17,675,000</b>	<b>15,675,000</b>
<b>B) Other Loans and Advances</b>			
Staff Loan		-	694,640
Gems Equities and Securities Pvt. Ltd.		417,720	417,720
		<b>417,720</b>	<b>1,112,360</b>
<b>Total</b>		<b>18,092,720</b>	<b>16,787,360</b>
<b>NOTE 12: OTHER NON CURRENT ASSETS</b>			
Advance to Market Place Technologies Pvt. Ltd.(for Intangible Asset)		176,362	176,362
Other		784,313	-
<b>Total</b>		<b>960,675</b>	<b>176,362</b>
<b>NOTE 13: INVENTORIES</b>			
Stock-in-trade (Shares and Securities)		10,537,326	10,518,441
<b>Total</b>		<b>10,537,326</b>	<b>10,518,441</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 14: TRADE RECEIVABLES</b>			
<b>Unsecured, Considered Good:</b>			
i) Outstanding for a period exceeding six months		13,166,268	14,943,642
ii) Others		32,3357,854	346,135,923
	<b>Total</b>	<b>336,524,122</b>	<b>361,079,565</b>
<b>NOTE 15: CASH AND BANK BALANCES</b>			
<b>A) Cash and Cash Equivalents:</b>			
i) Balances with Banks in Current Accounts		24,496,615	3,636,013
ii) Cash on Hand		1,419,036	732,565
<b>B) Other Bank Balances</b>			
Unpaid Dividend Accounts (Earmarked Balances)		786,628	849,058
Fixed Deposits with maturity of more than 12 months ₹ 25,00,000 ( Previous Year -Nil)		20,521,016	20,000,000
FDRs include ₹ 15,000,000 held by ICICI Bank Ltd. as Cash Margin against the Bank Guarantee and ₹ 25,00,000 held by Globe Capital Market Limited (F & O Clearing Member).			
	<b>Total</b>	<b>47,223,295</b>	<b>25,217,636</b>
<b>NOTE 16: SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured, Considered Good:</b>			
Advance Income Tax		1,000,000	2,500,000
Advance to Staff		2,062,088	2,303,213
Agni Fin-Lease Pvt.Ltd.		543,526	-
BSE (Against TDS)		66,682	167,394
Deposit Against Securities Appellate Tribunal		700,000	700,000
Dhar Coal Product P. Ltd.		648,470	-
Electricity Deposits		79,347	76,457
HCL Comnet Ltd.		100,000	100,000
Income Tax Refund due		3,166,881	3,152,690
Lease Line Deposit		15,000	15,000
Legal Deposit		10,000	10,000
NSE (Against TDS)		235,821	696,204
Other Advances		790,453	-
Prepaid Expenses		923,939	1,428,500
Ram Kishan Verma		938,314	132,049
Rent Deposits		3,688,318	3,406,171
S K Nyati		549,160	490,321
Service Tax Credit		287,981	292,262
Shyam Internet Services(Internet Deposit)		8,334	8,334
TDS Receivable		1,045,246	904,085
Telephone Deposits		69159	76,414
V-SAT Deposits		600,003	800,003
	<b>Total</b>	<b>17,528,722</b>	<b>17,259,097</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 17 : OTHER CURRENT ASSETS</b>			
Accrued Income		587,943	314,564
Adhesive Stamps		469,000	202,264
Incentive Receivable (BSE Derivatives)		414,040	-
PMS Registration Charges		70,310	41,670
<b>Total</b>		<b>1,541,293</b>	<b>558,498</b>
<b>NOTE 18: REVENUE FROM OPERATIONS</b>			
A) Brokerage Realised		76744470	77,621,068
B) Sales of Shares and Securities		2,372,110	13,239,523
C) Other Operating Revenue (from Share Broking Business):			
i) Turnover Charges		9,171,647	8,292,006
ii) Auction Charges		54,732	132,342
iii) Demat and Depository Charges		4,210,233	3,508,755
iv) Delay in Pay in Charges		32,099,524	25,017,714
v) Advisory Charges		100,101	133,824
vi) Contract Handling Charges		203,039	211,645
vii) Client Registration Charges		65,800	352,844
<b>Total</b>		<b>125,021,656</b>	<b>128,509,721</b>
<b>NOTE 19: OTHER INCOME</b>			
A) Interest Income		4,298,272	4,477,561
B) Dividend Income		700,325	638,491
C) Net Gain on Sale of Investment		-	36,853
D) Profit on Sale of Fixed Assets		-	80,000
E) Other Non Operating Income			
i) Internet ID Connectivity		47,174	120,815
ii) Incentives		1,818,290	-
iii) Other Income		361,852	241,512
<b>Total</b>		<b>7,225,913</b>	<b>5,595,232</b>
<b>NOTE 20: EMPLOYEE BENEFIT EXPENSES</b>			
A) Salaries and Incentives		32,776,576	24,013,418
B) Payment to Directors:			
i) Remuneration		4,500,000	4,500,000
ii) Contribution to Provident Fund		18,720	18,720
C) Contributions to -			
i) Provident Fund		62,400	58,500
ii) Gratuity fund contributions (Premium to LIC)		14,277	16,458
iii) Provision for Gratuity (As per AS 15)		266,343	398,330
D) Staff welfare expenses		678,706	535,589
<b>Total</b>		<b>38,317,022</b>	<b>29,541,015</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 21: FINANCE COST</b>			
Interest Expense		17,222,495	11,804,248
Bank Charges		618,218	391,781
	<b>Total</b>	<b>17,840,713</b>	<b>12,196,029</b>
<b>NOTE 22: OTHER EXPENSES</b>			
Advertisement Expenses		280,739	241,955
Auditor's Remuneration		190,000	175,000
Bad Debt		81,432	-
Balances Written Off		-	92,940
Business Promotion		116,109	342,136
Client Servicing and Branch management expenses		15,742,124	14,062,060
Commission		19,120,138	19,488,713
Commission (Others)		86,725	30,500
Conveyance Expenses		204,662	110,897
Demat Charges		57,129	126,480
Depository Expenses		990,855	1,138,471
Diwali Expenses		241,660	317,496
Income Tax on Assesment ( AY 09-10)		22,830	394,000
Tax on assesment for the year( A.Y. 2010-11)		67,700	-
Insurance		491,807	322,468
Legal & Professional Fees		1,894,574	1,374,197
Loss on F & O trading		9,060,629	4,299,090
Membership Fees & Subscription		172,000	165,300
Miscellaneous Expense		686,644	218,497
Office Maintenance		1,588,625	1,089,441
Penalty		320,126	409,959
Printing & Stationary		568,665	370,987
Rates & taxes		120,444	49,599
Registration fee		50,000	338,332
Rent		6,317,653	5,711,504
Repairs, Maintenance and Software Maintenance		2,209,912	2,871,087
Loss on sale of fixed assets		23,545	-
SEBI Fees		321,359	364,118
SMS Charges		58,871	88,760
Telephone & Internet Charges		3,373,062	2,298,447
Travelling Expenses (Directors)		460,638	319,435
Travelling Expenses (Others)		386,890	189,732
V-SAT Expenses		302,245	418,455
Water and Electricity Expenses		2,456,160	1,688,947
Wealth Tax		30,263	30,136
		<b>68,096,215</b>	<b>59,139,139</b>

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 23: EXCEPTIONAL ITEMS</b>			
<b>Excess Provision Written Back</b>			
i) Income Tax		-	149,380
ii) Depreciation Written Back		3,684,227	-
iii) Others		17,295	-
<b>Total</b>		<b>3,701,522</b>	<b>149,380</b>

**24. OTHER NOTES TO FINANCIAL STATEMENTS.**

1. i) Contingent liabilities for Bank Guarantee issued in favour of NSE / BSE is ₹ 300 Lacs. (Previous year was ₹ 300 Lacs).

- ii) Demand in respect of the following matters is as follows:

(In ₹)

Income Tax	93,375/-
Service Tax	30, 89,019/-
SEBI Penalty	700,000/-
<b>Total</b>	<b>38, 82,394 /-</b>

- iii) During the year, a demand of ₹ 2, 42,260/- has been raised by the Income Tax Department for A.Y. 2010-11. The demand is due to the reason that the assessing officer has made certain additions for which the Company has not preferred any appeal. The department has also not allowed credit of certain TDS claimed by the Company. As the exact calculation for amount of tax and interest is not available with the Company, the Company has provided ₹ 67, 700/- on prudent basis, out of the above demand.

- iv) A provision of ₹ 3, 94,000/- for the similar reasons on prudent basis has been made during F.Y. 2011-12, the same has not been paid by the Company as no calculation for the bifurcation of the amount for tax and interest has been made available to the Company by the income tax department.

2. In the opinion of Management the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated and provisions for all known liabilities have been made. Balance of Sundry Debtors and Sundry Creditors are subject to confirmations.

3. Statutory auditor's remuneration :

(In ₹)

Particulars	31.3.2013	31.3.2012
Statutory Audit	1,40,000/-	1,25,000/-
Tax Audit	25,000/-	25,000/-
Certification Fees	15,000/-	15,000/-
Other Services	10,000/-	10,000/-
<b>TOTAL</b>	<b>1,90,000/-</b>	<b>1,75,000/-</b>

4. Disclosure of Related Parties/Party transaction:

A. List of Related Parties (where transactions have taken place):

S.No.	Name of Related Party	Nature of Relationship
1.	<b>Key Management Personnel/individuals having control or significant influence.</b> a) Mr. Sunil Nyati b) Mrs. Anita Nyati c) Mr. Anil Nyati d) Mr. S.N. Maheshwari e) Mr. Vinod Gupta f) Mr. C.R. Doshi g) Mr. Tarun Kumar Baldua h) Mr.Ramanlal Bhutda	Managing Director Whole Time Director Director Director Director Director Director Director
2.	<b>Relatives of Key Management Personnel / Individuals having control or significant influence.</b> a) Mr. Parth Nyati b) Mrs. Sita Nyati c) Mr. Chandmal Nyati  d) Mr. Vandit Nyati e) Mrs. Vandana Nyati  f) Mrs. Krishna Prabha Maheshwari g) Mr. Manish Maheshwari h) Mrs. Raksha Maheshwari i) Mrs. Rekha Gupta j) Mrs. Shashi Baldua k) Mrs. Manjubala Baheti	} Relatives of Managing Director  } Relatives of Director  } Relatives of Director
3.	<b>Enterprises owned/controlled by key managerial personnel or individuals having control or significant influence.</b> a) Sunil Nyati H.U.F. b) Anil Nyati H.U.F. c) Tarun Kumar Baldua(HUF) d) ENAR Collections	H.U.F. of Managing Director H.U.F. of Director H.U.F. of Director Proprietorship firm of Director's Relative
4.	<b>Subsidiary</b> a) Swastika Commodities Pvt. Ltd. b) Swastika Insurance Services Limited c) Swastika Fin-Mart Private Limited	} Subsidiary Companies

## B. Transactions with Related Parties:

₹

S. No.	Particulars	Key Management Personnel/ Individuals having control or significant influence.	Relatives of Key Management Personnel / Individuals having control or significant influence.	Subsidiary	Enterprises owned/controlled by key managerial personnel or individuals having control or significant influence.	Total
1.	<b>Expenditure</b> Salaries and Other benefits (including PF Contribution)	4,518,720/- (4,518,720/-)	- (-)	- (-)	- (-)	4,518,720/- (4,518,720/-)
	Office Rent	- (-)	- (-)	- (-)	3,00,000/- (3,00,000/-)	3,00,000/- (3,00,000/-)
	Stationery and Printing	- (-)	- (-)	- (-)	277,261/- (146,415/-)	277,261/- (146,415/-)
2.	<b>Income</b> Brokerage Received	15,143/- (39,498/-)	7,024/- (2,592/-)	- (-)	394 (-)	22,561/- (42,090/-)
3.	<b>Expenses Recovered</b>	- (-)	- (-)	31,664,038/- (26,207,168/-)	- (-)	31,664,038/- (26,207,168/-)
4.	<b>Loan Taken</b>	- (-)	- (-)	35,95,000/- (-)	3,75,000/- (-)	- (-)
5.	<b>Loan Repaid</b>	- (-)	- (-)	35,95,000/- (-)	3,75,000/- (-)	- (-)
6.	<b>Outstanding</b> Creditors	14,437/- (-)	84,168/- (-)	- (-)	- (-)	- (-)
	Investments	- (-)	- (-)	3,65,73,000/- (3,65,73,000/-)	- (-)	3,65,73,000/- (3,65,73,000/-)

**Note: Figures in brackets represent previous year balances.**

C) Related Parties are identified by the management and relied upon by the Auditors.

D) No Balances in respect of Related Parties have been written off.

5. The details of the group's post retirement benefit plan for gratuity for its employees in conformity with the principles set out in AS 15 which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors are given below :

Sr. No.	PARTICULARS	2012-13	2011-12
		₹	₹
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the year	1,717,396	2,006,726
	Interest cost	137,392	160,538
	Current Service Cost	224,924	264,547
	Benefits Paid	-	-
	Actuarial (gain)/loss on obligations	24,083	(714,415)
	Present Value of Obligations at end of the year	2,103,795	1,717,396
<b>II</b>	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the year	1,320,114	1,211,114
	Expected Return on Plan Assets	120,056	109,000
	Contributions	16,247	-
	Benefits Paid	-	-
	Actuarial gain/(loss) on plan assets	NIL	NIL
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
<b>III</b>	<b>Fair Value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the year	1,320,114	1,211,114
	Actual Return on Plan Asset	120,056	109,000
	Contributions	16,247	-
	Benefits Paid	-	-
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
	Funded Status	(647,378)	(397,282)
	Excess of actual over estimated return on Plan Assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the year (Obligation)	(24,083)	714,415
	Actuarial Gain/(Loss) for the year (Plan Assets)	NIL	-
	Total Gain/(Loss) for the year	24,083	(714,415)
	Actuarial Gain/(Loss) recognized for the year	24,083	(714,415)
<b>V</b>	<b>Amounts recognized in the Balance Sheet</b>		
	Present Value of Obligations at end of the year	2,103,795	1,717,396
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
	Funded Status	(647,378)	(397,282)
	Net Asset/(Liability) recognized in the balance sheet	(647,378)	397,282
<b>VI</b>	<b>Expense recognized in Profit and Loss Account</b>		
	Current Service Cost	224,924	264,547
	Interest cost	137,392	160,538
	Expected Return on Plan Assets	(120,056)	(109,000)
	Net Actuarial (Gain)/Loss recognized for the year	24,083	(714,415)
	Expense recognized in Profit and Loss Account	266,343	(398,330)
<b>VII</b>	<b>Principal Assumptions</b>		
	Discount Rate	8.00%	8.00%
	Rate of increase in compensation	7.00%	7.00%

6. There are no amounts payable to any micro, small and medium (SMEs) scale industrial undertaking as identified by the management from the information available with the company and relied upon by the Auditors.

7. Shares and Securities received from or on behalf of clients, held by the Company as collateral in its own name in a fiduciary capacity, and/or are lodged with the exchanges/F & O Clearing Member towards additional base capital / exposure and / or pledged to bank against overdraft facility
8. In the current year, various expenses like advertisement, salary, rent and other expenses has been allocated and accounted for in respective expenses head on proportionate basis to the Subsidiary Company Swastika Commodities Private Ltd and the payment from Subsidiary Company has been received against the same.
9. Interest expenses is netted off by the amount of ₹ 73,80,049/- allocated to the Swastika Commodities Pvt. Ltd. (a 100% Subsidiary Company) on account of utilization of the funds on behalf of the common clients of the Company and Swastika Commodities Pvt. Ltd.

10. Earnings per Share (as per Accounting Standard - 20)	2012-13	2011-12
Earnings per share have been computed as under:		
Profit attributable to equity shareholders (A)	684,380/-	6,118,922/-
Average number of equity shares outstanding (B)	2,959,700	2,959,700
Basic / Diluted Earnings Per Share (A/B)	0.23	2.07

11. Deferred Tax Liability / (Assets) as per Accounting Standard-22.

(In ₹)

Description	Deferred Tax Liability/ (Assets) As at 1.4.2012	Current year Charge Liability/ (Assets)	Deferred Tax Liability / (Assets) As at 31.3.2013
Depreciation Differences (Liability)	3,223,958	(459,864)	2,764,094
<b>Total</b>	<b>3,223,958</b>	<b>(459,864)</b>	<b>2,764,094</b>

12. In the opinion of the management, fixed assets are not found to be impaired and therefore, no provision for impairment loss is made for the year.
13. Exceptional items represents the reversal of excess depreciation charged in earlier years of ₹ 36, 84,227/- and gratuity of ₹ 17,295/-.
14. Previous year figures have been reclassified wherever necessary to confirm to the Classification for the year.

As per our report of even date  
**FOR R.S. BANSAL & COMPANY**  
 Chartered Accountants  
 FRN : 000939C

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

**VIJAY BANSAL**  
 Partner  
 Membership No: 075344

**Sunil Nyati**                      **Anita Nyati**  
 Managing Director              Whole Time Director

Place: Indore  
 Date: 14.05.2013

## Statement Pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies for the Financial Year 2012-2013

Particulars	Swastika Commodities Private Limited	Swastika Insurance Services Limited	Swastika Fin-Mart Private Limited
1. Financial year of the subsidiary companies ended on	31 March, 2013	31 March, 2013	31 March, 2013
2. Date from which it became subsidiary	9th Oct.,2006	11th May 2009	31st Dec. 2009
3. No. of Shares held by Swastika Investmart Ltd. in the capital of subsidiary	1,99,400 Equity Shares of ₹ 10 each	49,400 Equity Shares of ₹ 10 each	21,09,800 Equity Shares of ₹ 10 each
4. Net Aggregate amount of Profit/ (Losses) of the subsidiary so far as it concerns the members of Swastika Investmart Ltd and is not dealt with accounts of Swastika Investmart Ltd.			
a) For the Financial Year ended 31st March 2013	₹ 10,84,673 /-	₹ (27,200/-)	₹ 12,98,602/-
b) For the previous Financial Years ended 31st March 2012, since it became Subsidiary of Swastika Investmart Ltd.	₹ 17,68,419 /-	₹ (25,200/-)	₹ 11,58,518/-
5. Net Aggregate amount of Profit/ (Losses) of the subsidiary so far as dealt with in the accounts of Swastika Investmart Ltd.			
a) For the Financial Year ended 31st March 2013,	Nil	Nil	Nil
b) For the previous Financial Years ended 31st March 2012, since it became Subsidiary of Swastika Investmart Ltd.	Nil	Nil	Nil

Place : Indore  
Date : 14.05.2013

For R.S. Bansal & Company  
Chartered Accountants

Vijay Bansal  
(Partner)  
Membership No.: 075344

## INDEPENDENT AUDITOR'S REPORT

To,  
The Board of Directors  
Swastika Investmart Ltd.  
Mumbai

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SWASTIKA INVESTMART LIMITED** and its subsidiaries Swastika Commodities Private Limited, Swastika Insurance Services Limited & Swastika Fin-Mart Private Limited, which comprise the consolidated Balance Sheet as at **31st March 2013**, the consolidated Statement of Profit & Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us and based on our report on audited financial statements of Swastika Investmart Ltd. and on consideration of the reports of the other auditors in case of its subsidiaries Swastika Commodities Private Limited, Swastika Insurance Services Limited & Swastika Fin-Mart Private

Limited, as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :et, of the state of affairs of the Company as at March 31, 2013;

- a) in the case of Consolidated Balance Sheet, of the state of affairs of Swastika Investmart Ltd. and its subsidiaries as at 31st March 2013;
- b) in the case of Consolidated Statement of Profit and Loss, of the profit of Swastika Investmart Ltd. and its subsidiaries for the year ended on that date; and
- c) in the case of Consolidated Cash Flow Statement, of the cash flows of Swastika Investmart Ltd. and its subsidiaries for the year ended on that date.

**Other Matter**

We did not audit the financial statements of the subsidiaries, whose financial statements reflect the total assets of . . . ₹ 19,58,59,673/-, total revenue of ₹6,97,56,325/- and net cash outflows amounting to Rs.44,64,612/- for the year ended as on 31st March,2013. These financial statements have been audited by other auditors whose reports have been furnished to us by Management, and our opinion based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

**Place : Indore**  
**Date : 14.05.2013**

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

**Vijay Bansal**  
Partner  
**Membership No: 075344**

## CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
A. Share Capital	2	29,825,500	29,825,500
B. Reserve & Surplus	3	102,945,797	103,345,108
	<b>Total</b>	<b>132,771,297</b>	<b>133,170,608</b>
<b>2. Non- Current Liabilities</b>			
A. Deferred Tax Liabilities (net)		2,785,551	3,362,793
B. Long-term Provisions	4	12,214,347	398,330
		<b>14,999,898</b>	<b>3,761,123</b>
<b>3. Current Liabilities</b>			
A. Short-term Borrowings	5	215,460,879	176,043,279
B. Trade Payables	6	4,359,327	2,496,894
C. Other Current Liabilities	7	305,363,655	296,616,685
D. Short- Term Provisions	8	14,227,915	17,085,153
		<b>539,411,776</b>	<b>492,242,011</b>
	<b>Total</b>	<b>687,182,971</b>	<b>629,173,742</b>
<b>II ASSETS</b>			
<b>1. Non- Current Assets</b>			
A. Fixed Assets	9		
(i) Tangible Assets		44,588,534	28,827,663
(ii) Intangible Assets		9167604	6,581,785
B. Non- Current Investments	10	27756276	24,261,440
C. Long- Term Loans And Advances	11	21,842,720	20,537,360
D. Other Non- Current Assets	12	960675	176,362
		<b>104,315,809</b>	<b>80,384,610</b>
<b>1. Current assets</b>			
A. Inventories	13	10,537,326	10,518,441
B. Trade Receivables	14	413,432,175	426,749,285
C. Cash and Bank Balances	15	122,975,152	73,504,881
D. Short-term Loans and Advances	16	20,480,524	20,217,765
E. Other Current Assets	17	15,441,985	17,798,760
		<b>582,867,162</b>	<b>548,789,132</b>
	<b>Total</b>	<b>687,182,971</b>	<b>629,173,742</b>
<b>Significant accounting policies</b>	<b>1</b>		
<b>Other Notes to Financial Statements</b>	<b>24</b>		
<b>Notes Referred to above form an integral part of the Financial Statement.</b>			

As per our report of even date  
**FOR R.S. BANSAL & COMPANY**  
Chartered Accountants  
FRN : 000939C

**VIJAY BANSAL**  
Partner  
**Membership No: 075344**  
Place: Indore  
Date: 14.05.2013

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

**Sunil Nyati**                      **Anita Nyati**  
Managing Director              Whole Time Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
I. Revenue from operations	18	189,184,644	186,611,395
II. Other income	19	12,819,250	9,180,824
<b>III. Total Revenue</b>		<b>202,003,894</b>	<b>273,796,514</b>
<b>IV. Expenses:</b>			
Purchases of Shares and Securities		4,136,538	12,335,769
Decrease in inventories of Shares and Securities		(18885)	3,771,049
Employee benefits expense	20	56,375,679	47,059,043
Finance costs	21	25,952,964	16,139,617
Depreciation and amortization expense		7,928,604	8,913,860
Other expenses	22	107,580,817	94,582,176
<b>Total Expenses</b>		<b>201,955,717</b>	<b>182,801,514</b>
<b>V. Profit before exceptional and extraordinary items and tax (III-IV)</b>		<b>48,177</b>	<b>12,990,705</b>
VI. Exceptional Items	23	3,710,134	219,789
<b>VII. Profit before extraordinary items and tax</b>		<b>3,758,311</b>	<b>13,210,494</b>
VIII. Extraordinary Items		-	-
<b>IX. Profit before tax (VII- VIII)</b>		<b>3,758,311</b>	<b>13,210,494</b>
<b>X. Tax expense:</b>			
(1) Current tax		1,269,952	5,011,961
(3) Interest on tax		25,147	-
(2) Deferred tax		(577,242)	(822,126)
<b>XI. Profit for the period (IX-X)</b>		<b>3,040,453</b>	<b>9,020,659</b>
XII. Earnings per equity share:			
(1) Basic		1.03	3.05
(2) Diluted		1.03	3.05
Significant accounting policies	1		
Other Notes to Financial Statements	24		
<b>Notes Referred to above form an integral part of the Financial Statement.</b>			

As per our report of even date  
**FOR R.S. BANSAL & COMPANY**  
Chartered Accountants  
FRN : 000939C

**VIJAY BANSAL**  
Partner  
**Membership No: 075344**

Place: Indore  
Date: 14.05.2013

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

**Sunil Nyati**  
Managing Director

**Anita Nyati**  
Whole Time Director

## CONSOLIDATED CASH FLOW STATEMENT

PARTICULARS	For the year ended 31.03.13 ₹	For the year ended 31.03.12 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax</b>	3,758,311	13,210,494
Adjustments for :		
<b>Extraordinary Items &amp; Non Cash Items</b>		
Excess Income Tax Provision Written Back	(8,612)	(219,789)
Excess Provision For Gratuity Written Back	(17,295)	-
Excess Depreciation Written Back	(3,684,227)	-
<b>Net Profit before Tax and Extra Ordinary items</b>	<b>48,177</b>	<b>12,990,705</b>
Adjustments to reconcile Net Profit before Tax to cash provided by Operating activities		
Depreciation	7,928,604	8,913,860
Wealth Tax	30,263	30,136
( Profit ) / Loss on sale of Investments	-	(36,853)
( Profit ) / Loss on sale of Fixed Assets	23,545	(80,000)
Dividend Income	(700,325)	(653,492)
Interest Income	(9,656,893)	(7,925,549)
Interest Expenses	25,080,516	15,482,255
Miscellaneous Expenses Written Off	71,721	71,721
<b>Operating profit before Working Capital Changes</b>	<b>22,825,608</b>	<b>28,792,783</b>
Adjustments For :		
Short-term Borrowings	39,417,600	76,227,973
Trade Payables	1,862,432	(569,998)
Other Current Liabilities	8,809,402	95,901,963
Short-term Provisions	887,663	718,015
Long-term Provisions	11,816,017	-
Inventories	(18,885)	3,771,049
Trade Receivables	13,317,110	(173,045,787)
Short-term Loans And Advances	(1,142,060)	(869,119)
Other Current Assets	2,285,054	(11,785,855)
Non Current Assets	(784,313)	(176,362)
<b>Cash Generated from Operations</b>	<b>76,450,020</b>	<b>9,429,791</b>
Direct Taxes Paid	(4,164,984)	(4,950,286)
<b>Net Cash Flow from Operating Activities</b>	<b>( A ) 95,110,644</b>	<b>14,412,706</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(22,937,902)	(10,241,063)
Sale of Fixed Assets	323,290	80,000
Purchase of Investments (Shares and Securities)	(3,494,836)	(19,817,462)
Fixed Deposit	(23,521,016)	17,625,000
Sales of Investments	-	1,376,918
Loans and Advances	(1,305,360)	13,980
Dividend Received	700,325	653,492
Interest Received	9,656,893	7,925,549
<b>Net Cash Flow from Investing Activities</b>	<b>( B ) (40,578,606)</b>	<b>(2,383,586)</b>

PARTICULARS	For the year ended 31.03.13 ₹	For the year ended 31.03.12 ₹
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Paid	(25,080,516)	(15,482,255)
<b>Issue of Share Capital</b>	-	1,000,000
Share Premium	-	9,000,000
Dividend & Dividend Tax Paid	(3,502,267)	(3,392,764)
<b>Net Cash Flow from Financing Activities ( C )</b>	<b>(28,582,783)</b>	<b>(8,875,019)</b>
<b>Net Increase in Cash &amp; Cash Equivalents ( A+B+C )</b>	<b>25,949,255</b>	<b>3,154,101</b>
Cash & Cash Equivalents (Opening)	11,904,881	8,750,780
Cash & Cash Equivalents (Closing)	<b>37,854,136</b>	<b>11,904,881</b>
<b>NOTE: Previous year figures have been regrouped / rearranged wherever necessary.</b>		
Cash & Cash Equivalents as on 31.03.2013 include balance in unclaimed dividend accounts of ₹ 786,628 Previous year ₹ 849,058		

**As per our report of even date  
FOR R.S. BANSAL & COMPANY  
Chartered Accountants  
FRN : 000939C**

**Vijay Bansal  
(Partner)  
Membership No: 075344**

**Place : Indore  
Date : 14.05.2013**

**For and on behalf of the Board of Directors  
Swastika Investmart Limited**

**Sunil Nyati  
Managing Director**

**Anita Nyati  
Whole Time Director**

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

#### 1. A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and in compliance with the Accounting Standard referred to in section 211 (3C) and other requirements of the Companies Act, 1956.

#### B) USE OF ESTIMATES:

The Preparation of Financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known.

#### 2. EMPLOYEE BENEFITS:

##### A) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, bonus, incentives, etc. are recognized in the period in which the employee renders the related services.

**B) Post-Employment Benefits****i) Defined Contribution Plans:**

The Company's contribution paid/payable under the Provident Fund Scheme is recognized as expense in the Statement of profit and loss during the period in which the employee renders the related service.

**ii) Defined Benefit Plans:**

The Company has taken Group Gratuity Cash Accumulation Policy issued by the Life Insurance Corporation of India (LIC). The present value of the obligation under such defined benefit plans is determined based on actuarial valuation as advised by LIC, using the Projected Unit Credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, are as advised by LIC. The Actuarial gains or losses are recognized immediately in the Statement of Profit and Loss.

**3. PROVISION FOR CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provision involving a substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements.

**4. REVENUE RECOGNITION**

- i) Brokerage from secondary market 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 and Securities Transaction Tax (STT) wherever applicable.
- ii) Income from Sale of Shares and Securities is recognized on the date of billing of the relevant transactions.
- iii) Income from Depository operations is accounted on accrual basis.
- iv) Equity Index / Stock Future/Currency Futures
  - Equity Index / Stock Futures/ Currency Futures are marked to market on a daily basis. Debit or Credit balance disclosed under Loans and Advances or Current Liabilities, respectively, in the Mark to Market Margin Equity Index / Stock Futures/Currency Account, represents the net amount paid or received on the basis of movement in the process of Index / Stock futures /Currency Futures till the balance sheet date.
  - As on the Balance Sheet, Profit / Loss on open position in Equity Index /Stock Futures/Currency Futures is accounted as follows:
    - a) 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 Profit and Loss Account.
    - b) Debit balance in the Mark-to-Market Margin Equity Index/ Stock Futures//Currency Futures Account, being the anticipated loss, is provided in the Profit and Loss Account.
  - On final settlement or squaring up of contracts for Equity Index/ Stock Futures/ Currency Futures, the Profit or Loss is calculated as the difference between the settlement / squaring up price and the contract price. Accordingly, debit or credit balance pertaining to the settled /squared - up contract in Mark to Market Margin - Equity Index/ Stock Futures /Currency Futures Account after adjustment of the provision for anticipated losses is recognized in the Profit and Loss Account. When more than one contract in respect of the relevant series of Equity Index/ Stock Futures /Currency Futures contract to which the squared up contract pertains is outstanding at the time of the squaring up of the contract, the contract price of the contract so squared up is determined using the weighted average cost method for calculating the Profit / Loss on Squaring up.

- v) Option Contracts
  - 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.
  - At the time of squaring off difference between the premium paid and received on squared off transaction is treated as Profit or Loss.
- vi) Income from Delay Pay in Charges and Interest is recognized on a time proportion basis.
- vii) Dividend income is recognized only when the right to receive is established.
- viii) Advisory fees and other income are accounted on accrual basis, net of service tax.

## **5. FIXED ASSETS AND DEPRECIATION**

- i) Fixed Assets are stated at cost of acquisition including incidental expenses related to such acquisition and installation less accumulated depreciation.
- ii) Depreciation is provided under the straight-line method at the rates specified in Schedule XIV of the Companies Act 1956. In cases where the useful lives are estimated to be lower than those considered in determining the rates specified in that Schedule, depreciation is provided under the straight-line method over the useful lives of the assets. V-SAT is depreciated @ 10% p.a. on Straight Line Basis.
- iii) Membership Rights in Stock Exchanges are amortized on straight- line basis over a period of 20 years according to the Management decision on the basis of its useful life.
- iv) Other Intangible assets are stated at cost and are amortized on straight-line basis over the period of 6 years on the basis of useful life determined as per the economic benefit of the asset.

## **6. INVESTMENTS**

Investments are stated at cost of acquisition since they are long term in nature.

## **7. STOCK-IN- TRADE**

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

## **8. TAXES ON INCOME**

- i) Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessment/appeals.
- ii) Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes & accounting income that originate in one period and are capable of reversal in one or more subsequent period.
- iii) Deferred Tax assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **9. IMPAIRMENT OF ASSETS**

At each balance sheet date, the management reviews the carrying amount of all the assets to determine whether there is any indication that those assets were impaired .If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. And the impairment loss, if any, is debited to the Profit and Loss Account.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 2: SHARE CAPITAL</b>			
<b>A) Authorised, Subscribed &amp; Paid-Up</b>			
5,000,000 Equity Shares of ₹10 each (Previous Year 5,000,000 Equity Shares of ₹ 10 each)		50,000,000	50,000,000
<b>Issued :</b>			
2,959,700 Equity Shares of ₹ 10 each (Previous Year 2,959,700 Equity Shares of ₹ 10 each)		29,597,000	29,597,000
<b>Subscribed &amp; Paid-Up:</b>			
2,959,700 Equity Shares of ₹ 10 each fully paid (Previous Year 2,959,700 Equity Shares of ₹ 10 each)		29,597,000	29,597,000
<b>Add : Share Forfeiture</b>		228,500	228,500
<b>Total</b>		<b>29,825,500</b>	<b>29,825,500</b>

Each holder of equity shares is entitled to one vote per share.

**B) Reconciliation of the number of Shares as at the beginning and at the end of the Financial Year**

Particulars	Equity Share		Equity Share	
	As at 31 March 2013		As at 31 March 2012	
	Number	Amount ₹	Number	Amount ₹
Shares outstanding at the beginning of the year	2,959,700	29,597,000	2,959,700	29,597,000
Shares outstanding at the end of the year	2,959,700	29,597,000	2,959,700	29,597,000

**C) Share Holders holding more than 5% of Shares**

Name of the Shareholder	As at 31 March 2013		As at 31 March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunil Nyati	398,900	13.48	398,900	13.48
Anita Nyati	298,000	10.07	298,000	10.07
Devashish Nyati	287,000	9.70	287,000	9.70
Parth Nyati	287,000	9.70	287,000	9.70
Anil Nyati	154,400	5.22	154,400	5.22

**NOTE 3 : RESERVES AND SURPLUS****A) General Reserve**

Opening Balance	90,941,419	84,941,419
(+) Current Year Transfer	-	6,000,000
(-) Written Back in Current Year	-	-
Capital Reserve (On Consolidation)	1,683,272	1,683,272
<b>Closing Balance(A)</b>	<b>92,624,691</b>	<b>92,624,691</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>B) Surplus of Statement of Profit and Loss</b>			
Opening balance		10,720,417	10,139,595
(+) Net Profit for the current year		304,045	9,020,659
		<b>13,760,870</b>	<b>19,160,254</b>
<b>Less: Appropriations during the year:</b>			
Proposed Dividends		2,959,700	2,959,700
Dividend Distribution Tax		480,064	480,137
Transfer to General Reserves		-	5,000,000
<b>Closing Balance(B)</b>		<b>10,321,106</b>	<b>10,720,417</b>
<b>Grand Total (A+B)</b>		<b>102,945,797</b>	<b>103,345,108</b>
<b>Capital Reserve</b>			
<b>Swastika Commodities:</b>			
Share Premium		15,597,000	15,597,000
Profit & Loss A/C (Opening Balance)		59,272	59,272
<b>Less:</b>		<b>15,656,272</b>	<b>15,656,272</b>
Cost to Swastika Investmart Ltd. of investment in Swastika Commodities Pvt. Ltd.			
Less: Swastika Investmart's Portion of Equity	(A)	13,981,000	13,981,000
		<b>1,675,272</b>	<b>1,675,272</b>
<b>Swastika Insurance Services Limited</b>			
Cost to Swastika Investmart Ltd. of investment in Swastika Insurance Services Limited		494,000	494,000
Less: Swastika Investmart's Portion of Equity	(B)	500,000	500,000
		<b>(6,000)</b>	<b>(6,000)</b>
<b>Swastika Fin-Mart Private Limited</b>			
Cost to Swastika Investmart Ltd. of investment in Swastika Fin-Mart Private Limited		21,098,000	21,098,000
Less: Swastika Investmart's Portion of Equity	(C)	21,100,000	21,100,000
		<b>(2000)</b>	<b>(2000)</b>
<b>Capital Reserve</b>	<b>Total (A+B+C)</b>	<b>1,683,272</b>	<b>1,683,272</b>
<b>NOTE 4 : LONG TERM PROVISIONS</b>			
<b>A) Provision for Employee Benefits</b>			
Gratuity		647,378	398,330
<b>B) Others</b>			
RIICO Ltd.		11,566,969	-
	<b>Total</b>	<b>12,214,347</b>	<b>398,330</b>
<b>NOTE 5: SHORT TERM BORROWINGS</b>			
<b>Secured</b>			
<b>Loans Repayable on Demand</b>			
<b>A) From Banks</b>			
(i) ICICI Bank		18,185,559	80,123,032

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
(ii) HDFC Bank Ltd. (Secured By Pledge of Own Shares & Shares held in Clients' beneficiary account & Pledge of Company's FDRs)		-	17,638,022
<b>B) From Other Parties</b>			
(i) Investmarts Financial Services Limited		114,116,706	38,690,855
(ii) Aditya Birla Finance Limited (Secured By Pledge of Own Shares & Shares held in Clients' beneficiary account)		55,441,912	-
		<b>187,744,177</b>	<b>136,451,909</b>
<b>Unsecured</b>			
<b>Deposits</b>		27,716,702	39,591,370
		<b>27,716,702</b>	<b>39,591,370</b>
<b>Total</b>		<b>215,460,879</b>	<b>176,043,279</b>
<b>NOTE 6: TRADE PAYABLES</b>			
Creditors for Expenses		4,359,327	2,496,894
<b>Total</b>		<b>4,359,327</b>	<b>2,496,894</b>
<b>NOTE 7: OTHER CURRENT LIABILITIES</b>			
<b>A) Unpaid dividends</b>			
FY 04-05		-	150,914
FY 05-06		137,820	137,820
FY 06-07		179,451	179,851
FY 07-08		149,769	151,369
FY 08-09		98,656	98,856
FY 09-10		69,699	70,099
FY 10-11		59,942	59,942
FY 11-12		91,784	-
<b>B) Other Payables</b>			
Credit Balances of Clients		304,577,234	295,767,834
<b>Total</b>		<b>305,363,655</b>	<b>296,616,685</b>
<b>NOTE 8: SHORT TERM PROVISIONS</b>			
<b>A) Provision for Employee Benefits</b>			
Salary and Reimbursements		3,574,144	1,141,375
Contribution to PF		19,532	16,197
Gratuity (Funded)		-	-
		<b>3,593,676</b>	<b>1,157,572</b>
<b>B) Others</b>			
Income Tax		1,269,952	4,997,611
Dividend Payable		2,959,700	2,959,700
Dividend Tax Payable		480,064	480,137

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
Wealth Tax Payable		30,263	30,136
Income Tax on Assessment Payable (AY 08-09 and AY 09-10)		394,000	394,000
Provision for Income Tax 2009-10 (A.Y. 2010-11)		67,700	-
Interest Payable		348,448	432,992
Auditors Remuneration Payable		195,500	179,850
Contribution to IPF		1,370	1,051
Electricity Expenses		185,034	149,928
General Expenses		316,047	58,618
Telephone Expenses		62,333	180,236
V SAT Expenses		23,500	49,000
Professional Tax		27,553	25,150
TDS		1,902,817	2,609,299
Expenses payable to Exchange		2,369,958	3,379,873
		<b>10,634,239</b>	<b>15,927,581</b>
<b>Total</b>		<b>14,227,915</b>	<b>1,708,5153</b>

### NOTE 9: FIXED ASSETS

(In ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2012	ADDITION	DEDUCTION	AS AT 31.03.2013	UPTO 1.04.2012	FOR THE PERIOD UPTO MARCH-13	WRITTEN BACK	UPTO 31.03.2013	AS AT 31.03.2013	AS AT 01.04.12
<b>A. Tangible Assets</b>										
LAND	-	16,952,714	-	16,952,714	-	-	-	-	16952714	-
CAR	8,502,174	-	-	8,502,174	1,668,201	807,707	-	2,475,908	6,026,266	6,833,973
COMPUTER	17,352,262	1,828,955	1,495,055	17,686,162	13,470,140	2,948,052	1,495,055	14,923,137	2,763,025	3,882,122
FURNITURE	12,030,998	990,425	-	13,021,423	3,253,708	879,320	-	4,133,028	8,888,395	8,777,290
SCOOTER	239,816	-	-	239,816	177,105	22,783	-	199,888	39,928	62,711
AIR CONDITIONER	1,287,137	185,160	-	1,472,297	426,130	66,675	-	492,805	979,492	861,007
OFFICE EQUIPMENT	8,409,364	1,699,620	544,707	9,564,277	1,658,671	526,000	197,872	1,986,799	7,577,478	6,750,693
V-SAT	2,986,312	-	-	2,986,312	1,326,445	298,631	-	1,625,076	1,361,236	1,659,867
<b>TOTAL-A</b>	<b>50,808,063</b>	<b>21,656,874</b>	<b>2,039,762</b>	<b>70,425,175</b>	<b>21,980,400</b>	<b>5,549,168</b>	<b>1,692,927</b>	<b>25,836,641</b>	<b>44,588,534</b>	<b>28,827,663</b>
<b>B. Intangible Assets</b>										
INTANGIBLE ASSETS	20,193,474	271,028	-	20,464,502	18,926,274	1,953,287	3,684,227	17,195,334	3,269,168	1,267,200
BSE CARD	6,500,001	-	-	6,500,001	2,275,000	325,000	-	2,600,000	3,900,001	4,225,001
MCX CARD	-	1,010,000	-	1,010,000	-	26,149	-	26,149	983,851	-
MEMBERSHIP NCDEX	500,000	-	-	500,000	164,583	25,000	-	189,583	310,417	335,417
MEMBERSHIP MCX	1,000,000	-	-	1,000,000	245,833	50,000	-	295,833	704,167	754,167
<b>TOTAL - B</b>	<b>28,193,475</b>	<b>1,281,028</b>	<b>-</b>	<b>29,474,503</b>	<b>21,611,690</b>	<b>2,379,436</b>	<b>3,684,227</b>	<b>20,306,899</b>	<b>9,167,604</b>	<b>6,581,785</b>
<b>GRAND TOTAL</b>	<b>79,001,538</b>	<b>22,937,902</b>	<b>2,039,762</b>	<b>99,899,678</b>	<b>43,592,090</b>	<b>7,928,604</b>	<b>5,377,154</b>	<b>46,143,540</b>	<b>53,756,138</b>	<b>35,409,448</b>
<b>PREVIOUS YEAR</b>	<b>71,310,690</b>	<b>10,241,063</b>	<b>2,550,215</b>	<b>79,001,538</b>	<b>37,228,445</b>	<b>8,913,860</b>	<b>2,550,215</b>	<b>43,592,090</b>	<b>35,409,448</b>	<b>34,082,245</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS****NOTE 10: NON CURRENT INVESTMENTS****A. Trade Investments**

Sr. No.	Name of the Body Corporate	Face Value ₹	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount In ₹	
				As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(10)	(11)
a)	Investment in Equity Instruments Bombay Stock Exchange Ltd.	1	OTHERS	55,874	55,874	Unquoted	Fully Paid	4,298	4,298
							<b>Total (A)</b>	<b>4,298</b>	<b>4,298</b>

**B. Other Investments**

Sr. No.	Name of the Body Corporate	Face Value ₹	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount In ₹		
				As at 31 March 2013	As at 31 March 2012			As at 31 March 2013	As at 31 March 2012	
(1)	(2)		(3)	(4)	(5)	(6)	(7)	(10)	(11)	
a)	Investment in Equity Instruments									
	3IInfotech Ltd.	10	OTHERS	35,000	35,000	Quoted	Fully Paid	1,844,988	1,844,988	
	Biocon Ltd.	5	OTHERS	1,100	1,100	Quoted	Fully Paid	3,96,744	3,96,744	
	Century Enka	10	OTHERS	17,900	-	Quoted	Fully Paid	2,375,055	-	
	Decolight Ceramics Ltd.	10	OTHERS	10,000	10,000	Quoted	Fully Paid	2,33,504	2,33,504	
	Good luck ST	2	OTHERS	50,000	-	Quoted	Fully Paid	1,119,781	-	
	Gujrat NRE Coke Ltd.	10	OTHERS	15,800	15,800	Quoted	Fully Paid	835,459	835,459	
	Hindustan Construction Company Ltd.	1	OTHERS	50,000	50,000	Quoted	Fully Paid	1,811,192	1,811,192	
	Kriti Industries India Ltd.	1	OTHERS	39,000	39,000	Quoted	Fully Paid	2,70,319	2,70,319	
	Kriti Nutrients Ltd.	1	OTHERS	39,000	39,000	Quoted	Fully Paid	2,70,319	2,70,319	
	Lakshmi machine Works Ltd.	10	OTHERS	104	104	Quoted	Fully Paid	1,73,550	1,73,550	
	NHPC Ltd.	10	OTHERS	2,03,565	2,03,565	Quoted	Fully Paid	5,089,156	5,089,156	
	Rajratan Gustav Wolf Ltd.	10	OTHERS	28,000	28,000	Quoted	Fully Paid	6,31,7779	6,31,7779	
	Reliance Communications Ltd.	5	OTHERS	3,000	3,000	Quoted	Fully Paid	1,248,247	1,248,247	
	Reliance Power Limited	10	OTHERS	5,000	5,000	Quoted	Fully Paid	917,235	917,235	
	Shricon Industries Ltd.	10	OTHERS	49,150	49,850	Quoted	Fully Paid	2,742,469	2,742,469	
	State Trading Corporation of India Ltd	10	OTHERS	400	400	Quoted	Fully Paid	65,842	65,842	
	Tata Tele Maharashtra Ltd.	10	OTHERS	50,000	50,000	Quoted	Fully Paid	11,60,499	11,60,499	
	Wire and Wireless India Ltd.	1	OTHERS	24,913	24,913	Quoted	Fully Paid	3,79,840	3,79,840	
b)	Investments in Mutual Funds									
	Axis Equity Fund	10	OTHERS	50,000	50,000			5,00,000	5,00,000	
							<b>Total(B)</b>	<b>27,751,978</b>	<b>24,257,142</b>	
							<b>Grand Total</b>	<b>(A+B)</b>	<b>27,756,276</b>	<b>24,261,440</b>

Notes: 1) All Investments have been stated at Cost.

2) Aggregate Market Value of Quoted Investment is ₹ 18,216,457/-, (Previous Year ₹ 18,603,349/-)

PARTICULARS	Note No.	As at	As at
		31.03.13	31.03.12
		₹	₹
<b>NOTE 11: LONG TERM LOANS AND ADVANCES</b>			
Unsecured, Considered Good			
Security Deposits		21,425,000	19,425,000
		<b>21,425,000</b>	<b>19,425,000</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>Other Loans and Advances</b>			
Staff Loan		-	694,640
Gems Equities and Securities Pvt. Ltd.		417,720	417,720
		<b>417,720</b>	<b>1,112,360</b>
	<b>Total</b>	<b>21,842,720</b>	<b>20,537,360</b>
<b>NOTE 12: OTHER NON CURRENT ASSETS</b>			
Advance to Market Place Technologies Pvt. Ltd.(for Intangible Asset)		176,362	176,362
Others		784,313	-
	<b>Total</b>	<b>960,675</b>	<b>176362</b>
<b>NOTE 13: INVENTORIES</b>			
Stock-in-trade (Shares and Securities)		10,537,326	10,518,441
	<b>Total</b>	<b>10,537,326</b>	<b>10,518,441</b>
Note : Stock-in-trade is valued at lower of the cost or market value.			
<b>NOTE 14: TRADE RECEIVABLES</b>			
<b>Unsecured, Considered Good:</b>			
(i) Outstanding for a period exceeding six months		65,155,229	63,188,213
(ii) Others		348,276,946	363,561,072
	<b>Total</b>	<b>413,432,175</b>	<b>426,749,285</b>
<b>NOTE 15: CASH AND BANK BALANCES</b>			
<b>A) Cash and Cash Equivalents:</b>			
(i) Balances with Banks in Current Accounts		35,229,694	10,202,345
(ii) Cash on Hand		1,837,814	853,478
<b>B) Other Bank Balances</b>			
Unpaid Dividend Accounts (Earmarked Balances)		786,628	849,058
Fixed Deposits (Fixed Deposits with maturity of more than 12 months - 84,37,500 ( Previous Year - 23,12,500))		8,5121,016	61,600,000
FDRs include ₹ 36,600,000 held by ICICI Bank Ltd. as Cash Margin against the Bank Guarantee and			
₹ 25,00,000 held by Globe Capital Market Limited (F & O Clearing Member).			
	<b>Total</b>	<b>122,975,152</b>	<b>73,504,881</b>
<b>NOTE 16: SHORT TERM LOANS AND ADVANCES</b>			
<b>Unsecured, Considered Good:</b>			
Advance Income Tax		1,950,000	3700000
Advance to Staff		2,064,088	2,303,213
Agni Fin-Lease Pvt.Ltd.		543,526	-
BSE (Against TDS)		66,682	167,394
Deposit Against Securities Appeallate Tribunal		700,000	700,000
Dhar Coal Product P. Ltd.		648,470	-
Electricity Deposits		79,347	76,457
HCL Comnet Ltd.		100,000	100,000
Income Tax Refund due		3,961,140	3,382,280

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
Lease Line Deposit		15,000	15,000
Legal Deposit		10,000	10,000
NSE (Against TDS)		235,821	696,204
Other Advances		790,454	-
Prepaid Expenses		999,956	1,542,999
Ram Kishan Verma		938,314	132,049
Rent Deposits		3,688,318	3,406,171
MCX (Against TDS)		399,982	812,671
NCDEX (Against TDS)		58,555	132,020
S K Nyati		549,160	490,321
Service Tax Credit		416,633	370,495
Shyam Internet Services(Internet Deposit)		8,334	8,334
TDS Receivable		1,581,110	1,289,268
Telephone Deposits		74,159	81,414
V-SAT Deposits		600,003	800,003
The New India Assurance Company Ltd.		1,472	1,472
<b>Total</b>		<b>20,480,524</b>	<b>20,217,765</b>
<b>NOTE 17 : OTHER CURRENT ASSETS</b>			
Accrued Income		2,642,178	1,416,594
Adhesive Stamps		469,000	202,264
BSE Derivatives Incentive Receivable		414,040	-
Margin A/c		11,703,015	15,923,069
PMS Registration Charges		70,310	41,670
Miscellaneous Expenditure Not Written Off		143,442	215,163
<b>Total</b>		<b>15,441,985</b>	<b>17,798,760</b>
<b>NOTE 18: REVENUE FROM OPERATIONS</b>			
A) Brokerage Realised		132,472,157	129,423,177
B) Sales of Shares and Securities		2,372,110	13,239,523
C) Other Operating Revenue (From Share Broking Business):			
i) Turnover Charges		15,733,697	13,681,496
ii) Auction Charges		54,732	132,342
iii) Demat and Depository Charges		4,210,233	3,508,755
iv) Delay in Pay in Charges		33,883,119	25,563,290
v) Advisory Charges		100,101	133,825
vi) Contract Handling Charges		203,039	211,645
vii) Client Registration Charges		155,456	717,342
<b>Total</b>		<b>1,891,846,44</b>	<b>186,611,395</b>
<b>NOTE 19: OTHER INCOME</b>			
A) Interest Income		9,656,892	7,925,549
B) Dividend Income		700,326	653,492
C) Net Gain on Sale of Investment		-	36,853
D) Profit on Sale of Fixed Assets		-	80,000
E) Other Operating Income			
i) Internet ID Connectivity		62,232	177,815
ii) Incentive From Exchange		1,820,622	-
iii) Other Income		579,178	307,115
<b>Total</b>		<b>12,819,250</b>	<b>9,180,824</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
<b>NOTE 20: EMPLOYEE BENEFIT EXPENSES</b>			
A) Salaries and Incentives		49,003,870	39,724,336
B) Directors Remuneration :			
i) Remuneration		6,000,000	6,000,000
ii) Contribution to Provident Fund		18,720	18,720
C) Contributions to -			
i) Provident Fund		62,400	58,500
ii) Gratuity fund contributions (Premium to LIC)		14,277	16,458
iii) Provision for Gratuity (As per AS 15)		266,343	398,330
D) Staff welfare expenses		1,010,069	842,699
<b>Total</b>		<b>56,375,679</b>	<b>47,059,043</b>
<b>NOTE 21: FINANCE COST</b>			
Interest Expense		25,080,517	15,482,255
Bank Charges		872,447	657,362
<b>Total</b>		<b>25,952,964</b>	<b>16,139,617</b>
<b>NOTE 22: OTHER EXPENSES</b>			
Advertisement Expenses		411,987	394,123
Auditor's Remuneration		214,500	199,500
Bad Debt		81,432	-
Balances Written Off		26,693	92,940
Business Promotion		605,513	342,136
Client Servicing and Branch management expenses		37,025,867	39,422,598
Commission		26,036,109	19,488,713
Commission Paid (Others)		125,000	129,411
Conveyance Expenses		293,336	174,628
Demat Charges		57,129	126,980
Depository Expenses		1,010,353	1,173,381
Diwali Expenses		334,306	317,496
Income Tax on Assessment ( AY 09-10)		22,830	394,000
Tax on assesment for the year( A.Y. 2010-11)		67,700	-
Insurance		658,680	460,543
Legal & Professional Fees		2,762,609	2,273,817
Loss on F & O trading		9,060,629	4,742,004
Membership Fees & Subscription		307,000	359,270
Miscellaneous Expense		1,060,559	447,217
Office Maintenance		2,287,280	1,712,931
Penalty		344,290	432,959
Printing & Stationary		886,723	659,338
Rates & taxes		158,073	61,545
Registration fee		83,705	338,332
Rent		9,257,944	8,923,698
Repairs, Maintenance and Software Maintenance		3,996,966	3,956,849
Loss on sale of fixed assets		23,545	-
SEBI Fees		321,359	364,118
SMS Charges		78,030	140,032
Telephone & Internet Charges		4,983,230	3,642,416

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

PARTICULARS	Note No.	As at 31.03.13 ₹	As at 31.03.12 ₹
Travelling Expenses (Directors)		460,638	319,435
Travelling Expenses (Others)		556,012	400,464
V-SAT Expenses		410,742	448,994
Water and Electricity Expenses		3,539,785	2,612,172
Wealth Tax		30,263	30,136
<b>Total</b>		<b>107,580,817</b>	<b>94,582,176</b>
<b>NOTE 23: EXCEPTIONAL ITEMS</b>			
<b>Excess Provision Written Back</b>			
i) Income Tax		8,612	219,789
ii) Depreciation Written Back		3,684,227	-
iii) Others		17,295	-
<b>Total</b>		<b>3,710,134</b>	<b>219,789</b>

**24. OTHER NOTES TO FINANCIAL STATEMENTS.**

1. i) Contingent liabilities for Bank Guarantee issued in favour of NSE / BSE is ₹ 300 Lakhs and issued in favour of MCX/NCDEX for ₹ 210 Lakhs.
- ii) Demand in respect of the following matters is as follows:

(In ₹)

Income Tax	93,375/-
Service Tax	30,89,019/-
SEBI Penalty	700,000/-
<b>Total</b>	<b>38,82,394 /-</b>

- iii) During the year, a demand of ₹ 2,42,260/- has been raised by the Income Tax Department for A.Y. 2010-11. The demand is due to the reason that the assessing officer has made certain additions for which the Company has not preferred any appeal. The department has also not allowed credit of certain TDS claimed by the Company. As the exact calculation for amount of tax and interest is not available with the Company, the Company has provided ₹ 67,700/- on prudent basis, out of the above demand.
- iv) A provision of ₹ 3,94,000/- for the similar reasons on prudent basis has been made during F.Y. 2011-12, the same has not been paid by the Company as no calculation for the bifurcation of the amount for tax and interest has been made available to the Company by the income tax department.
2. In the opinion of Management the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated and provisions for all known liabilities have been made. Balance of Sundry Debtors and Sundry Creditors are subject to confirmations.

3 Statutory auditor's remuneration :

(In ₹)

Particulars	31.3.2013	31.3.2012
Statutory Audit	1,64,500/-	1,38,000/-
Tax Audit	25,000/-	34,500/-
Certification Fees	15,000/-	15,000/-
Other Services	10,000/-	10,000/-
<b>TOTAL</b>	<b>2,14,500/-</b>	<b>1,97,350/-</b>

4. Disclosure of Related Parties/Party transaction:

A. List of Related Parties (where transactions have taken place):

S.No.	Name of Related Party	Nature of Relationship
1.	<b>Key Management Personnel/individuals having control or significant influence.</b> a) Mr. Sunil Nyati b) Mrs. Anita Nyati c) Mr. Anil Nyati d) Mr. S.N. Maheshwari e) Mr. Vinod Gupta f) Mr. C.R. Doshi g) Mr. Tarun Kumar Baldua h) Mr.Ramanlal Bhutda	Managing Director Whole Time Director Director Director Director Director Director Director
2.	<b>Relatives of Key Management Personnel / Individuals having control or significant influence.</b> a) Mr. Parth Nyati b) Mrs. Sita Nyati c) Mr. Chandmal Nyati  d) Mr. Vandit Nyati e) Mrs. Vandana Nyati  f) Mrs. Krishna Prabha Maheshwari g) Mr. Manish Maheshwari h) Mrs. Raksha Maheshwari i) Mrs. Rekha Gupta j) Mrs. Shashi Baldua k) Mrs. Manjubala Baheti	} Relatives of Managing Director  } Relatives of Director  } Relatives of Director
3.	<b>Enterprises owned/controlled by key managerial personnel or individuals having control or significant influence.</b> a) Sunil Nyati H.U.F. b) Anil Nyati H.U.F. c) Tarun Kumar Baldua(HUF) d) ENAR Collections e) Nyati Holdings Pvt. Ltd.	H.U.F. of Managing Director H.U.F. of Director H.U.F. of Director Proprietorship firm of Director's Relative Company controlled by key managerial personnel

S.No.	Name of Related Party	Nature of Relationship
4.	<b>Subsidiary</b> a) Swastika Commodities Pvt. Ltd. b) Swastika Insurance Services Limited c) Swastika Fin-Mart Private Limited	} Subsidiary Companies

## B. Transactions with Related Parties:

₹

S. No.	Particulars	Key Management Personnel/ Individuals having control or significant influence.	Relatives of Key Management Personnel / Individuals having control or significant influence.	Subsidiary	Enterprises owned/controlled by key managerial personnel or individuals having control or significant influence.	Total
1.	<b>Expenditure</b> Salaries and Other benefits (including PF Contribution)	6,018,720/- (6,018,720/-)	- (-)	- (-)	- (-)	6,018,720/- (6,018,720/-)
	Office Rent	- (-)	- (-)	- (-)	3,00,000/- (3,00,000/-)	3,00,000/- (3,00,000/-)
	Stationary and Printing	- (-)	- (-)	- (-)	277,261/- (146,415/-)	277,261/- (146,415/-)
2.	<b>Income</b> Brokerage Received	15,143/- (39,498/-)	7,024/- (2,592/-)	- (-)	394 (-)	22,561/- (42,090/-)
3.	<b>Expenses Recovered</b>	- (-)	- (-)	31,664,038/- (26,207,168/-)	- (-)	31,664,038/- (26,207,168/-)
4.	<b>Loan Taken</b>	- (-)	- (-)	35,95,000/- (-)	3,75,000/- (-)	- (-)
5.	<b>Loan Repaid</b>	- (-)	- (-)	35,95,000/- (-)	3,75,000/- (-)	- (-)
6.	<b>Outstanding Creditors</b>	14,437/- (-)	84,168/- (-)	- (-)	- (-)	98,605/- (-)

Note: Figures in brackets represent previous year balances.

C) Related Parties are identified by the management and relied upon by the Auditors.

D) No Balances in respect of Related Parties have been written off.

5. The details of the group's post retirement benefit plan for gratuity for its employees in conformity with the principles set out in AS 15 which has been determined by an Actuary appointed for the purpose and relied upon by the Auditors are given below :

Sr. No.	PARTICULARS	2012-13	2011-12
		₹	₹
<b>I</b>	<b>Changes in present value of obligations</b>		
	Present Value of Obligations at beginning of the year	1,717,396	2,006,726
	Interest cost	137,392	160,538
	Current Service Cost	224,924	264,547
	Benefits Paid	-	-
	Actuarial (gain)/loss on obligations	24,083	(714,415)
	Present Value of Obligations at end of the year	2,103,795	1,717,396
<b>II</b>	<b>Changes in fair value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the year	1,320,114	1,211,114
	Expected Return on Plan Assets	120,056	109,000
	Contributions	16,247	-
	Benefits Paid	-	-
	Actuarial gain/(loss) on plan assets	NIL	NIL
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
<b>III</b>	<b>Fair Value of plan assets</b>		
	Fair Value of Plan Assets at beginning of the year	1,320,114	1,211,114
	Actual Return on Plan Asset	120,056	109,000
	Contributions	16,247	-
	Benefits Paid	-	-
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
	Funded Status	(647,378)	(397,282)
	Excess of actual over estimated return on Plan Assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
<b>IV</b>	<b>Actuarial Gain/(Loss) Recognized</b>		
	Actuarial Gain/(Loss) for the year (Obligation)	(24,083)	714,415
	Actuarial Gain/(Loss) for the year (Plan Assets)	NIL	-
	Total Gain/(Loss) for the year	24,083	(714,415)
	Actuarial Gain/(Loss) recognized for the year	24,083	(714,415)
<b>V</b>	<b>Amounts recognized in the Balance Sheet</b>		
	Present Value of Obligations at end of the year	2,103,795	1,717,396
	Fair Value of Plan Assets at end of the year	1,456,417	1,320,114
	Funded Status	(647,378)	(397,282)
	Net Asset/(Liability) recognized in the balance sheet	(647,378)	397,282
<b>VI</b>	<b>Expense recognized in Profit and Loss Account</b>		
	Current Service Cost	224,924	264,547
	Interest cost	137,392	160,538
	Expected Return on Plan Assets	(120,056)	(109,000)
	Net Actuarial (Gain)/Loss recognized for the year	24,083	(714,415)
	Expense recognized in Profit and Loss Account	266,343	(398,330)
<b>VII</b>	<b>Principal Assumptions</b>		
	Discount Rate	8.00%	8.00%
	Rate of increase in compensation	7.00%	7.00%

6. There are no amounts payable to any micro, small and medium (SMEs) scale industrial undertaking as identified by the management from the information available with the company and relied upon by the Auditors.

7. Shares and Securities received from or on behalf of clients, held by the Company as collateral in its own name in a fiduciary capacity, and/or are lodged with the exchanges/F & O Clearing Member towards additional base capital / exposure and / or pledged to bank against overdraft facility
8. In the current year, various expenses like advertisement, salary, rent and other expenses has been allocated and accounted for in respective expenses head on proportionate basis to the Subsidiary Company Swastika Commodities Private Ltd and the payment from Subsidiary Company has been received against the same.
9. Interest expenses is netted off by the amount of ₹ 73,80,049/- allocated to the Swastika Commodities Pvt. Ltd. (a 100% Subsidiary Company) on account of utilization of the funds on behalf of the common clients of the Company and Swastika Commodities Pvt. Ltd.

10. Earnings per Share (as per Accounting Standard - 20)	2012-13	2011-12
Earnings per share have been computed as under:		
Profit attributable to equity shareholders (A)	30,40,454/-	9,020,659/-
Average number of equity shares outstanding (B)	2,959,700	2,959,700
Basic / Diluted Earnings Per Share (A/B)	1.03	3.05

11. Deferred Tax Liability / (Assets) as per Accounting Standard-22.

(In ₹)

Description	Deferred Tax Liability/ (Assets) As at 1.4.2012	Current year Charge Liability/ (Assets)	Deferred Tax Liability / (Assets) As at 31.3.2013
Depreciation Differences	3,362,793	(577,242)	2,785,551
<b>Total</b>	<b>3,362,793</b>	<b>(577,242)</b>	<b>2,785,551</b>

12. In the opinion of the management, fixed assets are not found to be impaired and therefore, no provision for impairment loss is made for the year.
13. Exceptional items represents the reversal of excess depreciation charged in earlier years of ₹ 36, 84,227/- and gratuity of ₹ 17,295/-.
14. Previous year figures have been reclassified wherever necessary to confirm to the Classification for the year.

As per our report of even date  
**FOR R.S. BANSAL & COMPANY**  
 Chartered Accountants  
 FRN : 000939C

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

**VIJAY BANSAL**  
 Partner  
 Membership No: 075344

**Sunil Nyati**                      **Anita Nyati**  
 Managing Director              Whole Time Director

Place: Indore  
 Date: 14.05.2013

## Notice to the Shareholders

NOTICE is hereby given that the 21st Annual General Meeting of SWASTIKA INVESTMART LIMITED will be held on Friday, 20th September 2013 at 2.00 p.m., at the Registered Office of the Company, 1st Floor, Bandukwala Building, British Hotel Lane fort, Mumbai 400 001, to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March 2013 and the statement of Profit & Loss Account of the company for the year ended on the same date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a director in place of Shri Vinod Kumar Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Tarun Kumar Baldua, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

6. **TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S) AS A SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310,311 and other applicable provisions, if any, and in terms of Schedule XIII of the Companies Act, 1956 as amended up to date and subject to approval of the central government or any other appropriate authority, if required, Mr. Sunil Nyati, be and is hereby re-appointed as Managing Director of the Company for the period of three years with effect from 15th June, 2013 to 14th June, 2016 on the following terms, conditions, salary and perquisites:

- a) Salary: ₹ 2,50,000/- (Rupees Two Lacs Fifty Thousand only) per month.
- b) Commission: a commission based on the net profit of the company as may be determined by the Board, subject to overall ceiling laid down in section 198 and 309 of the Companies Act, 1956 and provided, however, the commission will be paid on pro-rata basis in the event of earlier cessation or termination of appointment.
- c) Perquisites: In addition to the above salary Mr. Sunil Nyati, Managing Director shall also be entitled to the perquisite (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent Allowance with gardener and security guard, gas, electricity, water and furniture, chauffeur driven car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, provident fund, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification(s) that may be made in any scheme/rule for the aforesaid benefits. However, perquisites shall be restricted to an amount equal to 40 % of annual salary."

"RESOLVED FURTHER that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Mr. Sunil Nyati, the remuneration aforesaid shall be minimum remuneration."

"RESOLVED FURTHER that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of re-appointment and remuneration of Mr. Sunil Nyati subject to the limit laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained"

"RESOLVED FURTHER that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper."

**7. TO CONSIDER, AND IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION, WITH OR WITHOUT MODIFICATION(S) AS AN ORDINARY RESOLUTION:**

**“RESOLVED THAT** pursuant to the provisions of sections 198,269,309, 310, 311 and other applicable provisions if any, and in terms of schedule XIII of the Companies Act, 1956 as amended up to date, Mrs. Anita Nyati, be and is hereby re-appointed as Whole Time Director of the Company for a period of 5 years with effect from 15th June 2013 to 14th June 2018 on terms & conditions, salary and perquisites as set out hereunder:

- a) Salary: ₹ 1,25,000/- (Rupees one lacs Twenty Five Thousand only) per month and other terms and conditions will remain same.
- b) Perquisites: In addition to the above salary Mrs. Anita Nyati, Whole Time Director shall also be entitled to the perquisite (evaluated as per Income Tax Rule wherever applicable and at actual cost to the Company in other cases) like benefits of furnished accommodation/House Rent Allowance with gardener and security guard, gas, electricity, water and furniture, chauffeur driven car and telephone at residence, medical reimbursement, personal accident insurance, leave and leave travel concession, club fees, provident fund, Superannuation fund, exgratia & gratuity in accordance with the scheme(s) and rule(s) applicable to the members of the staff or any modification(s) that may be made in any scheme/rule for the aforesaid benefits. However, perquisites shall be restricted to an amount equal to 40% of annual salary.”

**“RESOLVED FURTHER** that where in any financial year the Company has no profits, or its profits are inadequate during the term of office of Mrs. Anita Nyati, the remuneration aforesaid shall be minimum remuneration.”

**“RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to vary, alter, increase or enhance / change from time to time, the terms and conditions of remuneration of Mrs. Anita Nyati subject to the limit laid down under the applicable provisions of the Companies Act, 1956 and subject to the requisite approvals, if any, being obtained”

**“RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper.”

**By order of the Board of Directors  
For Swastika Investmart Limited**

**Date : 7th August, 2013  
Reg Off. 1st Floor Bandukwala  
Building Hotel Lane, Fort,  
Mumbai 400001**

**Sunil Nyati  
Managing Director**

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES IN ORDER TO BE VALID, THE PROXY FORMS MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The relative Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956 in respect of Special Business as set out above is annexed hereto.
3. The Register of Members and the Transfer Books of the Company will remain closed from Monday, 16th September, 2013 to Friday, 20th September, 2013 (both days inclusive) for the purpose of payment of dividend to those members whose name stand on the Register of Members as on 15th September, 2013. The Dividend in respect of equity shares held in electronic form will be payable to the beneficial owner of the equity shares as at the end of business hours on 15th September, 2013, as per the details furnished by the depositories for this purpose.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Corporate Members are requested to forward a Certified Copy of Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
6. Members are requested to send their queries, if any, at least 10 days in advance so that the information can be made available at the meeting and members are requested to bring their copy of the Annual Report to the meeting as annual report will not be distributed at the Annual General Meeting.
7. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to fill and send form 2B (Copy of which will be made available on request).
8. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such folio and send relevant share certificates to companies Registrar and Share Transfer Agent for their doing needful.
9. In all correspondence with the Company, members are requested to quote their Account/Folio numbers and in case their shares are held in dematerialized form, they must quote their client ID number and their DP ID number.
10. Under the Companies Act, 1956 dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Members, who have not en-cashed the dividend warrant, are requested to make their claim to Swastika Investmart Limited. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF (Investor Education and Protection Fund) or the Company in respect thereof and the Members would lose their right to claim such dividend. Members who have not yet en-cashed their dividend warrant(s) for the financial year 2005-06 onwards, are requested to make their claims without any delay. It may be noted that the unclaimed dividend declared on 30.09.2006 can be claimed by the shareholders by 29th October, 2013.
11. The Company has designated an exclusive email ID [secretarial@swastika.co.in](mailto:secretarial@swastika.co.in) in which would enable the members to post their grievances and monitor its redressed. Any member having any grievance may post the same to the said Email address for its quick redressal.
12. Members who wish to dematerialize the shares or seek any information regarding transfer of shares are requested to contact the Company Registrar and Share Transfer Agent.
13. Members attending the meeting are requested to bring with them the Attendance slip attached to the Annual Report dully filled in and signed and handover the same at the entrance of the hall.
14. The Ministry of Corporate Affairs ('MCA') has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by companies and has issued Circular No. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011. The Company proposes to send the documents to its Members like notices, annual report, etc. in electronic form. Members are requested to provide their email ID to the depositories who are holding their shares in demat form and the members who are holding their shares in physical form may send the duly filed form to our Registrar Ankit Consultancy Private Limited, 60, Electronics Complex, Pardeshi Pura Indore 452010 M.P. for sending the document in electronic form. The form is enclosed with Annual Report.
15. In terms of circulars issued by Securities Exchange Board of India (SEBI), it is now mandatory to furnish a cop of PAN Card to the Registrar and Share Transfer Agent in case of Transfer of Shares, Deletion of name, Transmission of Shares and Transposition of Shares. Shareholders are requested to furnish copy of PAN card for all above mentioned transactions.
16. Details under clause 49 of the Listing Agreement with the Stock Exchange in respect of Directors seeking re-appointment at the Annual General Meeting is given in corporate governance report forming part of this annual report.

**By order of the Board of Directors  
For Swastika Investmart Limited**

**Date : 7th August, 2013  
Reg Off. 1st Floor Bandukwala  
Building Hotel Lane Fort,  
Mumbai 400001**

**Sunil Nyati**  
Managing Director

## Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

### ITEM NO. 7

Shri Sunil Nyati is science graduate and one of the promoter and founders of the Company. He carries a vision of growth of the Company and has made invaluable contributions to the success and performance of the Company over the years. Looking to his total devotion and resultant progress made by the Company under his dynamic leadership skills in spite of various difficulties faced by the Company in time to time, your Board of Directors feels that his continuation on the Board as a managing director will be highly beneficial to the company and recommend the adoption of the resolution proposed under this item.

Accordingly, it is proposed to reappoint him as Managing Director w.e.f. 15th June, 2013 on remuneration as mentioned in resolution. For the same remuneration committee and Board of Directors have accorded their approval subject to approval of the members or any other appropriate authority if any.

The proposed remuneration will be in the limit prescribed for the managerial person in Schedule XIII of the Companies Act, 1956 amended up to date.

Except Mr. Sunil Nyati, Mrs. Anita Nyati, Mr. Anil Nyati and Mr. S.N. Maheshwari, no other Director is concerned or interested in the proposed resolution. The contents of resolution along with explanatory statement and details contains therein shall be deemed to be abstract of the terms and conditions of appointment and remuneration of Mr. Sunil Nyati under section 302 of the Companies Act, 1956 and memorandum of interest in that behalf.

**The Additional disclosures mentioned in Para 1(B)(iv) of Section II of Part II of Schedule XIII to the Companies Act, 1956 is as under:**

#### (I) GENERAL INFORMATION:

1.	Nature of Industry		Broking and Financial Services.	
2.	Date or expected date of Commencement of Commercial Production		The company is not engaged in any manufacturing activities, engaged in Broking and Finance service	
3.	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus.		Not Applicable	
4.	Financial Performance based on given indicators		As give below ( ₹ in Lacs)	
		2009-10	2010-11	2011-12
	Turnover	1635.52	1561.57	1340.25
	Profit/Loss before tax	325.43	226.75	89.91
	Profit/Loss after tax	215.46	163.85	61.19
5.	Export performance and net foreign Exchange collaborations.		Not Applicable	
	Export of Goods (FOB basic)	2009-10 NA	2010-11 NA	2011-12 NA
6.	Foreign investments or collaborators, if any		The company has no foreign investments or foreign collaborations. The company has not made any foreign investments or has any collaboration overseas.	

**(II) INFORMATION ABOUT THE APPOINTEE**

	Name of the Appointee	Mr. Sunil Nyati (Managing Director)
	Background details	<p>Mr. Sunil is science graduate and started his career as Managing Partner with M/s Swastika Agencies, Kota (Raj)., an authorized dealer of Kinetic Vehicles and looked after Marketing, Sales, dealership development, Hire Purchases and Lease Finance activities for a period of 10 years. In the year 1992 he promoted this company with the object of Hire purchase and Lease finance and also involved in various activities like Financial Advisory Services, Merchant Banking, and Capital market Operations.</p> <p>The company has diversified in the field of Depository Participant, and the company has taken the membership of CDSL and NSDL and setup mutual fund desk by acquiring membership of NCDEX &amp; MCX, providing portfolio Management services to the investors only due to rich experience of Mr. Sunil Nyati.</p> <p>Swastika has been on a growth path under his able leadership and rich experience. His values of integrity and transparency have been inculcated in all the employees. He always innovates new ideas; adapts latest technology so as to provide quality and unbiased investment solution to the investors.</p>
	Past remuneration	2,50,000 per month
	Recognition or awards	None
	Job profile and his suitability	<p>Mr. Sunil Nyati a Managing Director as well as promoter Director of the company is responsible for overall management, general management, finance. The job profile essentially requires a leader who is innovative, self-motivated and result oriented.</p> <p>Mr. Sunil Nyati has experience in conceptualizing; planning, directing and implementing finance business and financial strategies and translates them in terms of business growth.</p>
	Remuneration proposed	2,50,000 per month
	Comparative remuneration profile with respect to industry, size of the company profile of the post and Person (in case of expatriates the relevant details would be w.r.t. the country of origin.)	Though the exact latest data of the comparative profile with remuneration of the CEO/MD/Key Personnel of Financial Services Companies is not available, however generally the CEOs/MDs/Key Managerial personnel of Stock broking Companies of comparable status are generally receiving remuneration above Rs. 40 lacs per annum.
	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	Mr. Sunil Nyati is a Promoter Director. He is related to Mrs. Anita Nyati, Whole time Director, Mr. Anil Nyati and Mr. S.N. Maheshwari, Director of the Company except from this he does not have any other pecuniary relationship with any of the director of the Company.

**(III) OTHER INFORMATION**

	Reason of loss or inadequate profits	Less turnover of Current market scenario of stock market Loss on account of sudden crash in the stock indices and also on account of loss in the Futures & Options segment due to high Intra-day volatility in the stock market.
	Expected increase in productivity and profits in measurable terms.	The growth in finance market specially stock market boom in India and other countries.  The Company is continuing paying dividend since last eight years.  Increase in net worth of the Company.  Enhancement of value of membership of BSE and NSE.

**(IV) DISCLOSURES**

1. Remuneration package payable to Mr. Sunil Nyati, Managing Director of the company has been disclosed in the commencing paragraph of this Explanatory Statement.
2. All elements of remuneration package to all directors are disclosed in the Corporate Governance Report.
3. The particulars set out hereinabove may be treated as the abstract of the terms and conditions for increase in remuneration of Mr. Sunil Nyati Managing Director of the Company, to be sent to the shareholders under section 302 of the Companies Act, 1956.
4. None of the Directors except Shri Sunil Nyati Mrs. Anita Nyati, Mr. Anil Nyati and Mr. S.N. Maheshwari is concerned or interested in this resolution.
5. The Directors recommend the resolution for approval by the members.
6. Stock Option Details: NA

**ITEM NO.8**

Mrs. Anita Nyati is whole time director of the company. Mrs. Anita Nyati is matured business personality; she is Commerce Graduate and has done NCFM in Capital Market and Derivatives Module. She has over 25 years experience in accounting and capital market research. Mrs. Anita Nyati is handling account division, research division, capital market and all publications of the company. Looking to her total devotion, Board of Directors feels that her continuation must be awarded properly therefore Board decided to re-appoint her whole time director for further period of 5 years w.e.f. 15th June 2013.

Except Mrs. Anita Nyati, Mr. Sunil Nyati, Mr. Anil Nyati and Mr. S.N. Maheshwari, no other Director is concerned or interested in the proposed resolution. The contents of resolution along with explanatory statement and details contains therein shall be deemed to be abstract of the terms and conditions of change in remuneration of Mrs. Anita Nyati under section 302 of the Companies Act, 1956 and memorandum of interest in that behalf.

**By order of the Board of Directors  
For Swastika Investmart Limited**

**Date : 7th August, 2013  
Reg Off. 1st Floor Bandukwala  
Building Hotel Lane Fort,  
Mumbai 400001**

**Sunil Nyati**  
Managing Director

## Swastika Investmart Ltd.

Regd. Office: 1st Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai-400 001

### ATTENDANCE SLIP

Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the Annual General Meeting of the Company at 1st Floor, Bandukwala Building, British Hotel Lane Fort, Mumbai-400001-M.H., on Friday, 20th September, 2013 at 2.00 P.M.

.....  
Full name of the Shareholder  
(in Capitals)

.....  
Signature

Folio No.....

.....  
Full name of the Proxy  
(in Capitals)

.....  
Signature

## Swastika Investmart Ltd.

Regd. Office : 1st Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai-400 001

### PROXY FORM

I/We .....  
Of .....in district of .....being a member/members of the above-named Company,  
hereby appoint .....of .....  
or failing him.....of .....as my/our  
proxy to vote for me/us..... On my / our behalf at the Annual General Meeting of  
the Company, to be held on Friday, 20th September, 2013 at 2.00 P.M and at any adjournment thereof.

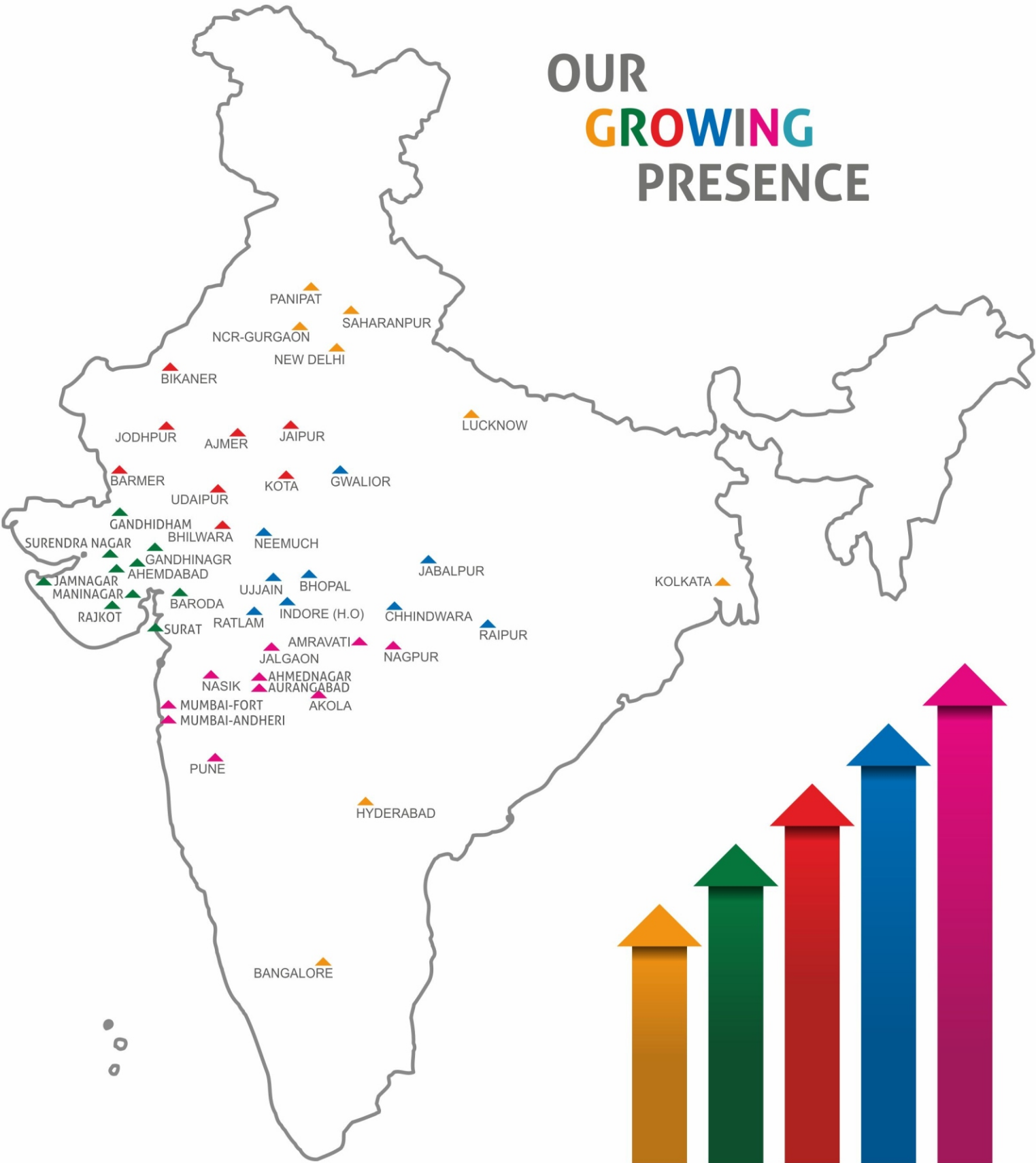
Signed this.....

Please Affix  
1Rupee  
Revenue  
Stamp

.....day of .....2013

**Note: The Proxy must be returned so as to reach the registered office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The proxy need not to be a member of the Company.**

# OUR GROWING PRESENCE





Return if not delivered :

**SWASTIKA INVESTMART LIMITED**

Corp. Off.: 48 Jaora Compound, Indore-452001 ☎ : 0731-2705200, 6644000, Fax : 0731-6644300  
Regd. Off.: 1<sup>st</sup> Floor, Bandukwala Building, British Hotel Lane, Fort, Mumbai-400001 ☎ : 022-66330000

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

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