

N.P. AIRAN & CO.

CHARTERED ACCOUNTANTS

☎ : 2529794
(M):94074-13950

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

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Swastika Fin-Mart Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified 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 and ensuring their operating effectiveness and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.



We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We are also responsible to 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 the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

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 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 March 31, 2018, its profit and loss and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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, we give our separate Report in "Annexure 2".
- 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:
- (i) The Company does not have any pending litigations which would impact its financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N.P. Airan & Co.
Chartered Accountants
FRN - 07116C


N.P. Airan
Proprietor
Membership No. 076150



Date : May 18, 2018

Place : Indore

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Swastika Fin-Mart Private Limited on the financial statements for the year ended March 31, 2018]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; and as informed there were no material discrepancies noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties recorded in the books of the accounts of the company are held in the name of the Company.
- (ii) As explained to us, the Company does the business of Non Banking Finance Company (NBFC), so the Company does not possess any inventory.
- (iii) The Company has granted loans, secured or **unsecured**, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (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, firms, Limited Liability Partnerships, or other parties listed in the register maintained under Section 189 of the Act.
- (iv) Based on information and explanation given to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.



(vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.

(vii)

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).

(ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.

(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 any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) As per the information and explanations given to us, the Company has not paid any managerial remuneration during the financial year, hence the provisions 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 to the Company.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) As per the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and



188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- (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

N.P. Airan

N.P. Airan
Proprietor
Membership No.076150



Date : May 18, 2018
Place : Indore

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Swastika Fin-Mart Private Limited on the financial statements for the year ended March 31, 2018]

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

We have audited the internal financial controls over financial reporting of Swastika Fin-Mart Private Limited ("the Company") as of March 31, 2018 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 over financial reporting 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 over financial reporting 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 over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgement, 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 over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting 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 ICAI.

For N.P. Airan & Co.

Chartered Accountants

FRN - 07116C

N.P. Airan

Proprietor

Membership No.076150



Date : May 18 , 2018

Place : Indore

**NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT TO THE BOARD
OF DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2018**

To,
**The Board of Directors,
Swastika Fin-Mart Private Limited**

As required by the Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2008 issued by Reserve Bank of India (RBI) on the matters specified in Para 3 and 4 of the said Directions to the extent applicable to the Swastika Fin-Mart Pvt Ltd. and according to the information and explanations given to us for the purpose of audit, we report that:

1. The Company is engaged in the business of Non-Banking Financial Institution and has obtained a Certificate of Registration from the Bank.
2. That company is entitled to continue to hold the Certificate of Registration in terms of its asset/income pattern as on 31st March 2018.
3. The Board of Directors has passed a resolution for non- acceptance of any public deposits.
4. The company has not accepted any public deposits during the relevant period/year.
5. The company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

For N.P. Airan & Co.
Chartered Accountants
FRN – 07116C



N.P. Airan
Proprietor
Membership No. 076150

Place: Indore
Dated: May 18, 2018

SWASTIKA FIN-MART PRIVATE LIMITED			
BALANCE SHEET AS AT MARCH 31, 2018			
CIN : U65923MP2009PTC022801			
(₹)			
PARTICULARS	Note No.	As at March 31, 2018	As at March 31, 2017
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2	21,100,000	21,100,000
(b) Reserves and Surplus	3	22,519,879	12,707,089
2 Current Liabilities			
(a) Short-Term Borrowings	4	196,689,281	75,575,493
(b) Other Current Liabilities	5	82,515,392	42,000
(c) Short-term Provisions	6	8,221,166	4,062,382
TOTAL		331,045,718	113,486,964
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Intangible Assets	7	22,042	33,542
2 Current assets			
(a) Cash and Bank Balance	8	559,150	1,084,414
(b) Short-term Loans and Advances	9	330,302,141	112,323,958
(c) Other Current Assets	10	162,385	45,050
TOTAL		331,045,718	113,486,964

Significant Accounting Policies 1

Other Notes to Financial Statements 17

As per our Report of even date

For N.P. Airan & Co.
Chartered Accountants
FRN : 07116C

N.P. Airan
Proprietor
M.No.076150



Place: Indore
Date: May 18, 2018

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 PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018			
CIN : U65923MP2009PTC022801			
(₹)			
Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I Revenue from Operations	11	32,747,712	20,450,222
II Other income	12	307,957	55,445
III Total Revenue (I+II)		33,055,669	20,505,667
IV Expenses			
Employee benefits expense	13	1,216,495	1,556,938
Finance Costs	14	13,012,591	7,074,182
Depreciation and amortization expense	7	11,500	958
Other expenses	15	3,160,372	2,539,453
Provisions and write offs	16	1,982,906	758,475
Total Expenses		19,383,864	11,930,006
V Profit before tax (III-IV)		13,671,805	8,575,661
VI Tax expense:			
Current tax		3,859,015	2,790,273
VII Profit (Loss) for the Year (V-VI)		9,812,790	5,785,388
VIII Earnings per equity share:			
(1) Basic		4.65	2.74
(2) Diluted		4.65	2.74

Significant Accounting Policies 1
Other Notes to Financial Statements 17

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

N.P. Airan
Proprietor
M.No.076150



Place: Indore
Date: May 18, 2018

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

Sunil Nyati
Director
DIN : 00015963/S

Anita Nyati
Director
DIN : 01454595

SWASTIKA FIN-MART PRIVATE LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018		
CIN : U65923MP2009PTC022801		
(₹)		
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A Cash Flow From Operating activities:		
Net Profit before Tax and Extra Ordinary items	13,671,805	8,575,661
Adjustments for :		
Extra Ordinary Item	-	-
Net Profit before Tax and Extra Ordinary items	13,671,805	8,575,661
Provisions and Write offs	1,982,906	758,475
Operating profit before Working Capital Change	15,654,711	9,334,136
Adjustments for :		
Short-term Borrowings	121,113,787	62,075,495
Trade Payables	-	(8,819)
Short term Provisions	1,107,136	55,267
Other Current Liabilities	82,473,393	42,000
Short term Loans and Advances	(216,735,272)	(71,158,302)
Other Current Assets	(117,335)	8,000
Depreciation	11,500	-
Cash Generated from Operations	3,496,420	347,777
Direct Taxes Paid	(4,033,184)	(1,481,914)
Cash Flow before Extra -ordinary items	(536,764)	(1,134,137)
Extra-ordinary items	-	-
Net Cash Flow from Operating Activities (A)	(536,764)	(1,134,137)
B Cash Flows From Investing Activities		
Purchase of Fixed Assets	-	(33,542)
Net Cash flow from Investing Activities (B)	-	(33,542)
C Cash Flows From Financing Activities:		
Net Cash Flow from Financing Activities (C)	-	-
Net increase in Cash & Cash Equivalents (A+B+C)	(525,264)	(1,167,679)
Cash & Cash Equivalents (Opening)	1,084,414	2,252,093
Cash & Cash Equivalents (Closing)	559,150	1,084,414

Note: Previous year figures have been regrouped / rearranged wherever necessary

As per our Report of even date

For N.P. Airan & Co.
Chartered Accountants
FRN : 07116C

N.P. Airan
Proprietor
M.No.076150



Place: Indore
Date: May 18, 2018

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

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

Corporate Information

Swastika Fin-Mart Private Limited 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.

NOTE 1: Significant Accounting Policies

a) **Basis of Accounting**

The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) generally accepted in India and in compliance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. Further, the Company follows the Reserve Bank of India (RBI) Directions issued for Non-Banking Financial Companies (NBFC).

b) **Use of Estimates**

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

c) **Revenue Recognition**

Interest income is recognized in the Statement of Profit and Loss on an accrual basis. In case of Non Performing Assets (NPA), interest income is recognized upon realization as per the RBI Guidelines for NBFCs.

d) **Provisioning on receivables from financing activity**

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.

e) **Provision for Taxation**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of assessment/appeals.

Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes & accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred Tax Assets are recognized and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



Minimum Alternative Tax (MAT) Credit Entitlement MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said is created by way of a credit to the Statement of Profit & Loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income tax during the specified period.

f) Provision, Contingent Liabilities and Contingent Assets

Provision involving a substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past events and is probable that there will be an outflow of resources. Provisions are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Contingent liabilities are not recognized but are disclosed in the Financial Statements. Contingent Assets are neither recognized nor disclosed in the financial statements

g) Earnings per share

Basic earnings per equity share have been computed by dividing net profit / loss attributable to the equity share holders for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit attributable to the equity share holders for the year by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti dilutive.

h) Cash Flow Statement

Cash Flow Statement has been prepared in accordance with the "indirect method" as set out in the Accounting Standard 3 - Cash Flow Statement as specified in accounting standards notified under section 133 of the Companies Act 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016

Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, balances with bank in current accounts (other than earmarked), fixed deposits with bank (free from any encumbrances), cheques on hand and balances in prepaid cards.

i) Borrowing costs

Borrowing costs includes interest & amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

j) Statutory Complinance

The amount required to be maintained by the company, as of the last day of the financial year, in unencumbered approved securities in pursuance of the provisions of section 45-IB of the Reserve Bank of India Act, 1934 was complied properly.

Company have made the adequate provision on Standard , Sub-standard & Doubtful Assets as per the norms of the Reserve Bank of India.



NOTE 2: SHARE CAPITAL

NOTE 2A: Authorized, Issued, Subscribed and Paid Up

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Authorized 22,50,000 Shares Equity Shares of Rs 10 each (Previous Year 22,50,000 Equity Shares of Rs. 10 each)	22,50,000	22,50,000
Issued 21,10,000 Equity Shares of Rs.10 each (Previous Year 21,10,000 Equity Shares of Rs. 10 each)	21,10,000	21,10,000
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)	21,10,000	21,10,000
Total	21,10,000	21,10,000

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

NOTE 2B: Reconciliation of the number of Shares as at the beginning and at the end of the Financial Year

(₹)

Particulars	Equity Shares (2017-18)	
	Number	Amount
Shares outstanding at the beginning of the year	2,110,000	21,10,000
Shares outstanding at the end of the year	2,110,000	21,10,000

(₹)

Particulars	Equity Shares (2016-17)	
	Number	Amount
Shares outstanding at the beginning of the year	2,110,000	21,10,000
Shares outstanding at the end of the year	2,110,000	21,10,000

NOTE 2C: Shareholders holding more than 5% of Shares

Name of the Shareholder	Equity Shares (2017-18)	
	No. of Shares held	% of Holding
Swastika Investmart Limited	2,110,000	100

Name of the Shareholder	Equity Shares (2016-17)	
	No. of Shares held	% of Holding
Swastika Investmart Limited	2,110,000	100

NOTE 3: RESERVES & SURPLUS

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Statutory Reserve u/s 45 IC(1) of Reserve Bank of India Act, 1934		
Opening balance	1,734,706	577,628
Add : Additions during the year	1,962,558	1,157,078
Closing balance (A)	3,697,264	1,734,706
Surplus in statement of profit and loss		
Opening balance	10,972,383	6,344,072
Add : Net Profit for the current year	9,812,790	5,785,389
Less : Transfer to Statutory Reserves u/s 45 IC of RBI Act 1934	1,962,558	1,157,078
Closing balance (B)	18,822,615	10,972,383
Closing Balance (A+B)	22,519,879	12,707,089



Note 4: SHORT TERM BORROWINGS

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Unsecured		
Aditya Birla Finance Limited (Loan)	27,919,281	6,232,374
Swastika Commodities Pvt. Ltd., Indore	59,770,000	69,343,119
Dhar Coal Products Private Limited	10,000,000	-
Mahavat Holdings Pvt.Ltd.M Kota (Loan)	40,000,000	-
Naseeb Holdings Pvt.Ltd., Kota (Loan)	40,000,000	-
Tirupati Finance (Loan)	14,000,000	-
Vikas International Pvt.Ltd (Loan)	5,000,000	-
Total	196,689,281	75,575,493

NOTE 5: OTHER CURRENT LIABILITIES

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Credit balance of banks due to cheque overdrawn	82,515,392	-
Security Deposits	-	42,000
Total	82,515,392	42,000

NOTE 6: SHORT TERM PROVISIONS

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Salary Payable	142,612	29,375
Provision for Income Tax	3,859,015	2,790,273
TDS Payable	154,536	171,533
Interest Payable	981,476	-
Legal & Professional Fees Payable	45,000	-
Exp payable	111	5,691
Auditors Remuneration	-	10,000
Provision for Doubtful Advances	782,365	-
Provision against Standard Assets	1,591,565	533,937
Provision against Sub-Standard Assets	664,486	521,573
Total	8,221,166	4,062,382

NOTE 8: CASH AND BANK BALANCE

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Cash & Cash Equivalents		
(i) Balance with Banks in Current Accounts	172,267	747,632
(ii) Cash on hand	386,883	336,782
Total	559,150	1,084,414



Note 7 : FIXED ASSETS

Depreciation Chart As Per Companies Act 2013 As On March 31,2018

(₹)

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block		
	As at April 01, 2017	Additions/ (Disposals)	through business combinatio	As at March 31, 2018	As at April 01, 2017	Depreciation charge for the year	Adjustment due to revaluations	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
A. Tangible Assets										
Total (A)	-	-	-	-	-	-	-	-	-	-
B. Intangible Assets										
Intangible	34,500	-	-	34,500	958	11,500	-	12,458	22,042	33,542
Total (B)	34,500	-	-	34,500	958	11,500	-	12,458	22,042	33,542



NOTE 9: SHORT TERM LOANS AND ADVANCES

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Loan Receivable from Parties	327,631,933	110,907,970
TDS Receivable	1,001,993	559,082
Advance tax	1,650,000	850,000
Prepaid Expenses	18,215	6,906
Total	330,302,141	112,323,958

NOTE 10: OTHER CURRENT ASSETS

(₹)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Adhesive Stamp	-	3,050
Birla Sunlife Cash Manager Fund	42,000	42,000
Accrued Income	120,385	-
Total	162,385	45,050

NOTE 11: REVENUE FROM OPERATION

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Interest Income on Loans	30,462,364	19,623,840
Foreclosure Charges	12,912	57,217
Other Charges	2,000	90,900
Processing Fees	2,270,436	678,265
Total	32,747,712	20,450,222

NOTE 12: OTHER INCOME

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Bank Charges Recovery	138,612	26,255
Other Income	169,345	29,190
Total	307,957	55,445

NOTE 13: EMPLOYEE BENEFIT EXPENSES

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Salaries and Incentives	1,142,315	1,556,938
Staff welfare expenses	74,180	-
Total	1,216,495	1,556,938

Note 14: FINANCE COSTS

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Interest	12,972,174	7,061,493
Bank Charges	40,417	12,689
Total	13,012,591	7,074,182



NOTE 15: OTHER EXPENSES

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Advertisement Expenses	-	360,557
Auditor's Remuneration	16,500	10,000
Business Promotion Expenses	-	289,418
Bad Debts W/off	111,370	-
CIBIL Fees	-	221
Commission	445,207	14,064
Conveyance Expenses	-	95,422
Electricity Charges	372,000	-
Interest on Tax	110,537	18,189
Legal Expenses	12,730	4,759
Membership Fees	35,963	11,475
Miscellaneous Expense	2,262	-
Office Maintenance	208,576	340,808
Postage & Courier	21,795	-
Printing & Stationary	51,867	425,740
Professional Exp.	707,870	15,000
Rates & taxes	-	10,000
Registration fee	32,734	3,813
Rent	456,000	150,000
Repairs, Maintenance and Software Maintenance	25,100	23,575
Telephone Expenses	372,000	240,000
Travelling Expenses (Directors)	2,591	192,561
Travelling Expenses (Others)	-	333,851
Credit Reporting Expenses	175,270	-
Total	3,160,372	2,539,453

NOTE 16: PROVISIONS AND WRITE OFFS

(₹)

Particulars	For the year ended	For the year ended
	March 31, 2018	March 31, 2017
Provision for Doubtful Advances (P&L)	782,365	-
Provision on Standard Asset	1,057,628	439,513
Provision on Sub-Standard Asset	142,913	318,962
Total	1,982,906	758,475



Note 17: Notes to the Financial Statements

- a) In the opinion of Management the current assets, loans and advances have a value on realization in the ordinary course of the business at least equal to the amount at which they are stated and provisions for all known liabilities have been made.
- b) The Company does not have any Contingent Liability.
- c) There are no amounts payable to any Micro, Small and Medium (SMEs) scale industrial undertakings as identified by the management from the information available with the company and relied upon by the Auditors.
- d) **Disclosure of Related Parties and Related Party Transaction.**
(Where transactions have taken place)

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

S.No.	Name of Related Party	Nature of Relationship
1.	Key Management Personnel / Individuals having control or significant influence. a) Mr. Sunil Nyati b) Mrs. Anita Nyati	Director Director
2.	a) Swastika Investmart Limited b) Swastika Commodities Private Limited	Holding Company Fellow Subsidiary



B. Transactions with Related Parties

S.No	Particulars	Key Management Personnel/individuals having control or significant influence.	Holding Company	Fellow Subsidiary	Total
1	Loan Given	(NIL)	1,71,36,90,700/-	(NIL)	1,71,36,90,700/-
		(NIL)	(55,21,75,471/-)	(NIL)	(55,21,75,471/-)
2	Amount received against Loan Given	(NIL)	1,70,87,98,469/-	(NIL)	1,70,87,98,469/-
		(NIL)	(49,65,13,561/-)	(NIL)	(49,65,13,561/-)
3	Loan Taken	(NIL)	(NIL)	1,23,90,97,700/-	1,23,90,97,700/-
		(NIL)	(NIL)	(11,86,45,000/-)	(11,86,45,000/-)
4	Loan Repaid	(NIL)	(NIL)	1,24,86,70,819/-	1,24,86,70,819/-
		(NIL)	(NIL)	(5,17,05,379/-)	(5,17,05,379/-)
5	Interest Income	(NIL)	73,88,333/-	(NIL)	73,88,333/-
		(NIL)	(48,50,999/-)	(NIL)	(48,50,999/-)
6	Interest Expense	(NIL)	(NIL)	58,38,693/-	58,38,693/-
		(NIL)	(NIL)	(26,70,554/-)	(26,70,554/-)
7	Expense incurred and Reimbursement and others	(NIL)	11,02,726/-	(NIL)	11,02,726/-
		(NIL)	(23,55,988/-)	(NIL)	(23,55,988/-)

Note: Figures in brackets represent previous year balances.

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

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

e) Earnings per share

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to equity shareholders (A)	98,12,790	57,85,389
Average number of equity shares outstanding (B)	21,10,000	21,10,000
Basic / Diluted earnings per share (A/B)	4.65	2.74



f) 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)

	Description	2017-18	2016-17
(i)	Net NPA to Net Advances (%)	1.09%	1.89%
(ii)	Movement of NPAs		
	a) Opening Balance	21,26,412	20,26,114
	b) Additions during the year	9,53,253	1,59,298
	c) Reductions during the year	1,71,000	59,000
	d) Closing Balance	29,08,665	21,26,412

B. Movement of Contingent Provision

	Description	2017-18	2016-17
(i)	Movement of Contingent provision against standard Assets		
	a) Opening Balance	5,33,937	94,424
	b) Additions during the year	10,57,628	4,39,513
	c) Reductions during the year	-	-
	d) Closing Balance	15,91,565	5,33,937

g) Exposure to Capital Market

	Description	2017-18	2016-17
(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.	4,11,34,489	2,02,90,512
(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	1,94,83,307	1,52,312
(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.	-	47,89,264
(v)	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	6,05.54,141	5,56,61,910
(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)	-	-



h) Exposure to Real Estate sector, both Direct and Indirect

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

i) Customer Complaints

	Description	2017-18	2016-17
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	-	-

j) Details of non- performing financial assets purchases / sold

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

k) 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).

l) Penalties imposed by RBI and Other Regulators

No penalties have been imposed by RBI and other regulators during the FY 2017-18 and FY 2016-17.

m) Advance against Intangible Securities

Company has not given any loans against intangible securities.

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

o) Disclosure pursuant to Reserve bank of India notification DNBR (PD)CC.No.0044/03.10.119/2015-16 dated July01, 2015.

S.No	Particulars	March 31, 2018	March 31, 2017
	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	19,66,89,281	7,55,76,513
	(e) Other Loans		



	(Represents Working Capital Demand Loans and Cash Credit from Banks)		
(2)	Assets side: Break-up of Loans and Advances including Bills Receivables [other than those included in (4) below]: (a) Secured (b) Unsecured	86,20,146 31,90,11,787	38,15,972 10,70,93,998
(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	- - - - - - -	- - - - - - -



<p>(5)</p> <p>Borrower Group-wise Classification of Assets Financed as in (2) and (3) above:</p> <p>1. Related Parties</p> <p> (a) Subsidiaries</p> <p> (b) Companies in the same Group</p> <p> (c) Other Related Parties</p> <p>2. Other than Related Parties</p>		<p>-</p> <p>6,05,54,141</p> <p>-</p> <p>26,70,77,792</p>	<p>-</p> <p>5,56,61,910</p> <p>-</p> <p>5,52,48,060</p>
<p>(6)</p> <p>Investor Group-wise Classification of all Investments (Current and Long Term) in Shares and Securities (both Quoted and Unquoted)</p> <p>1. Related Parties</p> <p> (a) Subsidiaries</p> <p> (b) Companies in the same Group</p> <p> (c) Other Related Parties</p> <p>2. Other than Related Parties</p>		<p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p> <p>-</p>
<p>(7)</p> <p>Other Information</p> <p>(i) Gross Non-Performing Assets</p> <p> (a). Related party</p> <p> (b). Other than related party</p> <p>(ii) Net Non-Performing Assets</p> <p> (a). Related party</p> <p> (b). Other than related party</p> <p>(iii) Assets Acquired in Satisfaction of Debt</p>		<p>-</p> <p>29,08,665</p> <p>-</p> <p>14,61,814</p> <p>-</p>	<p>-</p> <p>21,26,412</p> <p>-</p> <p>16,04,839</p> <p>-</p>

As per our report of even date

For N.P.Airan & Co.
Chartered Accountant
FRN: 07116C

N.P. Airan

N.P. Airan
Proprietor
M.No. 076150



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

Sunil Nyati *Anita Nyati*

Sunil Nyati
Director
DIN: 00015963

Anita Nyati
Director
DIN : 01454595

Place: Indore
Date: May 18, 2018