

# SWASTIKA FIN-MART PRIVATE LIMITED

Registered office: 48, Jaora Compound, M.Y.H. Road, Indore (M.P.) 452001

CIN: U65923MP2009PTC022801

E-mail: compliance\_finmart@swastika.co.in

Phone No.: 0731-6644000

## NOTICE OF 10<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 10<sup>th</sup> Annual General Meeting of the members of **SWASTIKA FIN-MART PRIVATE LIMITED** will be held on Tuesday, the 27<sup>th</sup> Day of August, 2019 at 2.00 P.M. at the Registered Office of the Company situated at 48, Jaora Compound, M.Y.H. Road, Indore (M.P.) 452001 to transact the following businesses:

### ORDINARY BUSINESSES:

1. To receive, consider, approve and adopt the Audited Financial Statement as at 31<sup>st</sup> March, 2019 together with the Reports of Boards' & Auditors thereon.
2. To appoint Director in place of Mrs. Anita Nyati (DIN: 01454595), who retires by rotation and being eligible offer herself for re-appointment.
3. To Re-appoint Statutory Auditors of the Company and fix their remuneration

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141 and 142 and any other applicable provisions, if any, of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) M/s. N.P. Airan & Co., Chartered Accountants, Indore (Firm Registration No. 07116C), the retiring Auditors of the Company whose tenure expires at this Annual General Meeting, be and are hereby re-appointed as the Statutory Auditor of the Company for a term of five consecutive years to hold office from conclusion of 10<sup>th</sup> Annual General Meeting up to the conclusion of 15<sup>th</sup> Annual General Meeting to be held in year 2024 at a remuneration to be determined by the Board of the Directors in consultation with Auditors."

By Order of the Board  
**FOR SWASTIKA FIN-MART PRIVATE LIMITED**

Dated : 25.07.2019

Place : Indore

sd/-  
Sunil Nyati  
Director  
DIN: 00015963

**NOTES:**

- **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE/CORPORATE OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- Members are requested to send their queries, if any at least 7 days in advance so that the information can be made available at the meeting and to bring their copies of the Annual Report at the time of attending the Annual General Meeting.
- Members/Proxies should bring the enclosed attendance slip duly filled in for attending the meeting.
- The Route map of the venue of AGM is attached separately.

By Order of the Board  
**FOR SWASTIKA FIN-MART PRIVATE LIMITED**

Dated : 25.07.2019

Place : Indore

sd/-  
Sunil Nyati  
Director  
DIN: 00015963

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## BOARD'S REPORT

To  
The Members,  
**SWASTIKA FIN-MART PRIVATE LIMITED**  
Indore (M.P.)

Your directors are pleased to present the 10<sup>th</sup> Annual Report together with the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2019.

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

#### 1.1 FINANCIAL HIGHLIGHTS AND SUMMARY

During the year under review, performance of your company as under:

(Rs. In Lacs except EPS)

Particulars	Current Year 2018-19	Previous Year 2017-18
Total Revenue	700.52	330.56
Total Expenditure	460.90	193.83
<b>Profit / (Loss) before depreciation and tax</b>	<b>239.61</b>	<b>136.71</b>
Less : Depreciation	0.20	0.12
Less : Tax	73.54	38.59
<b>Net Profit/(loss)</b>	<b>166.07</b>	<b>98.13</b>
Profit Available for appropriation		
(a) Transferred to Statutory Reserve	33.21	19.63
<b>Surplus Carried to Balance Sheet</b>	<b>132.85</b>	<b>78.50</b>
<b>Earning per Equity Share</b>		
<b>1. Basic</b>	7.87	4.65
<b>2. Diluted</b>	7.87	4.65

#### 1.2 OPERATIONS AND FUTURE OUTLOOK:

During the year under review, the company had total revenue of Rs. 700.52/- lakhs and earned net profit of Rs. 166.07/- lakhs as compared to previous year in which company had total revenue of Rs. 330.56/- Lakhs and earned net profit of Rs. 98.13/- Lakhs.

NBFCs are increasingly playing a critical role in making financial services accessible to wider set of India's population and, thus, emerging as significant players in the retail finance space. Your company has chosen market segment which have a large market size with few organized players. With a well-trained and committed resources team, sound systems and processes and client friendly practices, your company is confident of achieving healthy growth over the years.

#### 1.3 ADOPTION OF IND-AS

The Company has adopted IND AS (Indian Accounting Standards) for the accounting period beginning on or after 1st April, 2018 in place of the existing accounting standards i.e. GAAP (Generally Accepted Accounting Policies).

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

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

## **3. RBI NORMS**

The Company continues to fulfill all the norms and standards laid down by the Reserve Bank of India (RBI) pertaining to capital adequacy, statutory liquidity ratio etc. and further, the company was having net Non-performing assets of Rs. 3820175/- as on 31<sup>st</sup> March, 2019. Certificate from statutory auditors for complying the prudential norms for NBFC is attached with Audit report.

### **3.1 KNOW YOUR CUSTOMER AND ANTI MONEY LAUNDERING MEASURE POLICY**

Your board has approved the Know your Customer and Anti Money Laundering Policy (KYC and PMLA Policy) in accordance with RBI Guidelines. Company also adheres to the compliance requirement in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. There were no suspicious transactions noticed during the period.

### **3.2 FAIR PRACTICE CODE:**

Your company has in place a fair practice code (FPC), as per RBI Regulations which includes guidelines from appropriate staff conduct when dealing with the customers and on the organizations policies vis-a-vis client protection. Your company and its employees duly complied with the provisions of FPC.

## **4. CHANGES IN SHARE CAPITAL:**

During the Financial Year 2018-19, there was no change in capital structure of the company. The Company currently has no outstanding shares issued with differential rights, sweat equity or ESOS.

## **5. REVISION OF ANNUAL FINANCIAL STATEMENT:**

There was no such case of revision of financial statement during the year.

## **6. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return as prescribed in form MGT-9 required under Section 92 of the Companies Act, 2013 is included in this report as **Annexure-1**.

## **7. NUMBER OF MEETINGS OF THE BOARD:**

During the Financial Year 2018-19, the board of the directors duly met 4 (four) times on 18.05.2018, 06.08.2018, 17.11.2018, and 20.01.2019 respectively for which proper notices for meeting were given and the proceedings were properly recorded. Draft Minutes of Board Meeting were circulated to member of the Board for their comments thereafter signed copy of minutes were also circulated to Board member for confirmation of the same. Details of attendances are as under:

Sr. No.	Director	No. of Board Meetings		Attendance at the previous Annual General Meeting
		Held	Attended	
1	Mr. Sunil Nyati	4	4	Yes
2	Mrs. Anita Nyati	4	4	Yes
3	Mr. Kailash Chander Sharma	4	4	Yes
4	Mr. Chandra Shekhar Bobra	4	3	No

**DETAILS OF COMMITTEE MEETING:** - The Company has constituted a Finance Committee. However, there was no meeting of finance committee during the year.

#### **8. DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, ('the Act') your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures , if any;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2019 and of the profit of the Company for year ended on that date;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **9. REPORTING OF FRAUD BY STATUTORY AUDITORS :**

Further there was no fraud in the Company; hence no reporting was made by statutory auditors of the Company under sub-section (12) of Section 143 of Companies Act, 2013.

#### **10. APPOINTMENT AND STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:**

There is no requirement to appoint any Independent Directors pursuant to provision of Section 149(6) and read with Section 149(10) of Companies Act, 2013. However, as per requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations 2015, Mr. Chandra Shekhar Bobra, Independent Director of Holding Company was appointed as Director in the Company.

#### **11. NOMINATION, REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE**

There is no requirement to constitute any Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

#### **12. STATUTORY AUDIT AND AUDITORS REPORT:**

M/s N.P. Airan & Company, Chartered Accountants (Firm Registration No. 07116C), who were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2014 for a period of five years, retires at the ensuing 10<sup>th</sup> Annual General Meeting.

The Board have proposed to re-appoint M/s N.P. Airan & Company, Chartered Accountants (Firm Registration No. 07116C), as the Statutory Auditors of the company for a period of 5 years from the conclusion of 10<sup>th</sup> Annual General Meeting till the conclusion of the 15<sup>th</sup> Annual General meeting to be held in the year 2024. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written confirmation from M/s N.P. Airan & Company, Chartered Accountants for their re-appointment would be in conformity with the limits specified in the said Section.

#### **COMMENTS ON AUDITOR'S REPORT**

The Auditors in their report have referred to the notes forming part of the Accounts which are self-explanatory and do not require any further explanation.

#### **13. COST RECORD AND/OR COST AUDIT:**

Your company does not fall within the provisions of Section 148 of Companies Act, 2013 read with the Companies (Cost Records & Audit) Rules, 2014, therefore; no such records are required to be maintained.

#### **14. SECRETARIAL AUDIT REPORT:**

Provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time are not applicable to the Company.

#### **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY:**

Pursuant to the provisions Section 186 (4) & 186 (11) of the Companies Act, 2013 ('the Act'), requiring disclosure in the financial statement of the full particulars of the loans made and guarantees given or securities provided by a Non-Banking Financial Company in the ordinary course of its business and the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient of the loan or guarantee or security are exempted from disclosure in the Annual Report.

Further, Company has not made any investments which are covered under provisions of Section 186(4) of the Act.

#### **16. RELATED PARTY TRANSACTION:**

All transactions entered with related parties for the year under review were on arm's length basis and in the ordinary course of business pursuant to the provisions of Section 188 of the Companies Act, 2013 and the Rules made there under. Further, disclosure in form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules 2014 is set out as Annexure-2.

The details of related party transactions as required under Indian Accounting Standard 24 are set out in Note No. 29 to the financial statement forming part of this report.

#### **17. AMOUNT TRANSFER TO RESERVE:**

Being a Non Banking Finance Company, 20% of the profit i.e Rs. 3321454/- has been transferred to statutory reserve of the company. Further, during the year the Board of the company has carried Rs. 13285814/- to surplus account.

#### **18. DIVIDEND:**

To conserve the resources of the company and plough back of the profit, Your Directors have not recommended any dividend for the year under review.

#### **19. MATERIAL CHANGES & COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY:**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year to which the financial statements relate and at the date of this Board's report.

#### **20. PARTICULARS OF CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOING:**

During the year, company was not engaged in manufacturing activities. Therefore, particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgoing are not applicable to the company.

##### **(A) Conservation of Energy**

- a. The steps taken or impact on conservation of energy:- NA
- b. The steps taken by the company for utilizing alternate sources of energy:- NA
- c. The capital investment on energy conservation equipments:- NIL

(B) Technology Absorption :

- a. The efforts made towards technology absorption: Not Applicable.
- b. The benefits derived like product improvement, cost reduction, product development or import substitution: Not Applicable.
- c. In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year): Not Applicable.
- d. Company has not incurred any expenditure on Research and Development during the year under review.

(C) Foreign Exchange Earnings And Outgo:

There were no Foreign Exchange earnings and outgoings that took place during the financial year as required by Companies (Accounts) Rules, 2014.

**21. STATEMENT INDICATING DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

The Board of Directors of the Company state that risk associated in the ordinary course of business is duly taken care by the Board while taking business decisions. Further, the company is not required to formulate any specified risk management policy

**22. CORPORATE SOCIAL RESPONSIBILITY:**

The company is not required to provide statement on Corporate Social Responsibility as per Section 134(3)(o) of the Companies Act, 2013 as the company do not fall under the criteria provided under Section 135(1) of Companies Act, 2013; therefore, no such committee was constituted.

**23. ANNUAL EVALUATION OF PERFORMANCE OF BOARD:**

The Company was not required to carry formal annual evaluation by the Board of its own performance and that of its committees and individual directors pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 8(4) of the Companies (Accounts) Rules, 2014. Although, the directors of the Company are vigilant towards their duties and responsibilities as director of the Company.

**24. DIRECTORS & KEY MANAGERIAL PERSONNEL:**

During the year, there was no change in the constitution of the board of the directors of the Company. In view of the status of the Company, it is not required to appoint any key managerial personnel under the provisions of Section 203 of the Companies Act, 2013, and rules made there under.

Further, Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Anita Nyati (DIN: 01454595), Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

## **DISQUALIFICATIONS OF DIRECTORS**

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

## **25. SUBSIDIARY, ASSOCIATE COMPANIES OR JOINT VENTURE:**

The Company does not have any subsidiary company or associate company or any joint venture. However, company is wholly owned subsidiary of Swastika Investmart Limited.

## **26. DEPOSITS:**

During the year the Company has not accepted any deposits, within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

## **UNSECURED LOAN FROM DIRECTORS**

Pursuant to Section 2(31) Read with Rule 2(1)(viii) of Companies (Acceptance of Deposits) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the Company has not received any unsecured loan from director during the financial year 2018-19.

## **27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant material orders passed by the Regulators / Courts/ Tribunals impacting the going concern status of the Company and its future operations.

## **28. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

The internal control system with respect to financial statement and there adequacy has been duly taken care by the Board of Directors of the Company and it has also been reviewed by the statutory auditors. The internal controls exist in the system and that sufficient measures are taken to update the internal control system, as and when needed. The system also ensures that all transaction are appropriately authorized, recorded and reported as and when required.

## **29. AUDIT COMMITTEE:**

Provisions of section 177(1) of Companies Act, 2013 is not applicable to the company; hence there is no requirement for constituting an Audit Committee.

## **30. ESTABLISHMENT OF VIGIL MECHANISM:**

Provisions of Section 177(10) of Companies Act, 2013 for establishment of Vigil Mechanism are not applicable to the Company. However, Management of the Company has established the mechanism which provides for the adequate safeguards against victimization.

### **31. COMMISSION RECEIVED BY DIRECTORS FROM HOLDING/SUBSIDIARY:**

During the year under review none of the director of the company is in receipt of the commission or remuneration from holding company of the company, if any as provided under section 197(14) of Companies Act, 2013. However, Mr. Sunil Nyati is a Managing Director & Mrs. Anita Nyati is a Whole Time Director of the holding Company and both are drawing remuneration from the holding company.

### **32. PARTICULARS OF EMPLOYEES:**

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

### **33. VOTING RIGHTS OF EMPLOYEES:**

During the year under review, the company has not given loan to any employee for purchase of its own shares as per Section 67 (3) (c) of Companies Act, 2013. Therefore, the company is not required to make disclosure as per Rule 6 (4) of Companies (Share Capital and Debentures) Rules, 2014.

### **34. DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS:**

The Company has not issued shares under Employee's Stock Options Scheme pursuant to provisions of Section 62(1)(b) of Companies Act, 2013 read with Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014. So, question does not arise about voting rights not exercised by employee.

### **35. DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:**

The Company has not issued sweat equity shares pursuant to provisions of Section 54 of Companies Act, 2013 read with Rule 8 of Companies (Share Capital and Debentures) Rules, 2014 during the Financial Year.

### **36. COMPLIANCE OF SECRETARIAL STANDARDS**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### **37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

There was no case of sexual harassment reported during the year.

### **38.ACKNOWLEDGEMENT:**

The Board of Directors wish to place on record its appreciation for the extended co-operation and assistance rendered to the Company and acknowledge with gratitude the continued support and cooperation extended by the stakeholders, Reserve Bank of India, Banks and other regulatory authorities.

For and on behalf of the Board of Directors  
Swastika Fin-Mart Private Limited

Place: - Indore  
Date: - 10.05.2019

sd/-  
Sunil Nyati  
Director  
DIN: 00015963

sd/-  
Anita Nyati  
Director  
DIN: 01454595

**ANNEXURE B****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

<b>1. Details of contracts or arrangements or transactions not at Arm's length basis.</b>		<b>Details</b>
(a)	Name (s) of the related party & nature of relationship	Nil
(b)	Nature of contracts/arrangements/transaction	Nil
(c)	Duration of the contracts/arrangements/transaction	Nil
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
(e)	Justification for entering into such contracts or arrangements or transactions'	Nil
(f)	Date(s) of approval by the Board	Nil
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Nil

<b>2. Details of Material contracts or arrangements or transactions at Arm's length basis</b>						
<b>S. No.</b>	<b>Name (s) of the related party &amp; nature of relationship</b>	<b>Nature of contracts/arrangements/transaction</b>	<b>Duration of the contracts/arrangements/transaction</b>	<b>Salient terms of the contracts or arrangements or transaction including the value, if any*</b>	<b>Date(s) of approval by the Board</b>	<b>Amount of transaction (Rs.)</b>
1	Swastika Investmart Ltd. (Holding Company)	(i) Loan Given	Continuing	-	N.A.	3,30,08,87,400/-
		(ii) Amount received against loan given	Continuing	-	N.A.	3,36,14,41,541/-
		(iii) Interest Income	Continuing	-	N.A.	76,41,673/-
		(iv) Expenses incurred and reimbursement	Continuing	-	N.A.	42,00,000/-
2	Swastika Commodities Pvt. Ltd. (Fellow Subsidiary)	(i) Loan Taken	Continuing	-	N.A.	2,52,20,31,087/-
		(ii) Amount repaid against loan taken	Continuing	-	N.A.	2,58,18,01,087/-
		(iii) Interest Expenses	Continuing	-	N.A.	57,42,658/-

\* Salient terms of the contracts or arrangements or transaction including the value, if any- All the transactions were in Ordinary Course of Business & on Arms Length Basis.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
SWASTIKA FIN-MART PRIVATE LIMITED

DATE: -10.05.2019

PLACE: - INDORE

sd/-  
SUNIL NYATI  
DIRECTOR  
DIN: 00015963

sd/-  
ANITA NYATI  
DIRECTOR  
DIN: 01454595



<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/ HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	0	21,10,000	21,10,000	100%	0	21,10,000	21,10,000	100%	0.00%
e) Banks / FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0.00%</b>
(2) <b>Foreign</b>	0	0	0	0.00%	0	0	0	0.00%	0.00%
a) NRIs - Individuals									
b) Other- Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (NRI & OCB & Clearing Member)									
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0</b>	<b>21,10,000</b>	<b>21,10,000</b>	<b>100%</b>	<b>0.00%</b>

(ii) *Shareholding of Promoters*

S. No.	Shareholder's Name	Shareholding at the beginning of the year (01 <sup>st</sup> April 2018)			Share holding at the end of the year (31 <sup>st</sup> March, 2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sunil Nyati (Beneficiary Owner Swastika Investmart Limited) #	100	0.005%	0.00%	100	0.005%	0.00%	0.00%
2	Anita Nyati (Beneficiary Owner Swastika Investmart Limited) #	100	0.005%	0.00%	100	0.005%	0.00%	0.00%
3	Swastika Investmart Limited	2109800	99.99%	0.00%	2109800	99.99%	0.00%	0.00%
	<b>Total</b>	<b>2110000</b>	<b>100%</b>	<b>0.00%</b>	<b>2110000</b>	<b>100%</b>	<b>0.00%</b>	<b>0.00%</b>

# 100% shares owned by holding Company i.e Swastika Investmart Limited and directors holds shares on behalf of the holding company.

(iii) *Change in Promoters' Shareholding- THERE WAS NO CHANGE IN PROMOTER'S HOLDING*

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2110000	100%	2110000	100%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	2110000	100%
	At the End of the year	2110000	100%	2110000	100%

(iv) *Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL (As all shares are held by Promoters)*

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year ( or on the date of separation, if separated during the year)	0	0.00%	0	0.00%

# 100% shares owned by holding Company i.e Swastika Investmart Limited and directors holds shares on behalf of the holding company

(v) *Shareholding of Directors and Key Managerial Personnel: NIL (As all shares are held by Holding Company)*

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
01	<b>Sunil Nyati (Director)</b>				
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year	0	0.00%	0	0.00%

02	<b>Anita Nyati (Director)</b>	No. of shares		% of total shares of the company	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year	0	0.00%	0	0.00%

03	<b>Kailash Chander Sharma (Director)</b>	No. of shares		% of total shares of the company	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year	0	0.00%	0	0.00%

04	<b>Chandra Shekhar Bobra (Director)</b>	No. of shares		% of total shares of the company	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	0	0.00%	0	0.00%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00%	0	0.00%
	At the End of the year	0	0.00%	0	0.00%

## V. INDEBTEDNESS

### Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness

<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27919281	168770000	0.00	196689281
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>27919281</b>	<b>168770000</b>	<b>0.00</b>	<b>196689281</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	25200000	4091231087	0.00	4116431087
· Reduction	46755744	4117501087	0.00	4164256831
<b>Net Change</b>	<b>(21555744)</b>	<b>(26270000)</b>	<b>0.00</b>	<b>(47825744)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6363537	142500000	0.00	148863537
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>6363537</b>	<b>142500000</b>	<b>0.00</b>	<b>148863537</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Not Appointed)

S. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0.00
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- -	- -
5.	Others, please specify	-	-
	Total (A)	0	0
	Ceiling as per the Act	0	0

### B. Remuneration to other directors:

S. no.	Particulars of Remuneration	Name of Directors				Total Amount
		Sunil Nyati	Anita Nyati	Kailash Chander Sharma	Chandra Shekhar Bobra	
1.	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	0	0	0	0	0

	Total (1)	0	0	0	0	0
	2. Other Non-Executive Directors					
	· Fee for attending board committee meetings	0	0	0	0	0
	· Commission					
	· Others, please specify					
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	0	0	0	0	0
	Total Managerial Remuneration	0	0	0	0	0
	Overall Ceiling as per the Act	0	0	0	0	0

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD: (Not Appointed)**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit				
	- Others, specify...				
5.	Others, please specify				
	Total				

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS  
FOR SWASTIKA FIN-MART PRIVATE LIMITED

DATE: 10.05.2019

PLACE: INDORE

sd/-  
SUNIL NYATI  
DIRECTOR  
DIN: 00015963

sd/-  
ANITA NYATI  
DIRECTOR  
DIN: 01454595

# N.P. AIRAN & CO.

CHARTERED ACCOUNTANTS

☎ : 2529794  
(M):94074-13950

N.P. AIRAN  
M.Com, F.C.A.

315, Silver Sanchora Castle,  
R.N.T. Marg, Indore

## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members**  
**Swastika Fin-Mart Private Limited**  
**Report on the Audit of Financial Statements**

### OPINION

We have audited the accompanying financial statements of Swastika Fin-Mart Private Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### BASIS FOR OPINION

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

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

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind As) prescribed under section 133 of the Act read with Rule 7 of the Companies (Account) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure-B**”; and

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

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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

**Chartered Accountants**

**FRN - 07116C**

**Sd/-**

**N.P. Airan**

**Proprietor**

**Membership No.076150**

**Indore**

**10.05.2019**

**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Swastika Fin-Mart Private Limited for the year ended March 31, 2019**

**(Referred in paragraph 1 under the heading "Report on other Legal and Regulatory Requirement" of our report of even date to the members of Swastika Fin-Mart Private Limited for the year ended 31<sup>st</sup> March, 2019)**

- (I)
  - (a) The Company has maintained proper record showing full particulars, including quantitative details and situation of fixed assets.
  - (b) As informed to us, the management of the Company has physically verified the fixed assets at reasonable intervals, which in our opinion is reasonable, having regards to the size of the Company and nature of its assets and no material discrepancies were noticed on such verification.
  - (c) As per the information and explanations given to us there is no immovable property.
- (II) As explained to us, the company does business of Financing, hence the Company does not possess any inventory. Consequently the provisions stated in paragraph 3(ii) of the Order are not applicable and hence, not commented upon.
- (III) As per the information and explanation given to us, the Company has granted secured/unsecured loans to companies covered in the register maintained under section 189 of the Companies Act, 2013.
  - a. In our opinion and according to the information and explanations given to us, the terms and conditions of the aforesaid loans granted by the company are not prejudicial to the interest of the company.
  - b. The schedule of repayment of principal and payment of interest in respect of such loans has been stipulated and the repayments or receipts are regular.
  - c. In respect of the aforesaid loans, there is no overdue amount of loans granted to companies in the register maintained under section 189 of the Act
- (IV) According to the information and explanation given to us in respect of loans, investments, guarantees and securities, the company has complied with all the provisions of section 185 and section 186 of the Act as applicable.
- (V) In our opinion and as per the information and explanation given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and rules framed there under to the extent notified.
- (VI) As informed to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013.
- (VII) (a) According to the information and explanation given to us, and the records of the company examined by us, in our opinion, the Company is generally regular in depositing undisputed dues relating to Provident Fund, Employees' State Insurance, Income Tax, Duties of Customs, Duties of Excise, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues as applicable to it with appropriate authorities. There are no undisputed statutory dues payable

which are outstanding as at March 31st, 2019 for a period of more than 6 months from the date they became payable.

- (b) According to the information given to us, and the records of the company examined by us, there are no dues of Income tax, Sales Tax, Custom duty, Excise duty, Value added tax, Goods and Service Tax, Cess and Professional tax which have not been deposited with appropriate authorities on account of any dispute.
- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution(s), bank(s), government(s) or dues to debenture holder(s).
- (ix) According to information and explanation given to us, the company has not raised money by way of Initial/Further Public Offer and no term loan has been obtained by the company during the year.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation given to us, and based on documents provided to us, the Company has not paid any managerial remuneration during the financial year, hence the provision of section 197 read with schedule V to the Act are not applicable to the Company. Accordingly , paragraph 3(xi) of the Order is not applicable of the Company and hence , not commented upon.
- (xii) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act. The details of such transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under section 133 of the Act.
- (xiv) According to the information and explanation given to us, the Company has not made any preferential allotment/private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with Directors or Persons connected with them.

(xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Chartered Accountants**

**FRN - 07116C**

**Sd/-**

**N.P. Airan**

**Proprietor**

**Membership No.076150**

**Indore**

**10.05.2019**

**Annexure B to the Independent Auditor's Report of even date on the of Swastika Fin-Mart Private Limited for the year ended March 31, 2019 Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of **Swastika Fin-Mart Private Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

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

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

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

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

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

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, issued by the Institute of Chartered Accountants of India.

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

**Chartered Accountants**

**FRN - 07116C**

**Sd/-**

**N.P. Airan**

**Proprietor**

**Membership No.076150**

**Indore**

**10.05.2019**

SWASTIKA FIN-MART PRIVATE LIMITED				
BALANCE SHEET AS AT MARCH 31, 2019				
CIN : U65923MP2009PTC022801				
(Rs.)				
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
<b>I ASSETS</b>				
<b>1 Financial Assets</b>				
(a) Cash and Cash Equivalents	2	819,885	559,150	1,084,414
(b) Loans	3	326,328,203	327,631,934	110,907,970
(c) Investments	4	42,000	42,000	42,000
(d) Other Financial Assets (to be specified)	5	310,849	120,385	-
Total Financial Assets		327,500,937	328,353,469	112,034,384
<b>2 Non-Financial Assets</b>				
(a) Current Tax Assets (Net)	6	43	-	-
(b) Property, Plant and Equipment	7	206,431	-	-
(c) Other Intangible Assets	7	10,542	22,042	33,542
(d) Other Non -Financial Assets (to be specified)	8	15,122	18,215	9,956
Total Non-Financial Assets		232,138	40,257	43,498
<b>TOTAL ASSETS</b>		327,733,075	328,393,726	112,077,882
<b>II LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1 Financial Liabilities</b>				
(a) Derivative Financial Instruments		-	-	-
(b) Payables				
Trade Payables:-	9			
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		482,538	-	-
(c) Borrowings (Other than Debt Securities)	10	148,863,537	196,689,281	75,575,493
(d) Other Financial Liabilities (to be specified)	11	111,965,825	83,684,478	81,375
Total Financial Liabilities		261,311,900	280,373,759	75,656,868
<b>2 Non-Financial Liabilities</b>				
(a) Current Tax Liabilities (Net)	12	-	1,207,025	1,381,191
(b) Provisions	13	5,638,101	3,038,527	1,061,201
(c) Other Non-Financial Liabilities (to be specified)	14	555,927	154,536	171,533
Total Non-Financial Liabilities		6,194,028	4,400,088	2,613,925
<b>3 EQUITY</b>				
(a) Equity Share Capital	15	21,100,000	21,100,000	21,100,000
(b) Other Equity	16	39,127,147	22,519,879	12,707,089
Total Equity		60,227,147	43,619,879	33,807,089
<b>TOTAL LIABILITIES AND EQUITY</b>		327,733,075	328,393,726	112,077,882
Significant Accounting Policies	1			
Other Notes to Financial Statements	2-41			

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

For & on behalf of the Board of Directors  
Swastika Fin-Mart Private Limited

N.P. Airan  
Proprietor  
M.No.076150

Place: Indore  
Date: May 10, 2019

Sunil Nyati  
(Director)  
DIN : 00015963

Anita Nyati  
(Director)  
DIN : 01454595

SWASTIKA FIN-MART PRIVATE LIMITED			
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019			
CIN : U65923MP2009PTC022801			
			(Rs.)
Particulars	Note No.	For the year ended	For the year ended
		March 31, 2019	March 31, 2018
I Revenue from Operations			
Interest Income	17	68,427,276	30,462,364
Others	18	1,434,826	2,285,348
Total Revenue from Operations		69,862,102	32,747,712
II Other income	19	189,898	307,957
III Total Revenue (I+II)		70,052,000	33,055,669
IV Expenses:			
Finance Costs	20	33,591,656	13,012,591
Employee Benefit Expenses	21	4,834,090	1,216,495
Depreciation, Amortization and Impairment	7	19,700	11,500
Other Expenses	22	7,644,732	5,143,278
Total Expenses		46,090,178	19,383,864
V Profit/(Loss) before exceptional items and tax (III-IV)		23,961,822	13,671,805
VI Exceptional Items			
VII Profit/(Loss) before tax (V -VI)		23,961,822	13,671,805
VIII Tax expenses:			
(1) Current Tax			
of Current Year		7,086,002	3,859,015
of Earlier Years		268,552	-
(2) Deferred Tax			
IX Profit/(Loss) for the Period (VII-VIII)		16,607,268	9,812,790
X Other Comprehensive Income		-	-
		-	-
XI Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		16,607,268	9,812,790
XII Earning per Equity Share:	23		
(1) Basic		7.87	4.65
(2) Diluted		7.87	4.65
Significant Accounting Policies	1		
Other Notes to Financial Statements	2-41		

As per our Report of even date  
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SWASTIKA FIN-MART PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019		
CIN : U65923MP2009PTC022801		
(Rs.)		
Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
<b>A Cash Flow From Operating Activities:</b>		
Profit before Income Tax :	23,961,822	13,671,805
Adjustments for:		
Depreciation	19,700	11,500
Provisions and Write offs	2,599,685	1,982,906
Dividend Income	(12,993)	-
Operating Profit Before Working Capital Changes	26,568,214	15,666,211
Increase in Trade Payables and Other Liabilities	(18,660,579)	204,694,313
(Increase) in Financial and Other Assets	1,116,359	(216,852,607)
Cash Generated from Operations	9,023,994	3,507,917
Income Tax Paid	(8,561,621)	(4,033,181)
Net Cash (outflow)/inflow from Operating Activities ( A )	462,373	(525,264)
<b>B Cash Flows From Investing Activities</b>		
Payments for Property, Plant and Equipment	(214,631)	-
Dividends Received	12,993	-
Interest Received		
Net Cash (outflow)/inflow from Investing Activities ( B )	(201,638)	-
<b>C Cash Flows from Financing Activities:</b>		
Net Cash Inflow from Financing Activities ( C )	-	-
Net Increase (decrease) in Cash and Cash Equivalents (A+B+C)	260,735	(525,264)
Cash and Cash Equivalents at the beginning of the financial year	559,150	1,084,414
Cash and Cash Equivalents at end of the year	819,885	559,150

As per our Report of even date  
For N.P. Airan & Co.  
Chartered Accountants  
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Place: Indore  
Date: May 10, 2019

For & on behalf of the Board of Directors  
Swastika Fin-Mart Private Limited

Sunil Nyati  
(Director)  
DIN : 00015963

Anita Nyati  
(Director)  
DIN : 01454595

SWASTIKA FIN-MART PRIVATE LIMITED				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019				
CIN : U65923MP2009PTC022801				
<b>A. Equity Share Capital</b>				<b>(Rs.)</b>
Particulars				Equity Share Capital
As at March 31, 2017				21,100,000
Changes in Equity Share Capital during the year				-
As at March 31, 2018				21,100,000
Changes in Equity Share Capital during the year				-
As at March 31, 2019				21,100,000
<b>B. Other Equity</b>				<b>(Rs.)</b>
Particulars	Reserve & Surplus		Other Comprehensive Income	Total
	Statutory Reserve	Retained Earnings		
April 1, 2017	1,734,707	10,972,382	-	12,707,089
Profit for the year	-	9,812,790	-	9,812,790
Transfer from Retained Earning during the year	1,962,558	(1,962,558)	-	-
Other Comprehensive Income	-	-	-	-
Balance as at 31 March 2018	3,697,265	18,822,614	-	22,519,879
Profit for the year	-	16,607,268	-	16,607,268
Transfer from Retained Earning during the year	3,321,454	(3,321,454)	-	-
Other Comprehensive Income	-	-	-	-
Balance as at 31 March 2019	7,018,719	32,108,428	-	39,127,147

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

For & on behalf of the Board of Directors  
Swastika Fin-Mart Private Limited

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Place: Indore  
Date: May 10, 2019

Sunil Nyati  
(Director)  
DIN : 00015963

Anita Nyati  
(Director)  
DIN : 01454595

## Notes to Financial Statements

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

#### (A) Company Overview

Swastika Fin-Mart Private Limited (The Company) is a wholly owned subsidiary of Swastika Investmart Limited and incorporated as per the provisions of Companies Act, 1956. The Company is carrying on Non Banking Finance Company ('NBFC') without accepting public deposits and holding certificate of registration from Reserve Bank of India (RBI) received on February 27, 2015.

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

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

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

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

###### a) Compliance with Ind AS

The financial statements up to year ended March 31, 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. Refer Note no. 40 on "First Time Adoption of Ind AS" for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows which is separately presented

These Financial Statements have been approved for issue by the Company's Board of Directors at their meeting held on May 10, 2019. These Financial Statements are presented in Indian Rupees (INR), which is also the functional and presentation currency.

###### b) Historical cost convention

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis. The Financial Statements are prepared under the historical cost convention.

#### (C) Significant Accounting Policies

##### (i) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

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

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

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

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

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

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

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

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

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

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

(ii) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

- a) Interest income is recognized in the Statement of Profit and Loss on an accrual basis.
- b) In case of Non Performing Assets (NPA), interest income is recognized upon realization as per the RBI Income Recognitions Norms & Guidelines for NBFCs.
- c) Dividend income is recognized only when the right to receive is established.

(iii) Property, Plant and Equipment (PPE)

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

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

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

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

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

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

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

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

Asset Class	Estimated Useful Life (Years)
Computer	3
Office Equipment	10

The Property, Plant and Equipment acquired under finance leases is depreciated over the asset's useful life.

(iv) Intangible assets

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

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

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

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

(v) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and cash at bank.

(vi) Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/ (losses).

Borrowings are classified as current financial liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the Financial Statements for issue, not to demand payment as a consequence of the breach.

(vii) Borrowing Costs

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

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

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(viii) Lease

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

## Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## (ix) Earnings Per Share

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

## (x) Income Tax

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

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

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

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

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

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

## (xi) Impairment of Assets

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

## (xii) Provisions, Contingent liabilities and Contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. The Company assesses all receivables for their recoverability and accordingly recognizes provision for Non Performing and Doubtful Assets as per approved Company policies and guidelines. The Company ensures provisions made are not lower than as stipulated by RBI guidelines.

Contingent Liability is disclosed in the case of:

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

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

#### (xiii) Financial Instruments

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

#### Financial Assets

##### Initial Recognition and Measurement

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

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

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

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

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

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

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

#### Trade Receivables

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

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

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

#### Impairment of Financial Assets

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

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

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

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

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

#### De-recognition of Financial Asset

Financial Asset is primarily derecognized when:

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

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

#### Financial Liabilities

##### Initial Recognition and Measurement

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

##### Subsequent Measurement

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

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

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

##### (b) Other Financial Liabilities:

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

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

#### Trade Payables

A payable is classified as 'Trade Payable' if it is in respect of the amount due on account of services received. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the Effective Interest Method.

## De-recognition of Financial Liability

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

## Offsetting of Financial Instruments

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

### (xiv) Cash Flow Statement

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

### (xv) Significant Accounting Judgments, Estimates & Assumptions

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

#### a. Income Tax

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

#### b. Contingencies

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

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

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

### (xvi) Recent Accounting pronouncements issued but not yet effective

#### I. Ind As 116 - Leases

Effective April 1, 2019, Ind AS 116 – Leases will replace the existing leases Standard, Ind AS 17 Leases. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for almost all the leases with a term of more than twelve months, unless the underlying asset is of low value. A significant number of lease agreements that currently represent operating leases will be reported in the balance sheet as right-of-use assets with the corresponding lease liabilities. As of the date of initial application of the new standard i.e. April 1, 2019, the Company will measure – in accordance with the modified retrospective method – lease liabilities arising from operating leases with a remaining term of more than 12 months at the present value of the remaining lease payments, taking into account current incremental borrowing rates. The right-of-use asset will be recognized at the same amount as the lease liability. In the Statement of Profit and Loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on right-of-use assets on a straight-line basis). In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

## II. Amendments to Standards

The following amendments are applicable to the company from April 01, 2019. The impacts of these are currently expected to be immaterial:

Reference	Name/Brief
Annual Improvements to Ind AS (2018)	The amendments comprise of changes in Ind AS 103, Ind AS 111 and Ind AS 12
Ind AS 19	Employee benefits -Plan Amendment, Curtailment or settlement
Ind AS 28	Investments in Associates and Joint Ventures -Long- term interest in Associates and Joint Ventures
Ind AS 109	Financial Instruments -Prepayment Features with Negative compensation
Ind AS 12	Income Taxes- Uncertainty over Income Tax Treatments

## 2. CASH &amp; CASH EQUIVALENTS

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Balance with Banks in Current Accounts	396,919	172,267	747,632
Cash on Hand	422,966	386,883	336,782
<b>Total</b>	<b>819,885</b>	<b>559,150</b>	<b>1,084,414</b>

## 3. LOANS (CURRENT)

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
(a) Secured, Considered Good	-	-	-
(b) Unsecured, Considered Good			
-Loans to Related Parties	-	60,554,141	55,661,910
-Loans to others	322,508,028	264,169,126	53,119,648
(c) Loans Receivables have significant increase in Credit Risk	873,370	952753	2,126,412
(d) Loans Receivables -Credit Impaired	2,946,805	1955914	-
<b>Total</b>	<b>326,328,203</b>	<b>327,631,934</b>	<b>110,907,970</b>

## 4. INVESTMENTS

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Birla Sunlife Cash Manager Fund	42,000	42,000	42,000
<b>Total</b>	<b>42,000</b>	<b>42,000</b>	<b>42,000</b>

## 5. OTHER FINANCIAL ASSETS (CURRENT)

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Accrued Income	310,849	120,385	-
<b>Total</b>	<b>310,849</b>	<b>120,385</b>	<b>-</b>

## 6. OTHER TAX ASSETS (NET)

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Advance Tax	5,700,000	-	-
Tax Deducted at Source	1,386,045	-	-
Less: Income Tax Provision	(7,086,002)	-	-
<b>Total</b>	<b>43</b>	<b>-</b>	<b>-</b>

## 8. OTHER NON -FINANCIAL ASSETS

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Adhesive Stamp	-	-	3,050
Prepaid Expenses	15,122	18,215	6,906
<b>Total</b>	<b>15,122</b>	<b>18,215</b>	<b>9,956</b>

## 9. TRADE PAYABLES

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Dues of Micro and Small Enterprises(Refer note no.27 )	-	-	-
Dues other than Micro and Small Enterprises	482,538	-	-
<b>Total</b>	<b>482,538</b>	<b>-</b>	<b>-</b>

## 10. BORROWINGS

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Secured			
Aditya Birla Finance Limited (Loan) (Secured by Pledge of Shares held in Client's Beneficiary Account)	6,363,537	27,919,281	6,232,374
Unsecured			
Swastika Commodities Private Limited	-	59,770,000	69,343,119
Dhar Coal Products Private Limited	-	10,000,000	-
Mahavat Holdings Private Limited	90,000,000	40,000,000	-
Naseeb Holdings Private Limited	40,000,000	40,000,000	-
Tirupati Finance	12,500,000	14,000,000	-
Vikas International Private Limited	-	5,000,000	-
<b>Total</b>	<b>148,863,537</b>	<b>196,689,281</b>	<b>75,575,493</b>

## 11. OTHER FINANCIAL LIABILITIES

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Auditor's Remuneration	26,500	-	10,000
Interest Payable	10,826,405	981,476	-
Salary & Reimbursement	176,027	142,610	29,375
Other Payables	100,936,893	82,560,392	42,000
<b>Total</b>	<b>111,965,825</b>	<b>83,684,478</b>	<b>81,375</b>

## 12. CURRENT TAX LIABILITIES (NET)

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Income Tax	-	3,859,015	2,790,273
less: Advance Tax	-	(1,650,000)	(850,000)
less: Tax Deducted at Source	-	(1,001,990)	(559,082)
<b>Total</b>	<b>-</b>	<b>1,207,025</b>	<b>1,381,191</b>

## 13. PROVISIONS

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1,2017
Provision for Doubtful Advances	1,961,087	782,365	-
Provision against Standard Assets	2,881,522	1,591,565	533,937
Provision against Sub-Standard Assets	795,492	664,486	521,573
Provision for Expenses	-	111	5,691
<b>Total</b>	<b>5,638,101</b>	<b>3,038,527</b>	<b>1,061,201</b>

## 14. OTHER NON-FINANCIAL LIABILITIES

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Statutory Dues Payable	555,927	154,536	171,533
<b>Total</b>	<b>555,927</b>	<b>154,536</b>	<b>171,533</b>

## 15. EQUITY SHARE CAPITAL

## 15.1 : Authorized, Issued, Subscribed and Paid Up

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Authorized 22,50,000 Equity Shares of Rs.10 each (Previous Year 22,50,000 Equity Shares of Rs. 10 each)	22,500,000	22,500,000	22,500,000
Issued 21,10,000 Equity Shares of Rs.10 each (Previous Year 21,10,000 Equity Shares of Rs. 10 each)	21,100,000	21,100,000	21,100,000
Subscribed & Paid up 21,10,000 Equity Shares of Rs.10 each fully paid (Previous Year 21,10,000 Equity Shares of Rs. 10 each)	21,100,000	21,100,000	21,100,000
<b>Total</b>	<b>21,100,000</b>	<b>21,100,000</b>	<b>21,100,000</b>

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

## 15.2 : Reconciliation of the number of Shares as at the beginning and at the end of the Financial Year

(Rs.)

Particulars	Equity Shares (2018-19)	
	Number	Amount
Shares outstanding at the beginning of the year	2,110,000	21,100,000
Shares outstanding at the end of the year	2,110,000	21,100,000

(Rs.)

Particulars	Equity Shares (2017-18)	
	Number	Amount
Shares outstanding at the beginning of the year	2,110,000	21,100,000
Shares outstanding at the end of the year	2,110,000	21,100,000

(Rs.)

Particulars	Equity Shares (2016-17)	
	Number	Amount
Shares outstanding at the beginning of the year	2,110,000	21,100,000
Shares outstanding at the end of the year	2,110,000	21,100,000

## 15.3 : Shareholders holding more than 5% of Shares

Name of the Shareholder	As at March 31, 2019	
	No. of Shares held	% of Holding
Swastika Investmart Limited	2,110,000	100

Name of the Shareholder	As at March 31, 2018	
	No. of Shares held	% of Holding
Swastika Investmart Limited	2,110,000	100

Name of the Shareholder	As at April 1, 2017	
	No. of Shares held	% of Holding
Swastika Investmart Limited	2,110,000	100

## 16. OTHER EQUITY

(Rs.)

Particulars	As at	As at	As at
	March 31, 2019	March 31, 2018	April 1, 2017
Reserves & Surplus*			
Statutory Reserves	7,018,719	3,697,265	1,734,707
Retained Earnings	32,108,428	18,822,614	10,972,382
Other Comprehensive Income (OCI)	-	-	-
<b>Total</b>	<b>39,127,147</b>	<b>22,519,879</b>	<b>12,707,089</b>

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

## 17. REVENUE FROM OPERATION

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Income on Loan	68,427,276	30,462,364
<b>Total</b>	<b>68,427,276</b>	<b>30,462,364</b>

## 18. OTHER OPERATING INCOME

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Processing Fees	1,379,336	2,270,436
Foreclosure Charges	55,490	12,912
Other Charges	-	2,000
<b>Total</b>	<b>1,434,826</b>	<b>2,285,348</b>

## 19. OTHER INCOME

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank Charges Recovery	57,857	138,612
Dividend income on Equity Instruments designated at FVTOCI	12,993	-
Other Income	119,048	169,345
<b>Total</b>	<b>189,898</b>	<b>307,957</b>

## 20. FINANCE COST

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses	33,498,469	12,972,174
Bank Charges	93,187	40,417
<b>Total</b>	<b>33,591,656</b>	<b>13,012,591</b>

## 21. EMPLOYEE BENEFIT EXPENSES

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and Incentives	4,643,430	1,142,315
Staff Welfare Expenses	190,660	74,180
<b>Total</b>	<b>4,834,090</b>	<b>1,216,495</b>

## 22. OTHER EXPENSES

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Auditor's Remuneration (Refer note 22.1 below)	26,500	16,500
Business Promotion	253,590	-
Bad Debts w/off	-	111,370
Commission	769,871	445,207
Electricity Charges	558,000	372,000
Interest on Tax	192,099	110,537
Legal Expenses	24,856	12,730
Membership Fees & Subscription	15,000	35,963
Office Maintenance	562,500	208,576
Postage & Courier	39,890	21,795
Printing & Stationary	191,380	51,867
Professional Expenses	859,500	707,870
Provision on Standard, Sub-Standard and Doubtful Assets	2,599,685	1,982,906
Rent	684,000	456,000
Repairs, Maintenance and Software Maintenance	95,264	25,100
Telephone Charges	558,000	372,000
Travelling Expenses (Others)	139,590	-
Travelling Expenses (Directors)	1,700	2,591
Website Design Expenses	23,804	175,270
Reversal of ITC ( 50%)	30,963	-
Miscellaneous Expenses	18,540	34,996
<b>Total</b>	<b>7,644,732</b>	<b>5,143,278</b>

## 22.1 Details of Auditor's Remuneration

(Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Statutory Audit Fees	16,500	10,000
Tax Audit Fees	10,000	6,500
<b>Total</b>	<b>26,500</b>	<b>16,500</b>

## 23. EARNING PER SHARE

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Profit attributable to Equity Shareholders (Rs.)	16,607,268	9,812,790
(B) No. of Equity Share outstanding during the year.	2,110,000	2,110,000
(C) Face Value of each Equity Share ( Rs.)	10	10
(D) Basic & Diluted Earning per Share ( Rs.)	7.87	4.65

7. PROPERTY, PLANT AND EQUIPMENT

March 31,2019

(Rs.)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 01.04.2018	Additions	Deductions/ Adjustments	As at 31.03.2019	As at 01.04.2018	Dep. for the Year	Deductions/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
A. Tangible Assets										
Computer	-	81,631	-	81,631	-	7,105	-	7,105	74,526	-
Office Equipment	-	133,000	-	133,000	-	1,095	-	1,095	131,905	-
Total - A	-	214,631	-	214,631	-	8,200	-	8,200	206,431	-
B. Other Intangible Assets										
Computer Software	33,542	-	-	33,542	11,500	11,500	-	23,000	10,542	22,042
Total - B	33,542	-	-	33,542	11,500	11,500	-	23,000	10,542	22,042
Total A + B	33,542	214,631	-	248,173	11,500	19,700	-	31,200	216,973	22,042

March 31,2018

(Rs.)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 01.04.2017	Additions	Deductions/ Adjustments	As at 31.03.2018	As at 01.04.2017	Dep. for the Year	Deductions/ Adjustments	As at 31.3.2018	As at 31.03.2018	As at 31.03.17
Other Intangible Assets										
Computer Software	33,542	-	-	33,542	-	11,500	-	11,500	22,042	33,542
Total - B	33,542	-	-	33,542	-	11,500	-	11,500	22,042	33,542

7.1 Deemed cost as at 01.04.2017 which is the net carrying amount on 01.04.2017 has been tabulated as follows:

(Rs.)

Particulars	Gross carrying amount	Reclassified as Investment property	Accumulated Depreciation	Net carrying amount
	as at 01.04.2017			as at 01.04.2017
Other Intangible Assets				
Computer Software	34,500		958	33,542

24. CONTINGENT LIABILITIES

The Company does not have any Contingent Liability.

25. INCOME TAX

The major components of income tax expense for the year ended March 31, 2019

(Rs.)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Current Tax:		
Current Tax on profit for the year	7,086,002	3,859,015
Adjustments for the current tax of prior periods	268,552	-
Deferred Tax:		
Deferred Tax Liabilities/ (Assets)	-	-
<b>Total</b>	<b>7354554</b>	<b>3,859,015</b>

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

(Rs.)

Particulars	For the year ended	For the year ended
	March 31, 2019	March 31, 2018
Profit before Income Tax Expense	23,961,822	13,671,805
Tax Rate	27.8200%	27.5525%
Tax at the Indian tax rate of 27.820% (2017-18 27.55%)	6,666,179	3,766,924
Tax Effect of :		
Adjustments in respect of current income tax of prior period	-	-
Effect of Income not considered for Tax Purposes		
Effect of Non deductible expenses for tax purposes	345,112	362,221
Ind AS Transition Effect		
Others	74,711	(270,130)
<b>Income Tax Expenses</b>	<b>7,086,002</b>	<b>3,859,015</b>

Note: The figures have been regrouped/ reclassified, wherever necessary.

26. CAPITAL MANAGEMENT

Risk Management

The Company's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

(Rs.)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Debt (Total Borrowings)	148863537	196689281	75575493
Total Equity	60227147	43619879	33807089
Cash and Cash Equivalents, other bank balances and liquid investments	819885	559150	1084414
Net Debt Equity Ratio	2.46	4.50	2.20

27. Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act 2006

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
(iv) The amount of interest due and payable for the year	-	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-	-

28. FINANCIAL RISK MANAGEMENT

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

(A) Credit Risk

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

Credit Risk Management

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

(B) Liquidity Risk

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

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019

(Rs.)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	148,863,537	148,863,537	-	-	148,863,537
Trade payables	482,538	482,538	-	-	482,538
Other Financial Liabilities - Current	111,965,825	111,965,825	-	-	111,965,825

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018

(Rs.)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	196,689,281	196,689,281	-	-	196,689,281
Trade payables	-	-	-	-	-
Other Financial Liabilities - Current	83,684,478	83,684,478	-	-	83,684,478

The table below provides details regarding the contractual maturities of significant financial liabilities as of April 1, 2017

(Rs.)					
Particulars	Carrying Amount	Less than 1 year	1-5 years	More than 5 year	Total
Borrowings - Current	75,575,493	75,575,493	-	-	75,575,493
Trade payables	-	-	-	-	-
Other Financial Liabilities - Current	81,375	81,375	-	-	81,375

(C) Interest Risk

Interest Rate Risk Exposure

The Company is exposed to various types of borrowings as stated in Note No. 10

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

(Rs.)			
Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Variable Rate Borrowings	148,863,537	196,689,281	75,575,493

Sensitivity Analysis on Rate Borrowings

The Company is exposed to various types of borrowings as stated in Note No. 10, respectively. The sensitivity analysis demonstrates a reasonably possible change in the interest rates, with all other variables held constant. For the year ended March 31, 2019 and March 31, 2018, every 0.25% increase in the interest rate would decrease the companies profit approximately by Rs. 8,55,734 and Rs. 3,59,763, respectively. A 0.25% decrease in the interest rate would lead to an equal but opposite effect.

(D) Market Risk

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

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

**a) Names of the related parties and description of relationship:**

S.No.	Related Parties	Nature of Relationship
(i)	Key Management Personnel/individuals having control or significant influence.	
	Mr. Sunil Nyati	Director
	Mrs. Anita Nyati	Director
	Mr. Chandra Shekhar Bobra	Director
	Mr. Kailash Chandra Sharma	Director
(ii)	Group Companies	
	Swastika Investmart Limited	Holding Company
	Swastika Commodities Private Limited	Fellow Subsidiary
	Swastika Insurance Broking Services Limited	Fellow Subsidiary
	Swastika Investmart (IFSC) Private Limited.	Fellow Subsidiary

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

(Rs.)

S.No.	Related parties	Nature of Relationship	Nature of Transactions during the year	For the year ended	For the year ended
				March 31, 2019	March 31, 2018
(i)	Transactions with holding and fellow subsidiaries				
	Swastika Investmart Limited	Holding Company	Expenses Recovered	4,200,000	1,200,000
	Swastika Investmart Limited	Holding Company	Loan Given	3,300,887,400	1,713,590,700
	Swastika Investmart Limited	Holding Company	Amount Received Against Loan Given	3,361,441,541	1,708,698,469
	Swastika Investmart Limited	Holding Company	Interest Income	7,641,673	7,388,334
	Swastika Commodities Private Limited	Fellow Subsidiary	Loan Taken	2,522,031,087	1,239,097,700
	Swastika Commodities Private Limited	Fellow Subsidiary	Loan Repaid	2,581,801,087	1,248,670,819
	Swastika Commodities Private Limited	Fellow Subsidiary	Interest Expense	5,742,658	5,838,693

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

S.No.	Related parties	Nature of Relationship	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
	<b>Balance of Loan given-</b>				
	Swastika Investmart Limited	Holding Company	-	60,554,141	55,661,910
	<b>Balance of Loan taken-</b>				
	Swastika Commodities Private Limited	Fellow Subsidiary	-	59,770,000	69,343,119

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

The sales to and purchases from related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 30. Disclosure pursuant to Reserve Bank of India notification DNBR (PD) CC. No.0029/03.10.001/ 2014-15 dated April 10 2015

## A. Movement of Non-Performing Assets (NPA's)

		(Rs.)	
Sr. No.	Description	As at March 31, 2019	As at March 31, 2018
(i)	Net NPA to Net Advances (%)	1.17%	1.09%
(ii)	Movement of NPAs		
	a) Opening Balance	2,908,665	21,26,412
	b) Additions during the year	939,302	9,53,253
	c) Reductions during the year	27,792	1,71,000
	d) Closing Balance	3,820,175	29,08,665

## B. Movement of Contingent Provision

		(Rs.)	
Sr. No.	Description	As at March 31, 2019	As at March 31, 2018
(i)	Movement of Contingent provision against standard Assets		
	a) Opening Balance	15,91,565	5,33,937
	b) Additions during the year	12,89,957	10,57,628
	c) Reductions during the year	-	-
	d) Closing Balance	28,81,522	15,91,565

## 31. Exposure to Capital Market

		(Rs.)	
Sr. No.	Description	As at March 31, 2019	As at March 31, 2018
(i)	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt	42,000	42,000
(ii)	Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	3,00,31,709	4,11,34,489
(iii)	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken a primary security	1,01,44,134	1,94,83,307
(iv)	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances.	-	-
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	-	6,05,54,141
(vi)	Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii)	Bridge loans to companies against expected equity flows/issues	-	-
(viii)	All exposures to Venture Capital Funds(both registered and unregistered)	-	-

## 32. Exposure to Real Estate sector, both Direct and Indirect

The Company does not have exposure to Real Estate Sector, direct or indirect.

## 33. Customer Complaints

		(Rs.)	
Sr. No.	Description	As at March 31, 2019	As at March 31, 2018
a)	No of Complaints Pending at the beginning of the year	-	-
b)	No of Complaints received during the year	-	-
c)	No of Complaints redressed during the year	-	-
d)	No of Complaints Pending at the end of the year	-	-

## 34. Details of non- performing financial assets purchases / sold

The company has neither purchased nor sold any non- performing financial assets during the previous year.

## 35. Registration under Other Regulators

The Company is incorporated as per the provisions of Companies Act, 1956 and carrying on business as Non Banking Finance Company ('NBFC') without accepting public deposits and holding certificate of registration from Reserve Bank of India (RBI).

36. Penalties imposed by RBI and Other Regulators  
No penalties have been imposed by RBI and other regulators during the FY 2018-19 and FY 2017-18.

37. Advance against Intangible Securities  
Company has not given any loans against intangible securities.

38. The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

39. Disclosure pursuant to Reserve Bank of India notification DNBR (PD)/CC.No.0044/03.10.119/2015-16 dated July 01, 2015.

(Rs.)

S.No.	Particulars	As at March 31, 2019	As at March 31, 2018
	Liabilities side :		
(1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
	(a) Debentures		
	- Secured		
	- Unsecured		
	(other than falling within the meaning of public deposits)	-	-
	(b) Deferred Credits	-	-
	(c) Term Loans		
	(d) Inter-Corporate Loans and Borrowings	136,363,537	182,689,281
	(e) Other Loans	12,500,000	14,000,000
	(Represents Working Capital Demand Loans and Cash Credit from Banks)		
	Assets side:		
(2)	Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]:		
	(a) Secured	-	-
	(b) Unsecured	326,328,203	327,631,934
(3)	Break up of Leased Assets and Stock on Hire and Other Assets counting towards AFC activities		
	(i) Lease Assets including Lease Rentals Accrued and Due:		
	a) Financial Lease		
	b) Operating Lease		
	(ii) Stock on Hire including Hire Charges under Sundry Debtors:		
	a) Assets on Hire	-	-
	b) Repossessed Assets	-	-
	(iii) Other Loans counting towards AFC Activities		
	a) Loans where Assets have been Repossessed		
	b) Loans other than (a) above		
(4)	Break-up of Investments (net of provision for diminution in value):		
	Current Investments:		
	I. Quoted:		
	i. Shares:		
	a) Equity		
	b) Preference		
	ii. Debentures and Bonds		
	iii. Units of Mutual Funds		
	iv. Government Securities	-	-
	v. Others (please specify)	-	-
	II. Unquoted:		
	i. Shares:		
	a) Equity	-	-
	b) Preference	-	-
	ii. Debentures and Bonds		
	iii. Units of Mutual Funds		
	iv. Government Securities		
	v. Others (please specify)	-	-
	Long Term Investments:		
	I. Quoted:		
	i. Shares:		
	a) Equity	-	-
	b) Preference	-	-
	ii. Debentures and Bonds		
	iii. Units of Mutual Funds		
	iv. Government Securities		
	v. Others (please specify)		

II. Unquoted:	-	-
i. Shares:	-	-
a) Equity	-	-
b) Preference	-	-
ii. Debentures and Bonds	-	-
iii. Units of Mutual Funds	-	-
iv. Government Securities	-	-
v. Others (please specify)	-	-
Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:		
1. Related Parties	-	-
(a) Subsidiaries	-	-
(b) Companies in the same Group	-	-
(c) Other Related Parties	-	-
2. Other than Related Parties	-	-
Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)		
1. Related Parties	-	60,554,141
(a) Subsidiaries	-	-
(b) Companies in the same Group	326,328,203	267,077,793
(c) Other Related Parties	-	-
2. Other than Related Parties	-	-
Other Information		
(i) Gross Non-Performing Assets		
(a). Related party	-	-
(b). Other than related party	-	-
(ii) Net Non-Performing Assets	-	-
(a). Related party	-	-
(b). Other than related party	-	-
(iii) Assets Acquired in Satisfaction of Debt	-	-
	38,20,175	29,08,665
	-	-
	10,63,596	14,61,814
	-	-

#### 40 FIRST TIME ADOPTION OF IND AS (IND AS 101)

These are the Company's first standalone financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2019, the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2017 (the company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2014 and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

##### **(A) Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

##### **(i) Ind AS optional exemptions**

###### **a) Deemed cost for Property, Plant and Equipment, Intangible Assets and Investment Property**

Ind AS 101 permits a first-time adopter to opt to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the Company has opted to measure all of its property, plant and equipment, and other intangible assets at their previous GAAP carrying value and use the same as deemed cost in the opening Ind AS balance sheet.

###### **b) Designation of previously recognized financial instrument**

Ind AS 101 allows an entity to recognize investments in equity instruments at fair value through other comprehensive income (FVTOCI) through an irrevocable election on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has opted to apply this exemption for its investment in quoted equity investments.

##### **(ii) Ind AS mandatory exceptions**

###### **a) Estimates**

An entity's estimates in accordance with Ind AS's at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- > Investment in mutual fund carried at FVTPL;
- > Impairment of financial assets based on expected credit loss model.

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, except where estimates were required by Ind AS and not required by previous GAAP.

###### **b) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### **(B) Reconciliation between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliation from previous GAAP to Ind AS.

Reconciliation of equity

Particulars	Note No.	As at April 01, 2017			As at March 31, 2018		
		IGAAP	Effects of transition to Ind AS	Ind AS	IGAAP	Effects of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Financial Assets</b>							
Cash and Cash Equivalents	2	1,084,414	-	1,084,414	559,150	-	559,150
Loans	3	110,907,970	-	110,907,970	327,631,934	-	327,631,934
Investments	4	42,000	-	42,000	42,000	-	42,000
Other Financial Assets (to be specified)	5	-	-	-	120,385	-	120,385
<b>Total Financial Assets</b>		<b>112,034,384</b>	<b>-</b>	<b>112,034,384</b>	<b>328,353,469</b>	<b>-</b>	<b>328,353,469</b>
<b>Non-Financial Assets</b>							
Current Tax Assets (Net)	6	-	-	-	-	-	-
Property, Plant and Equipment	7	-	-	-	-	-	-
Other Intangible Assets	7	33,542	-	33,542	22,042	-	22,042
Other Non -Financial Assets (to be specified)	8	9,956	-	9,956	18,215	-	18,215
<b>Total Non-Financial Assets</b>		<b>43,498</b>	<b>-</b>	<b>43,498</b>	<b>40,257</b>	<b>-</b>	<b>40,257</b>
<b>TOTAL ASSETS</b>		<b>112,077,882</b>	<b>-</b>	<b>112,077,882</b>	<b>328,393,726</b>	<b>-</b>	<b>328,393,726</b>
<b>LIABILITIES AND EQUITY</b>							
<b>LIABILITIES</b>							
<b>Financial Liabilities</b>							
Derivative Financial Instruments		-	-	-	-	-	-
Payables		-	-	-	-	-	-
Trade Payables:-	9	-	-	-	-	-	-
(i) Total outstanding dues of Micro Enterprises and Small Enterprises		-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		-	-	-	-	-	-
Borrowings (Other than Debt Securities)	10	75,575,493	-	75,575,493	196,689,281	-	196,689,281
Other Financial Liabilities (to be specified)	11	81,375	-	81,375	83,684,478	-	83,684,478
<b>Total Financial Liabilities</b>		<b>75,656,868</b>	<b>-</b>	<b>75,656,868</b>	<b>280,373,759</b>	<b>-</b>	<b>280,373,759</b>
<b>Non-Financial Liabilities</b>							
Current Tax Liabilities (Net)	12	1,381,191	-	1,381,191	1,207,025	-	1,207,025
Provisions	13	1,061,201	-	1,061,201	3,038,527	-	3,038,527
Other Non-Financial Liabilities (to be specified)	14	171,533	-	171,533	154,536	-	154,536
<b>Total Non-Financial Liabilities</b>		<b>2,613,925</b>	<b>-</b>	<b>2,613,925</b>	<b>4,400,088</b>	<b>-</b>	<b>4,400,088</b>
<b>EQUITY</b>							
Equity Share Capital	15	21,100,000	-	21,100,000	21,100,000	-	21,100,000
Other Equity	16	12,707,089	-	12,707,089	22,519,879	-	22,519,879
<b>Total Equity</b>		<b>33,807,089</b>	<b>-</b>	<b>33,807,089</b>	<b>43,619,879</b>	<b>-</b>	<b>43,619,879</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>112,077,882</b>	<b>-</b>	<b>112,077,882</b>	<b>328,393,726</b>	<b>-</b>	<b>328,393,726</b>

**Statement of Reconciliation of Equity (Shareholders' funds) as at 31st March,2018 and 1st April,2017:**

Particulars	As at April 1, 2017	As at March 31, 2018
Total Equity (Shareholders' Fund) as per IGAAP	33,807,089	43,619,879
Adjustments on transition to Ind AS	-	-
Total Equity (Shareholders' Fund) as per IND AS	85,127,064	62,327,837

**Reconciliation of Total Comprehensive Income for the year ended March 31, 2018**

Particulars	Note No.	Indian GAAP	Effect of transition to Ind AS	Ind AS
<b>Revenue from Operations</b>				
Interest Income	17	30,462,364	-	30,462,364
Others	18	2,285,348	-	2,285,348
<b>Total Revenue from Operations</b>		<b>32,747,712</b>	<b>-</b>	<b>32,747,712</b>
Other income	19	307,957	-	307,957
<b>Total Revenue (I+II)</b>		<b>33,055,669</b>		<b>33,055,669</b>
Expenses:				
Finance Costs	20	13,012,591	-	13,012,591
Employee Benefit Expenses	21	1,216,495	-	1,216,495
Depreciation, Amortization and Impairment	7	11,500	-	11,500
Other Expenses	22	5,143,278	-	5,143,278
<b>Total Expenses</b>		<b>19,383,864</b>	<b>-</b>	<b>19,383,864</b>
<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>13,671,805</b>	<b>-</b>	<b>13,671,805</b>
Exceptional Items				
<b>Profit/(Loss) before tax (V -VI)</b>		<b>13,671,805</b>	<b>-</b>	<b>13,671,805</b>
Tax expenses:				
(1) Current Tax				
of Current Year		3,859,015	-	3,859,015
of Earlier Years		-	-	-
(2) Deferred Tax		-	-	-
<b>Profit/(Loss) for the Period (VII-VIII)</b>		<b>9,812,790</b>	<b>-</b>	<b>9,812,790</b>
Other Comprehensive Income		-	-	-
		-	-	-
Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)		9,812,790	-	9,812,790

**Statement of Reconciliation of total comprehensive income for the year ended 31st March,2018**

Particulars	(Rs.) As at 31st March 2018
Net Profit after Tax previously presented under IGAAP	9,812,790
Adjustments on transition to Ind AS	-
Total Comprehensive Income for the period	9,812,790

Reconciliation of Statement of Cash flow for the year ended March 31, 2018

(Rs.)

Particulars	Indian GAAP	Effect of transition to Ind AS	Ind AS
Net Cash flow from Operating Activities	(525,264)	-	(525,264)
Net Cash flow from Investing Activities	-	-	-
Net Cash flow from Financing Activities	-	-	-
Net increase/(decrease) in Cash and Cash equivalents	(525,264)	-	(525,264)
Cash and cash equivalents as at April 01, 2017	1,084,414	-	1,084,414
Cash and cash Equivalents as at March 31,2018	559,150	-	559,150

Explanation for the above reconciliation as previously reported under IGAAP to Ind AS:

1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and reliability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments recognized at FVTOCI) have been recognized in retained earnings as at the date of transition and subsequently in the profit or loss. Fair value changes with respect to investments in equity instruments have been recognized in FVTOCI under Other Comprehensive Income as at the date of transition and for the year ended 31 March 2018.

2: Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognizing the allowance for doubtful debts.

3: Other comprehensive income

Under Ind AS, all items of income and expense recognized in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, fair value gains or (losses) on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

4: Deferred tax

Deferred taxes impact of the above adjustments, wherever applicable have been recognized on transition to Ind AS.

5: Retained earnings

Retained earnings as at April 01, 2017 has been adjusted consequent to the above Ind AS transition adjustments.

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

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

For & on behalf of the Board of Directors  
Swastika Fin-Mart Private Limited

N.P.Airan  
Proprietor  
M.No.076150

Place: Indore  
Date: May 10, 2019

Sunil Nyati  
(Director)  
DIN : 00015963

Anita Nyati  
(Director)  
DIN : 01454595