



Swarna Securities Limited

**29th ANNUAL REPORT
2018 - 19**

Registered Office :
27-1-102, II Floor
Governorpet
Vijayawada - 520 002.
Phone : 2575928

BOARD OF DIRECTORS

Sri M. Murali Krishna	: Chairman and Managing Director
Smt. M.V.N.S. Sushma	: Director
Sri Pradeep Kumar	: Director
Sri K. Sridhar	: Director
Sri V.E.Ch. Vidya Sagar	: Director

REGISTERED OFFICE

27-1-102, II Floor
Governorpet
VIJAYAWADA – 520 002.

AUDITORS

Ms. V. Shilpa
Chartered Accountant
P-3, Classic Towers
Ratnamamba Street
Mogalrajapuram
VIJAYAWADA – 520002

BANKERS

HDFC Bank Ltd.,
Punjab National Bank
VIJAYAWADA – 520 008.

29th ANNUAL GENERAL MEETING

Day, Date	: Thursday 27th June, 2019
Venue	: D.No. 54-15-3, Ring Road Vijayawada – 8
Time	: 10.00 A.M.

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of the Company will be held on Thursday, the 27th day of June, 2019, at D.No.54-15-3, Srinagar Colony, Ring Road, Vijayawada-8 at 10.00 A M to transact the following business:

AS ORDINARY BUSINESS:

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March 2019 and the Audited Balance Sheet as at that date and the report of the Directors and Auditors thereon.
2. To appoint a Director in place of Smt. M.V.N.S. Sushma (DIN: 01890545), who retires by rotation and being eligible, offers herself for re-appointment.
3. To ratify the appointment of the Auditor of the Company and for the purpose of the same, to pass, with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of sections 139 and 142 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 made thereunder, the apointment of Ms. V. Shilpa (M.No. 225109), Chartered Accountant, Vijayawada as the Auditor of the Company, to hold office from the conclusion of this meeting till the conclusion of the Annual General Meeting of the Company to be held during the year 2020, on a remuneration that may be fixed by the Board of Directors in consultation with the Auditor, be and is hereby ratified”.

BY ORDER OF THE BOARD
(Sd/-)
(M. MURALI KRISHNA)
Chairman & Managing Director
DIN: 01889812

Regd.Office :
27-1-102, II Floor
Governorpet, Vijayawada-2

Date: 25.05.2019

NOTICE**NOTES:**

- 01 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH A PROXY NEED NOT BE A MEMBER. THE PROXY FORMS, IN ORDER TO BE EFFECTIVE, SHALL BE LODGED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- 02 The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 24th day of June, 2019 to Thursday, the 27th day of June, 2019 (Both days inclusive).
- 03 Shareholders desiring any information as regards accounts are requested to write to the Company seven days before the date of the Meeting so as to enable the Company to keep the information ready at the meeting.
- 04 As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the Meeting.

**PARTICULARS OF DIRECTORS RE-APPOINTED IN
PURSUANCE TO CLAUSE 49 OF THE LISTING
AGREEMENT**

- 01 Smt. M.V.N.S. Sushma is a graduate in Science and has more than 20 years of experience in the fields of hire purchase and Construction. She is the director of M/s Siva Credits (P) Limited.

DIRECTORS' REPORT

Your Directors take pleasure in presenting their 29th Annual Report and the Audited Financial Statements of the Company for the year ending 31st March, 2019.

FINANCIAL RESULTS:	(Rupees in Lakhs)	
	Current Year	Previous Year
Total Income	52.44	20.61
Less: Expenditure	13.51	05.27
	<hr/>	<hr/>
Profit before depreciation	38.93	15.34
Less: Depreciation	00.03	00.09
	<hr/>	<hr/>
Profit before tax	38.90	15.25
Less/Add: Provision for Taxation	08.00	56.25
	<hr/>	<hr/>
Profit after tax	30.90	-41.00
Add: Surplus carried forward	-118.40	-77.40
	<hr/>	<hr/>
Balance Carried to Balance Sheet	-87.50	-118.40
	<hr/>	<hr/>

DIVIDEND:

Due to constraints of profit, the Board do not recommend any dividend for the year 2018-19.

REVIEW OF OPERATIONS:

With the surrender of the certificate of registration to the Reserve Bank of India, the Company has stopped the business of non-banking finance company. There has been no fresh issue of any loans during the year. The Company has only been collecting the outstanding dues from its borrowers.

PUBLIC DEPOSITS:

The Company had neither accepted nor held any public deposits during the year under review. In pursuance to Clause 5 (Part III) of the Non-Banking Finance Companies (Reserve Bank) Directions, 1998, your Directors wish to state that as on 31st March, 2019 there are no depositors who have not claimed or to whom the amount was not paid by the Company after the date on which the deposits became due for repayment and as on date there are no deposits that are matured and remained unclaimed or deposits that are claimed and remained unpaid.

FUTURE PROSPECTS:

After coming out of the non-banking finance business as mentioned hereinabove, the Company is intending to venture in to real estate and development sector. Plans are afoot to diversify the activities of the company in to other business sectors.

DIRECTORS:

To appoint a Director in place of M.V.N.S. Sushma (DIN: 01890545), who retires by rotation and being eligible, offers herself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors wish to confirm that:

- (i) in the preparation of annual accounts for the year ended 31st March, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) such accounting policies have been selected and applied consistently and judgments and estimates are made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2019 and of the profit of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) accounts for the financial year ended on 31st March, 2019 are prepared on a going-concern basis.
- (v) internal financial controls to be followed by the Company has been laid down and such internal financial controls are adequate and are operating effectively; and
- (vi) proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were tested and no reportable material weakness in design or operation were observed.

CONSERVATION OF ENERGY:

Your Company not being a manufacturing company, there are no particulars to be given in respect of Conservation of Energy and Technology Absorption as required under rule 8(3) of the Companies (Accounts) Rules, 2014.

STATUTORY AUDITORS:

Ms. V. Shilpa, Chartered Accountant, the Auditor of the Company, was appointed as such during the 27th Annual General Meeting of the Company, to hold office till the conclusion of the 32nd Annual General Meeting, subject to the ratification of the appointment at every annual general meeting. She has confirmed her eligibility to the effect that the appointment would be within the limit prescribed under the Act and that she is not disqualified.

OBSERVATIONS OF AUDITORS:

The observations made in the audit report are self-explanatory as given in the notes of accounts attached thereto and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITOR:

The Board has appointed Sri K. Hemachand, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as "Annexure - I".

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure - II".

MEETINGS:

A calendar of meetings is prepared and circulated in advance to the Directors. During the year Seven Board Meetings and four Audit Committee Meetings were convened and held; the details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

LISTING:

The shares of the Company were listed in BSE Ltd., Mumbai and the listing fee has been paid upto financial year 2018-19.

CORPORATE GOVERNANCE:

A detailed report on Corporate Governance along with the certificate from the Auditors of the Company regarding compliance of Corporate Governance as stipulated under clause 49 of the listing agreement is attached to this report.

SUBSIDIARY COMPANIES:

The Company does not have any subsidiaries.

HUMAN RESOURCES:

There are no employees covered in terms of the provisions of section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to furnish the particulars mentioned in Rule 5(1) thereof.

FOREIGN EXCHANGE INFLOW & OUTGO:

There has been no foreign exchange inflow or outgo in the current year.

APPRECIATION:

Your Directors wish to place on record their sincere appreciation to the Company's customers, Bankers, Financial Institutions and share holders for their continued support and faith in the Company. A word of appreciation is also due to the employees of the Company for their hard work and commitment.

For and on behalf of the Board

Place: VIJAYAWADA

Date : 25.05.2019

(Sd/-)

**M. Murali Krishna
Chairman & Managing Director
DIN: 01889812**

Annexure - I
Form NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL
YEAR ENDED 31ST MARCH, 2019

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies(Appointment and Remuneration Personnel) Rules, 2014)

To,

The Members,
SWARNA SECURITIES LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SWARNA SECURITIES LIMITED (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019, complied with the statutory provisions listed here under and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made thereunder:
- ii. The Securities Contract (Regulation) Act, 1956(SCRA) and the Rules made thereunder:
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under,
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based on Employee Benefits) Regulations, 2014; (Not applicable to the Company during the period of audit);
- e) The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the period of audit);
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Company Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares Regulations, 2009; (Not applicable to the Company during the period of audit); and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the period of audit.
- i) SEBI (Issue and Listing of Non-convertible redeemable preferential shares) Regulation, 2013; (Not applicable to the Company during the period of audit).
- v. Other laws specifically applicable to the company as per the representations made by the management.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India was applicable and complied.
- ii. The Listing Agreements entered into by the Company with BSE Limited.
- iii. The Company has given all publications as required relating to Board Meetings, Annual General Meetings and unaudited financial results.

- iv. Section 203 of the Companies Act, 2013 is complied. The company had made its entire good attempt to appoint a company secretary but could not find the company secretary.
- v. The website of the Company is updated as per the requirements.
- vi. The company has appointed the internal auditor and met the compliance.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings are carried out unanimously as recorded in the Minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. We further report that the shares of the company listed with BSE Limited. The report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place : VIJAYAWADA
Date : 25/05/2019

CS KODE HEMACHAND
Company Secretary

(Sd/-)
Mem. No. 35463
CP No. 13416

ANNEXURE 'A'

To,

The Members,
SWARNA SECURITIES LIMITED

Our report of even Date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards, is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the further viability of the company nor of the efficacy or effectiveness and with which the management has conducted the affairs of the Company.

Place : VIJAYAWADA
Date : 25/05/2019

CS KODE HEMACHAND
Company Secretary

(Sd/-)

Mem. No. 35463
CP No. 13416

Annexure - II
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of
the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L52520AP1990PLC011031
2.	Registration Date	19.02.1990
3.	Name of the Company	Swarna Securities Limited
4.	Category/Sub-category of the Company	Public Limited Company
5.	Address of the Registered office & contact details	II Floor, Swarnalok Complex Governorpet VIJAYAWADA – 520 002
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Aarathi Consultants (P) Limited Regd. Office :1-2-285 Domalguda, HYDERABAD-500 029

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Rent from Immovable Property	681	99.86%

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 31/03/2018)			No. of Shares held at the end of the year (as on 31/03/2019)			% change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF	1789730	--	1789730	1910657	--	1910657	4.03%
b) Central Govt							
c) State Govt(s)							
d) Bodies Corp.							
e) Banks / FI							
f) Any other							
Total shareholding of Promoter (A)	1789730	--	1789730	1910657	--	1910657	4.03%
B. Public Shareholding							
1. Institutions							
a) Mutual Funds							
b) Banks / FI	250000	--	250000	250000	--	250000	8.33%

ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakhs	188129	195600	383729	12.79%	279329	0	279329	09.32%	-3.47%
c) Others (specify)									
Non Resident Indians	--	130250	130250	4.34%	--	130250	130250	4.34%	---
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	1000	0	1000	0.03%	1000	0	1000	0.03%	---
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):	285750	673150	958900	31.94%	385393	451950	837343	27.91%	-4.03%
Total Public									
Shareholding (B)=(B)(1)+ (B)(2)	535120	675150	1210270	40.34%	635393	453950	1089343	36.31%	-4.03%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	2324850	675150	3000000	100%	2546050	453950	3000000	100%	----

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	M. Murali Krishna	718750	23.96%	--	718750	23.96%	--	--
2	M.V.N.S. Sushma	237400	7.91%	--	237400	7.91%	--	--
3	Siva Credits (P) Ltd.	479530	15.98%	--	482657	16.09%	--	0.11%
4	P. Kasturi	230400	7.68%	--	348200	11.61%	--	3.92%
5	G.V. Chandra Rao	123650	4.12%	--	123650	4.12%	--	--

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Name of the Shareholder	Shareholding at the beginning of the year		Increase/ Decrease Shares	Increase/ Decrease Shares %age	Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	Siva Credits (P) Ltd.						
	At the beginning of the year	479530	15.98%				
	30/10/2018			1799	0.06%	481329	16.04%
	09/11/2018			1	0.00%	481330	16.04%
	11/12/2018			600	0.02%	481930	16.06%
	12/12/2018			400	0.01%	482330	16.07%
	21/12/2018			297	0.01%	482627	16.08%
	02/01/2019			30	0.01%	482657	16.09%
	At the end of the year					482657	16.09%
	P. Kasturi						
	At the beginning of the year	230400	7.68%				
	01/12/2018			115600	3.85%	346000	11.54%
	04/12/2018			1700	0.06%	347700	11.59%
	21/12/2018			500	0.02%	348200	11.61%
	At the end of the year					348200	11.61%

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No.	For Each of the Top 10 Shareholders	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				
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc) :		As per Schedule - I		
	At the end of the year/				

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors	Shareholding at the beginning of the year		Increase/ Decrease Shares	Increase/ Decrease Shares %age	Cumulative Shareholding during the year	
		No. Of Shares	% of total shares of the company			No. of shares	% of total shares of the company
1.	M Muralikrishna						
	At the beginning of the year	718750	23.96%				
	At the end of the year					718750	23.96%
2.	M.V.N.S. Sushma						
	At the beginning of the year	237400	7.91%				
	At the end of the year					237400	7.91%
3.	Pradeep Kumar						
	At the beginning of the year	400	0.01%				
	At the end of the year			400	0.01	0	0
4.	K. Sridhar						
	At the beginning of the year	115700	3.86%				
	At the end of the year			115600	3.85%	100	0.00%
5.	V.E.Ch. Vidya Sagar						
	At the beginning of the year	0	0%				
	At the end of the year			100	0%	100	0.00%

IV) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year		---Nil---		
* Addition				
* Reduction				
Net Change Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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		--Nil--		
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total (A)				
	Ceiling as per the Act				

B. Remuneration to other directors

S.No.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors				
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee meetings		---Nil---		
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial				
	Remuneration				
	Overall Ceiling as per the Act				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	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	---Nil---			
	(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				

VI. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			---Nil---		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Schedule-1 to Annexure B: Form MGT-9 EXTRACT OF ANNUAL RETURN

Shareholding pattern of top 10 shareholders (Other than Directors, Promoters, Holders of ADRs, GDRs)

S.No.	Name	shareholding		Date	Increase / Decrease / in share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares at the beginning / end of the year	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	A.P.I.D.C. Ltd.,	250000	8.33%				250000	8.33%
2.	Ch.V. Narasimha Rao	134869	4.50%				134869	4.50%
3.	Haridar Kandar	78250	2.61%				78250	2.61%
4.	M. Sai Venkatesh	0	0%	22/11/2018	91200	Transfer	91200	3.04%
5.	Sri Krishnadevaraya Hatcheries (P) Ltd.	51400	1.71%				51400	1.71%
6.	K. Srinivasa Reddy	50000	1.67%				50000	1.67%
7.	K. Venkata Narayana	53260	1.78%				53260	1.78%
8.	Muthavarapu Leasing (P) Ltd.,	16124	0.54%				16124	0.54%
9.	G.G. Agarwal	11800	0.39%				11800	0.39%
10.	V. Vijay Kumar	8800	0.29%				8800	0.29%

REPORT ON CORPORATE GOVERNANCE

- I. Your Company has been practicing the principles of good corporate governance and lays a strong emphasis on transparency, accountability and integrity. All the matters of strategy, significant developments etc., are routinely placed before the Board. The Audit, Share Transfer and Investor Grievance Committees meet regularly to consider the aspects relevant to each committee.

II. BOARD OF DIRECTORS

- a) Composition and Category of Directors as on 31st March, 2019

Category	No of Directors
Promoter Directors	1
Executive Directors	1
Non-Executive, Independent Directors	3
Total	5

- b) Attendance of each Director at the Board Meetings and the last AGM

Director	No. of Board Meetings held	No of Board Meetings Attendance	Last AGM Attendance (Yes/No)
Sri M. Murali Krishna	07	07	Yes
Smt. M.V.N.S. Sushma	07	07	Yes
Sri Pradeep Kumar	07	07	Yes
Sri K. Sridhar	07	07	Yes
Sri V.E.Ch. Vidya Sagar	07	07	Yes

- c) Number of Other Directorships or Board Committees he/she is a member or chairperson of

Name of Director	Number of Directorships	No of Member ships in Board Committees Other than SSL	Whether Member or Chairman
Sri M. Murali Krishna	09	1	Chairman
Sri M.V.N.S.Sushma	07	-	-
Sri Pradeep Kumar	0	-	-
Sri K Sridhar	0	-	-
Sri V.E.Ch. Vidya Sagar	0	-	-

d) Number of Board Meetings held and dates on which held:

Seven Board Meetings were held during the financial year from 01.04.2018 to 31.03.2019. The dates on which the meetings were held are as follows:

09.04.2018, 28.04.2018, 25.05.2018, 25.06.2018, 28.07.2018, 26.10.2018 and 30.01.2019.

III. AUDIT COMMITTEE

a) Terms of Reference:

The responsibilities of the Audit Committee include the overseeing of the financial reporting process to ensure a proper disclosure of the financial statements; recommending appointment/removal of the external auditors and fixing their remuneration; reviewing the quarterly, half yearly and annual financial results before submission to the Board; reviewing the adequacy of internal control systems; structure and staffing of the internal audit function, reviewing findings of the internal investigations and to make recommendations to the Board on any matter relating to the financial management of the Company including the Audit Report.

b) Composition

The Audit Committee consists of the following non-executive Directors

1. Sri Pradeep Kumar	Chairman
2. Sri K Sridhar	Member
3. Sri V.E.Ch. Vidya Sagar	Member

c) Meetings and Attendance of the Audit Committee during the year

A total of 5 meetings were held during the financial year from 01.04.2018 to 31.03.2019 on 28.04.2018, 25.05.2018, 28.07.2018, 26.10.2018 and 30.01.2019.

All the Members and the Chairman attended all the meetings.

IV. SHAREHOLDERS COMMITTEE

The Board has constituted the Share Holders Committee which looks into shareholders and investors grievances. The Following are the members of the Committee

Sri Pradeep Kumar	Chairman
Sri K Sridhar	Member
Sri V.E.Ch. Vidya Sagar	Member

During the year 2018-19, 216900 shares were transferred and as at 31st March, 2019 there are No Equity shares pending for transfer.

There are no complaints received during the year under review and as on 31st March, 2019 there are no complaints that are pending. Since the company has an in-house secretarial department in addition to the common agency for transfers, the shareholders grievances, if any are promptly attended to.

Name of the Compliance Officer : Ch.V. Narasimha Rao

V. GENERAL BODY MEETINGS:

The Location and Time of the Annual General Meetings held during the last 3 years are as follows:

AGM	Date	Time	Venue	No of Special Resolutions
26th	27.06.2016	10.00 AM	D.No.54-15-3, Ring Road, Vijayawada	Nil
27th	26.06.2017	10.00 AM	D.No.54-15-3, Ring Road, Vijayawada	Nil
28th	25.06.2018	10.00 AM	D.No.54-15-3, Ring Road, Vijayawada	Nil

For the year ended 31st march, 2019 there have been no ordinary or special resolutions passed by the Company's shareholders through postal ballot.

VI. DISCLOSURES:

- a) There are no non-compliances by the Company, penalties strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- b) No personnel has been denied direct access to the Audit Committee.
- c) All the mandatory requirements with respect to Corporate Governance (Clause 49 of listing agreement) are complied with.

VII. MEANS OF COMMUNICATION:

The unaudited quarterly and annual financial results are sent to all the stock exchanges where the shares of the Company are listed. The results are also published in newspapers.

VIII. MANAGEMENT DISCUSSION AND ANALYSIS:**a) INDUSTRY STRUCTURE AND DEVELOPMENT:**

With the surrender of the certificate of registration to the Reserve Bank of India, the Company has stopped the business of non-banking finance company. There has been no fresh issue of any loans during the year. The Company has only been collecting the outstanding dues from its borrowers.

b) OPPORTUNITIES AND THREATS:

The Company is prospecting entry into the real estate sector.

c) SEGMENT WISE PERFORMANCE:

The Company as of now is not into non-banking finance business and has only been liquidating its financial assets by collecting its dues - the performance of which was discussed earlier in the report.

d) RISKS AND CONCERNS:**Risk of delayed receipt of installments:**

In case of delayed receipts of installment amounts of the hire purchase finance given, the funds of the Company get blocked resulting in high non-performing assets.

To mitigate this risk, the Company is trying to put pressure on the delayed payers for payment of installments and in inevitable cases legal action is also being initiated.

Risk of insolvency of the borrowers:

Where the borrower becomes insolvent, and is unable to clear the loan, the same becomes a bad debt and the total loan amount and the interest accrued thereon becomes a charge on the income generated by other good transactions.

To mitigate this risk, the company follows a very conservative policy of lending.

e) INTERNAL CONTROL SYSTEMS:

The Company has an adequate system of internal control and management with respect to disbursement of loans and follow-up action for collection of installments.

f) HUMAN RESOURCES:

There are no significant developments in this front during the year under review.

IX. GENERAL SHAREHOLDERS' INFORMATION:

- | | |
|-------------------------------|--|
| i) AGM Date, Time and Venue | : 27th June, 2019 at 10.00 A.M.
D.No. 54-15-3, Ring Road
VIJAYAWADA - 8. |
| ii) Financial Year | : 2018-19 |
| iii) Date of Book Closure | : 24th June, 2019 to 27th June,
2019 (Both days inclusive) |
| iv) Dividend Payment Date | : Not Applicable |
| v) Listing on Stock Exchanges | : BSE Limited |
| vi) Stock Code | : SWRNASE |

vii) Market Price Data :

	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
High	00.00	00.00	00.00	00.00	00.00	00.00	14.00	14.00	13.50	12.95	00.00	00.00
Low	00.00	00.00	00.00	00.00	00.00	00.00	14.00	14.00	12.95	12.95	00.00	00.00

viii) Performance in comparison to Broad based indices : -----

ix) Registrar & Transfer Agents : M/s Aarathi Consultants Private Limited,
1-2-285, Domalguda, Hyderabad- 29

x) Share transfer System : Transfers and dematerialization are
handled by the Transfer Agents.

xi) Distribution of shareholding:

Slab of share holding	Share holders	Percentage	No of shares	Percentage
0-500	336	65	90923	3
501-1000	102	20	86467	3
1001-2000	34	7	55150	2
2001-3000	11	2	27000	1
3001-4000	8	1	28200	1
4001-5000	6	1	27600	1
5001-10000	5	1	37100	1
10001 and above	14	3	2647560	88
TOTAL	516	100	3000000	100

xii) Dematerialisation of Shares and liquidating : As on 31.03.2019 a total number of
2546050 shares have been dematerialized.

xiii) Outstanding GDRs/ADRs/ Warrants or any Convertible Debentures : The Company has not issued any
GDRS/ADRs/ warrants or any convertible instruments.

xiv) Plant Location : Not Applicable

xv) Address for Correspondence : Swarna Securities Limited
II Floor, Swarnalok Complex
Governorpet, VIJAYAWADA – 520 002.

AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To
The Members
SWARNA SECURITIES LIMITED.

I have examined the compliance of conditions of Corporate Governance by M/s **Swarna Securities Limited** for the year ended 31st March, 2019 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Bombay Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India I have to state that no investor grievances were pending for a period of one month against the Company as per records maintained by the Shareholders / Investor's Grievances Committee.

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

PLACE: Vijayawada
DATE : 25/05/2019

(Sd/-)
(V.SHILPA)
Chartered Accountant
M.No.225109

INDEPENDENT AUDITOR'S REPORT

To the Members of
SWARNA SECURITIES LIMITED.

Report on the Financial Statements

I have audited the accompanying financial statements of M/s **Swarna Securities Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the 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, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

I 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 thereunder.

I conducted my audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 the 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the standalone financial statements.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, 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 31st March, 2019, and its profit and its cash flows for the year ended on that date.

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, I give in 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, I report that:

- (a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
- (b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my 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 my 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 my 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 my opinion and to the best of my information and according to the explanations given to me:
- 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 for which there were any material foreseeable losses.
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

PLACE: Vijayawada

DATE : 25/05/2019

(Sd/-)
(V.SHILPA)
Chartered Accountant
M.No.225109

ANNEXURE-A: Statement on the matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to me and as per the records of the Company examined by me the management has physically verified the fixed assets and no material discrepancies have been noticed on such verification.
- (c) As per the records of the Company examined by me the title deeds to all the immovable properties belonging to the Company are held in the name of the Company itself.
- (ii) The business of the Company does not involve holding any inventories. Hence, the clause is not applicable.
- (iii) The Company has not granted any loans or advances to any of the parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, the clause is not applicable.
- (iv) In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to grant of loans, making investments and providing guarantees and securities, wherever applicable.
- (v) According to the information and explanations given to me and as per the records of the Company examined by me the Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of any cost records in respect to the activities of the Company.
- (vii) (a) According to the information and explanations given to me and as per the records of the Company examined by me, the Company has been regular in depositing the applicable statutory dues with the appropriate authorities. There are no undisputed amounts of any statutory dues outstanding as at the Balance Sheet date, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me and as per the records of the Company examined by me there are no disputed amounts of Income Tax, Sales Tax, Customs Duty, Excise Duty or VAT payable.
- (viii) According to the information and explanations given to me and as per records of the Company examined by me, the Company has not defaulted in repayment of any loans or borrowings to financial institutions, banks or Government or dues to debentures holders.

- (ix) According to the information and explanations given to me and as per the records of the Company examined by me, the Company has not raised any moneys by way of any public offer, nor availed any term loans during the year. Hence, the clause is not applicable.
- (x) No fraud on or by the Company has been noticed or reported during the year under audit.
- (xi) According to the information and explanations given to me and as per the records of the Company examined by me, no managerial remuneration has been paid or provided by the Company during the year.
- (xiii) According to the information and explanations given to me and based on my examination of the records of the Company, the transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable; and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to me and as per the records of the Company examined by me, the Company has not made any allotment of shares or debentures during the year.
- (xv) According to the information and explanations given to me and as per the records of the Company examined by me, the Company has not entered into any non-cash transactions with any Directors or persons connected with them.
- (xvi) The Company was in to non-banking finance business and as such was registered under the provisions of section 45-IA of the Reserve Bank of India Act, 1934. However, the Board of Directors in their meeting held on 15/10/2015 has decided to come out of NBFC business and accordingly surrendered the certificate of registration to the Reserve Bank of India for cancellation. The Reserve Bank of India has duly passed an order dated 21/03/2016 cancelling the certificate. The Company has thus stopped the business of an NBFI since 15/10/2015.

PLACE: Vijayawada
DATE : 25/05/2019

(Sd/-)
(V. SHILPA)
Chartered Accountant
M.No.225109

ANNEXURE-B: Report on the Internal Financial Controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013

I have audited the internal financial controls over financial reporting of M/s **Swarna Securities Limited** ("the Company") as of 31st March, 2019 in conjunction with my 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

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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 I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 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 31st March 2019, 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.

PLACE: Vijayawada
DATE : 25/05/2019

(Sd/-)
(V.SHILPA)
Chartered Accountant
M.No.225109

BALANCE SHEET AS AT 31st March, 2019

PARTICULARS	Note No.	As at 31/03/2019	As at 31/03/2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	1	13195	16271
Investment Property	2	19243069	16389444
Deferred tax assets (net)	3	64940	64940
Other non-current assets	4	2079993	3929993
Current assets			
Financial Assets			
Investments	5	609746	609746
Cash and cash equivalents	6	4001092	1871292
Loans	7	1058000	1171750
Other current assets	8	0	45725
Total Assets		27070035	24099161
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	9	30000000	30000000
Other Equity	10	-5753955	-8844355
Total Equity		24246045	21155645
Liabilities			
Non-current liabilities			
Financial Liabilities			
Provisions	11	102500	216250
Other non-current liabilities	12	2498472	2498472
Current liabilities			
Other current liabilities	13	223018	228794
Total Liabilities		2823990	2943516
Total Equity and Liabilities		27070035	24099161

As per my report of even date

For and on behalf of the Board

(Sd/-)
(V. SHILPA)
Chartered Accountant
M.No.225109

(Sd) **M.MURALIKRISHNA**
Managing Director
DIN: 01889812

(Sd) **M.V.N.S.SUSHMA**
Director
DIN: 01890545

Vijayawada,
25th May, 2019

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR
ENDED 31st March, 2019**

PARTICULARS	Note No.	For the Y.E. 2018-19	For the Y.E. 2017-18
Income			
Revenue From operations	14	0	154597
Other Income	15	5244284	1906313
Total Income		5244284	2060910
Expenses			
Employee benefits expense	16	216000	156000
Finance costs		0	0
Depreciation and amortization expenses	1	3076	9412
Other expenses	17	1134808	370853
Total expenses		1353884	536265
Profit/(loss) before tax		3890400	1524645
Tax expense:			
Current tax - current year		800000	200000
- previous years		0	5425100
Deferred tax		0	0
Profit/(loss) for the year		3090400	-4100455
Earning per Equity share of face value of Rs.10/- each			
Basic		1.03	0
Diluted		1.03	0

As per my report of even date

(Sd/-)

(V. SHILPA)

Chartered Accountant

M.No.225109

For and on behalf of the Board

(Sd) **M.MURALIKRISHNA**

Managing Director

DIN: 01889812

(Sd) **M.V.N.S.SUSHMA**

Director

DIN: 01890545

Vijayawada,
25th May, 2019

STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital		(Rs.)
Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
30000000	0	30000000

	Share application money pending allotment	Equity component of compound financial instrument	Reserve and Surplus			Debt instrument through other comprehensive income	Equity instrument through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange difference on translating the financial statement	Other items of other comprehensive income	Money received against share capital	Total
			General Reserve	Securities Premium	Retained Earning Fund								
Balance at the beginning of the reporting period	0	0	805000	0	2191000	-11840355	0	0	0	0	0	0	-8844355
Changes in accounting policy or prior period errors	0	0	0	0	0	0	0	0	0	0	0	0	0
Restated balance at the beginning of the reporting period	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	805000	0	2191000	-11840355	0	0	0	0	0	0	-8844355
Dividends	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfer to retained earnings	0	0	0	0	0	3090400	0	0	0	0	0	0	3090400
Any other change (to be specified)	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance at the end of the reporting period	0	0	805000	0	2191000	-8749955	0	0	0	0	0	0	-5753955

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2019

Amount in Rs.

P A R T I C U L A R S	31.03.2018	31.03.2017
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax	3890400	1524645
<u>Add/Less: Adjustments for</u>		
Provision/(Reversal) for NPAs	(113750)	(386250)
Depreciation	3076	9412
<i>Operating profit before working capital changes</i>	3779726	1147807
<u>Add/Less: Adjustments for working capital</u>		
Increase/Decrease in Loans	113750	386250
Increase/Decrease in Other Current Assets	45725	74275
Increase/Decrease in Current Liabilities	(98984)	121508
Cash generated from operations	3840217	1729840
Less: Direct taxes paid	706792	5617814
Net cash used in operating activities	3133425	(3887974)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant & equipments and Intangible assets	(2853625)	0
Disposal of Property, Plant & equipments and Intangible assets	0	103800
Increase/Decrease in Other non-current assets	1850000	1850000
Increase/Decrease in Other non-current liabilities	0	2498472
Net cash used in Investing activities	(1003625)	4452272
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from issue of Share Capital	0	0
Share Application Received	0	0
Proceeds from Long-term borrowings	0	0
<i>Net cash from financing activities</i>	0	0
Net increase / decrease in cash and cash equivalents	2129800	564298
Cash and cash equivalents at the beginning of the period	1871292	1306994
Cash and cash equivalents at the end of the period	4001092	1871292
Net increase / decrease in cash and cash equivalents	2129800	564298

As per my report of even date
(Sd/-) (V. SHILPA)
Chartered Accountant
M.No.225109

For and on behalf of the Board
(Sd) **M.MURALIKRISHNA**
Managing Director
DIN: 01889812

Vijayawada,
25th May, 2019

(Sd) **M.V.N.S.SUSHMA**
Director
DIN: 01890545

NOTES TO FINANCIAL STATEMENTS**A. SIGNIFICANT ACCOUNTING POLICIES****1) INCOME RECOGNITION:**

- a) The Company recognises Hirepurchase Finance Charges, Interest on Hypothecation Loans on equal spread method and interest on loans on accrual basis.
- b) In pursuance to the Non-Banking Finance Companies Prudential Norms (Reserve Bank) Directions, 1998, the income on Hire Purchase, Lease and other Loan Accounts which have been classified as Non-Performing Assets has been accounted for on realisation basis.
- c) Additional Finance Charges and Dividends are accounted for as and when received. Dividend on Chit Subscription is accounted for on due basis.

2) FIXED ASSETS:

All the Fixed Assets including assets given on lease are stated in the Balance Sheet at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of insurance, compensation charges, freight, duties, taxes and cost of installation as applicable.

3) DEPRECIATION:

Depreciation is provided on Written Down Value Method based on the useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

4) INVESTMENTS: Investments are stated at cost.**5) STOCK OF SHARES IN TRADE:**

Stocks of shares in trade, where quoted, are valued scrip-wise at cost or market value as per quotations available as on the Balance Sheet date, whichever is less. Unquoted equity shares are valued at cost or break-up value, whichever is lower. Where the balance sheet of the invested company is not available, such shares are valued at one rupee.

- 6) The Board of Directors in their meeting held on 15/10/2015 has decided to come out of the NBFC business. Accordingly the certificate of registration issued by the Reserve Bank of India under the provisions of section 45-IA of the Reserve Bank Act, 1934 has been surrendered for cancellation. The Reserve Bank has duly passed an order dated 21/03/2016 cancelling

the certificate of registration. Thus, the Company is no longer in to NBFC business, but is merely collecting the outstanding dues.

7) CONTINGENT LIABILITIES: There are no contingent liabilities.

8) The Balances on account of Lease, Hire Purchase, Other Debtors and Sundry Creditors are subject to confirmation. There are no dues to any SSI as on 31.03.2019.

9) MANAGERIAL REMUNERATION: No Remuneration is paid to the Managing Director.

10) PROVISION FOR NON-PERFORMING ASSETS:

In pursuance to the Non-Banking Financial Companies (Non-Deposit Accepting or Holding) Prudential Norms (Reserve Bank) Directions, 2007 provision for NPAs amounting to Rs.1.13 Lakhs reversed during the year 2018-19..

11) The timing difference between taxable income and the income as per the books of accounts being insignificant, no deferred tax asset or liability has been recognized for the year.

12) SEGMENT REPORTING:

The Company has discontinued its non-banking finance business and has been in receipt of rental income only, during the year. As such the Company's activity falls within a single business and therefore there are no additional disclosures to be provided under Accounting Standard (AS-17) "Segment Reporting", other than those already provided in the financial statements.

13) RELATED PARTY TRANSACTIONS:

There are no transactions during the year with any of the related parties, to be disclosed in accordance with the Accounting Standard AS-18: "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

14) EARNING PER SHARE:

In determining earnings - per share, the Company considers the net profit after tax and includes the post tax effect of any extra-ordinary/ exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of

equity shares that could have been issued on the conversion of all dilutive potential equity shares.

- 15) There was no expenditure on employees who are in receipt of remuneration covered in terms of the provisions of Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 to furnish the particulars mentioned in Rule 5(1) thereof.
- 16) There was no consumption of imported raw materials, components or spare parts during the year.
- 17) There were no earnings or expenditure in foreign currency during the year.
- 18) Previous Year's Figures are regrouped wherever necessary
- 19) Paises are rounded off to the nearest rupee.

As per my report of even date

For and on behalf of the Board

(Sd/-) (V. SHILPA)
Chartered Accountant
M.No.225109

(Sd) **M.MURALIKRISHNA**
Managing Director
DIN: 01889812

Vijayawada,
25th May, 2019

(Sd) **M.V.N.S.SUSHMA**
Director
DIN: 01890545

NOTES TO FINANCIAL STATEMENTS

1. Property, Plant and Equipment

Name of the Asset	Date of purchase	Gross Block		Depreciation		Net Block			
		Cost 31.03.2018	Addition /Tfr	Total cost	Upto 31.03.2018	For the year /Tfr	Total 31.03.2019	W.D.V 31.03.2018	W.D.V 31.03.2019
Furniture & Fittings		609590		609590	601040	1548	602588	8550	7002
Computer & Printer		264705		264705	263710	398	264108	995	597
Electrical Fittings		61151		61151	59193	272	59465	1958	1686
Airconditioner		56150		56150	53013	436	53449	3137	2701
Hero Honda		40442		40442	38811	422	39233	1631	1209
TOTAL		1032038	0	1032038	1015767	3076	1018843	16271	13195

2. Investment Property

Name of the Asset	Date of purchase	Gross Block		Depreciation		Net Block			
		Cost 31.03.2018	Addition /Tfr	Total cost	Upto 31.03.2018	For the year /Tfr	Total 31.03.2019	W.D.V 31.03.2018	W.D.V 31.03.2019
Land		16389444	2853625	0	19243069	0	0	16389444	19243069
TOTAL		16389444	2853625	0	19243069	0	0	16389444	19243069

As per my report of even date

For and on behalf of the Board

(V SHILPA)
Chartered Accountant
M.No.225109

(M.MURALIKRISHNA)
Managing Director
DIN: 01889812

(M.V.N.S.SUSHMA)
Director
DIN: 01890545

NOTES TO FINANCIAL STATEMENTS

	As at 31/03/2019	As at 31/03/2018
3. Deferred tax assets		
Balance as per last account	64940	64940
	-----	-----
	64940	64940
	-----	-----
4. Other non-current assets		
Telephone Deposit	4000	4000
Electricity Deposit	65993	65993
Advance for land	2010000	3860000
	-----	-----
	2079993	3929993
	-----	-----
5. Investments - Current		
Equity Shares - Quoted	28446	28446
Equity Shares - Unquoted	550000	550000
Mutual Funds - Quoted	31300	31300
	-----	-----
	609746	609746
	-----	-----
6. Cash and cash equivalents		
Cash on hand	114949	155422
Cash at banks	3886142	1715870
	-----	-----
	4001092	1871292
	-----	-----
7. Loans - Current		
Standard	958000	958000
Doubtful	100000	213750
	-----	-----
	1058000	1171750
	-----	-----
8. Other current assets		
Sundry debtors	0	45725
	-----	-----
	0	45725
	-----	-----

NOTES TO FINANCIAL STATEMENTS

	As at 31/03/2019	As at 31/03/2018
9. Share Capital		
<u>Authorised</u>		
36,00,000 Equity Shares of Rs.10/- each	36000000	36000000
<u>Issued, Subscribed & Paid-up</u>		
30,00,000 Equity Shares of Rs.10/- each	30000000	30000000

(The Company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding)

Details of shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	No. of shares held	As at 31/03/2019		As at 31/03/2018	
		%age of holding	No. of shares held	%age of holding	No. of shares held
M Muralikrishna	718750	23.96%	718750	23.96%	718750
Siva Credits (P) Ltd.	482657	16.09%	479530	15.98%	479530
APIDC Ltd.	250000	8.33%	250000	8.33%	250000
M V N S Sushma	237400	7.91%	237400	7.91%	237400
P Kasturi	348200	11.61%	230400	7.68%	230400

10. Other Equity

a. General Reserve

Balance as per last account 805000 805000

b. Reserve Fund

2191000

2191000

NOTES TO FINANCIAL STATEMENTS

	As at 31/03/2019	As at 31/03/2018
c. Surplus		
Opening balance	-11840355	-7739900
Add/(Less): Net profit/(loss) for the year	3090400	-4100455
Closing balance	-8749955	-11840355
	-----	-----
	-5753955	-8844355
	-----	-----
11. Provisions - Non-current		
Provision for Non-Performing Assets on:		
- Standard Assets	2500	2500
- Other Loans	100000	213750
	-----	-----
	102500	216250
	-----	-----
12. Other non-current liabilities		
Rent deposit	2498472	2498472
	-----	-----
	2498472	2498472
	-----	-----
13. Other current liabilities		
Expenses payable	20000	20000
GST payable	72524	171508
Provision for taxation	130494	37286
	-----	-----
	223018	228794
	-----	-----
Provision for taxation (Net of Advance Tax)	37286	30000
Add: Provision for the year	800000	5625100
	-----	-----
	837286	5655100
Less: Income tax paid during the year	706792	5617814
	-----	-----
	130494	37286
	-----	-----

NOTES TO FINANCIAL STATEMENTS

	As at 31/03/2019	As at 31/03/2018
14. Revenue from Operations		
Interest Received	0	154597
	----- 0	----- 154597
15. Other Income		
Dividends	7340	70665
Rent received	5236944	1785648
Balance Written Off	0	50000
	----- 5244284	----- 1906313
16. Employee Benefit Expenses		
Salaries	216000	156000
	----- 216000	----- 156000
17. Other Expenses		
Establishment Expenses		
Fees, Licences & Taxes	717982	552674
Postage and Telephones	2744	1454
Conveyance and Travelling	24680	15050
Printing and Stationery	9764	7797
Audit Fee - Statutory Audit	20000	20000
Bank Charges	2137	929
Legal Charges	300	0
Advertisement	11907	14940
Miscellaneous Expenditure	1560	2783
Repairs & Maintenance	428873	141476
Insurance	28611	0
	----- 1248558	----- 757103
Provisions & Write offs		
Provision/(Reversed) for NPAs	-113750	-386250
	----- 1134808	----- 370853

Note 1 to 17

As per my report of even date

For and on behalf of the Board

(Sd/-) (V. SHILPA)
Chartered Accountant
M.No.225109

(Sd) **M.MURALIKRISHNA**
Managing Director
DIN: 01889812

Vijayawada,
25th May, 2019

(Sd) **M.V.N.S.SUSHMA**
Director
DIN: 01890545

SWARNA SECURITIES LIMITED

Regd. Office : II Floor, Swarnalok Complex, Vijayawada - 520 002

ATTENDANCE SLIP

NAME OF THE SHAREHOLDER* / PROXY*	FOLIO NO.	NO.OF SHARES HELD

I hereby record my presence at the 29th Annual General Meeting held at Vijayawada, Andhra Pradesh on Thursday, the 27th Day of June, 2019 at D.No. 54-15-3, Srinagar Colony, Ring Road, Vijayawada -8 at 10.00 A.M.

SIGNATURE OF THE SHAREHOLDER / PROXY

* Strike out whichever is not applicable.

NOTE : Please handover the slip at the entrance of the Meeting Venue.

SWARNA SECURITIES LIMITED

Regd. Office : II Floor, Swarnalok Complex, Vijayawada - 520 002

PROXY FORM

I/We of in the District of being a Member(s) of the above named Company hereby appoint of or failing him of in the district of as my / our proxy to attend and vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company to be held on Thursday, the 27th Day of June, 2019 at D.No. 54-15-3, Srinagar Colony, Ring Road, Vijayawada -8 at 10.00 A.M.

Signed at this day of 2019.

Folio No.

Number of Shares held :

Signature :

Affix Re.1
Revenue
Stamp

- Note :
1. The Proxy need not be a member
 2. The form of proxy, duly signed across Re. 1/- Revenue Stamp should reach the Company, not less than 48 hours before the time fixed for the meeting.

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To

IF UNDELIVERED PLEASE RETURN TO :

SWARNA SECURITIES LIMITED

27-1-102, II Floor

Governorpet

VIJAYAWADA - 520 002.

Phone : 2575928