

SW INVESTMENTS LIMITED

**37TH ANNUAL REPORT
2016-2017**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pankaj Jain

Mr. Kamal Kishor Vyas

Mr. Mahadevan Kalahasthi

Mrs. Lalitha Cheripalli

AUDITORS

M/s M B A H & CO
Chartered Accountants, Mumbai

BANKERS

Kotak Mahindra Bank Ltd.

REGISTRAR & TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.,
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.

REGISTERED OFFICE

5th Floor, Sunteck Centre, 37-40,
Subhash Road, Vile Parle (East),
Mumbai-400 057

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DIRECTORS' REPORT

**To
The Members,
SW Investments Limited**

Your Directors take the privilege of presenting the 37th Annual Report of the Company on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

The Company's performance during the financial year ended 31st March, 2017 as compared to the previous financial year, is summarized below:

(Rs. In Lakh)

Particulars	For the year ended on 31.03.2017	For the year ended on 31.03.2016
Revenue from operations	49.37	47.99
Other Income	1.39	0.87
Total Revenue	50.76	48.86
Total Expenditure	19.38	13.32
Profit Before Tax (PBT)	31.38	35.54
<u>Less: Income Tax Provision</u>		
Excess/(Short)provision for tax	0.01	0.40
Current Tax	9.08	10.80
Deferred Tax	--	(0.00)
Profit before minority interest	22.29	24.34
Less: Minority Interest	--	--
Profit After Tax (PAT)	22.29	24.34
Balance brought forward from previous year	111.32	92.38
Surplus available for Appropriation	133.61	116.73
Less: Appropriations		
Proposed equity dividend	--	4.50
Tax on proposed equity dividend	--	0.92
Statutory Reserve Fund	--	--
Transfer to Capital Reserve	--	--
Surplus carried to Balance Sheet	133.61	111.32

During the year under review, the total revenue earned is **Rs. 50.76 Lakh** compared to previous year's revenue of **Rs. 48.86 Lakh**. The profit before tax stands at **Rs. 31.38 Lakh** as compared to **Rs. 35.54 Lakh** during the previous year.

DIVIDEND

To strengthen the financial position of the Company, your Directors do not recommend any dividend for the period under consideration.

TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to reserves out of the profits earned during the Financial Year 2015-16.

SHARE CAPITAL

During the year under review, the Company has not allotted any Equity Shares, thus the paid up Equity Share Capital of the Company remains the same i.e. 9,00,000 equity shares of Rs. 10/- each. Also, the Company has not issued shares with differential voting rights and sweat equity shares.

DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

REPORT ON PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANIES

The Company do not have any Subsidiary/Joint Venture/Associate Company. The details of Subsidiary of the Company, in form AOC-1, for the Financial Year 2016-17 is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements of the Company.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

In compliance with the provisions of section 152 of the Companies Act, 2013, Mrs. Lalitha Cheripalli (DIN: 07026989), Director of the Company who is liable to retire by rotation and being eligible seeks re-appointment at the ensuing Annual General Meeting. The Board recommends her re-appointment.

Mr. Hiten Shah (DIN: 02185059) resigned as Independent Director of the Company with effect from August 12, 2016, in view of his other professional commitments. The Company places on record its appreciation and gratitude for the valuable contributions made by Mr. Shah during his tenure as a member of the Board of Directors.

DECLARATIONS BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met 4 (four) times i.e. on 30th May 2016, 12th August 2016, 11th November 2016 and 13th February 2017 during the financial year ended March 31, 2017 in accordance with the provisions of the Companies Act, 2013 and rules made thereunder. The Directors actively participated in the meetings and contributed valuable inputs on the matters brought before the Board of Directors from time to time.

The name of members of the Board of Directors, their attendance at the Board Meetings of the Company and last Annual General Meeting, during the period under review is given below:

Name of Director	Category	No. of Board Meetings attended during the period under review	Attendance at the last AGM held on 29 th September 2016
Mr. Kamalkishor Vyas	Non Independent Non Executive	2	No
Mr. Mahadevan Kalahasthi	Independent Non Executive	4	No
Mr. Hiten Shah ¹	Independent Non Executive	Nil	NA
Mr. Pankaj Jain	Non Independent Non Executive	4	No
Mrs. Lalitha Cheripalli	Non Independent Non Executive	4	Yes

Directors' Responsibility Statement

In terms of section 134(5) of the Companies Act, 2013, in relation to the audited financial statements of the Company for the year ended March 31, 2017, the Board of Directors hereby confirms that:

1. in the preparation of the annual accounts for the year 2016-17, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;

2. such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year under review and of the Profits of the Company for that period;
3. proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts of the Company have been prepared on a going concern basis;
5. internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- g. proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Audit Committee

An Audit Committee is in existence in accordance with the provisions of section 177 of the Companies Act, 2013 and the Listing Regulations.

Constitution of the Audit Committee and Meetings held during the year

During the financial year under review, four meetings of the Audit Committee were held i.e. on 28th May 2016, 10th August 2016, 11th November 2016 and 13th February 2017. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Mahadevan Kalahasthi	Independent Non Executive
Mr. Kamalkishor Vyas	Non Independent Non Executive
Mr. Hiten Shah ²	Independent Non Executive

Terms of Reference

The composition, powers, role and terms of reference of the Committee are wide enough covering the matters specified for Audit Committee under Regulation 18 read with Part C of schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee is in existence in accordance with the provisions of sub-section (3) of section 178 and the Listing Regulations.

During the financial year under review, no meetings of the Nomination and Remuneration Committee took place. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Mahadevan Kalahasthi	Non-Executive and Independent Director
Mr. Kamalkishor Vyas	Non-Executive and Non-Independent Director
Mr. Hiten Shah ²	Non-Executive and Independent Director

Policy on directors' appointment and remuneration and other details :

Terms of Reference of Nomination and Remuneration Committee

- i. Laying down criteria, to identify persons who are qualified to become directors & who can be appointed in Senior Management;
- ii. Recommending to the Board, appointment and removal of directors & Key Managerial Personnel;
- iii. Carrying out evaluation of every director's performance;
- iv. Formulating criteria for determining qualifications, positive attributes & independence of directors;

- v. Recommending to the Board, a policy relating to the remuneration of directors, key managerial personnel and other employees;
- vi. Devising a policy on Board diversity.

Performance Evaluation criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 and 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

Brief about Remuneration Policy

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy are as follows:

A. Remuneration structure of Executive and Independent Directors:

- i. Independent Directors receive remuneration by way of sitting fees for attending meetings and commission as recommended by the Nomination and Remuneration Committee and approved by the Board and Shareholders (wherever required) subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- ii. The total commission payable to the Independent Directors shall not exceed 1% of the net profit of the Company.
- iii. The remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/ Executive Director etc. shall be as per their employment contract/ terms of appointment, subject to the limits and conditions under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force and the approval of the shareholders.

B. Remuneration structure of Key Managerial Personnel (KMP) and Senior Management is as detailed hereunder:

- i. The compensation of KMP and Senior Management personnel shall be approved by the Nomination and Remuneration Committee.
- ii. The compensation of KMP and Senior Management personnel is done keeping in consideration the prevailing market value of the resource, criticality of role and internal parity of the team.
- iii. The remuneration structure to KMP and Senior Management personnel may include a variable performance linked component.

Details of Remuneration/Commission and fees paid to Executive and Non-Executive Directors for the FY 2016-17:

The Company has paid Rs. 25,000/- as sitting fees to Independent Directors during the F.Y. 2016-17 for attending each meeting of the Board of Directors.

There were no other pecuniary relationships or transactions of Independent/Non-Executive Directors vis-à-vis the Company. The Company has not granted any stock option to any of its Non-Executive Directors.

Stakeholders' Relationship Committee

Stakeholders Relationship Committee is specifically responsible for the redressal of security holders grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc. The Committee also oversees the performance of the Registrar and Transfer Agents of the Company relating to investors services and recommends measures for improvement.

Composition of Stakeholders' Relationship Committee and Meetings held during the year

During the financial year under review, four meetings of the Shareholders / Investors Grievance Committee were held i.e. on 30th May 2016, 12th August 2016, 11th November 2016 and 13th February 2017. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Kamalkishor Vyas	Non Independent Non Executive
Mr. Mahadevan Kalahasthi	Independent Non Executive
Mr. Pankaj Jain	Non Independent Non Executive

During the financial year under review, the Company has not received any complaint from the shareholders.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, Independent Directors met on August 10, 2016, inter alia, to discuss:

1. Evaluation of the Performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the Performance of the Chairman of the Company taking into account the views of the Executive and Non-Executive Directors;
3. Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present at the Meeting.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The provisions of section 135 of the Companies Act 2013 are not applicable to the Company, hence, the Company is not required to develop and implement any Corporate Social Responsibility initiatives.

BOARD EVALUATION

Evaluation of performance of all Directors is undertaken annually. The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects. The Board of Directors has expressed their satisfaction with the evaluation process. The overall performance of the Board was satisfactory.

Performance evaluation of Independent Directors was done by the entire board, excluding the independent director being evaluated.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

In compliance with provisions of section 177(9) of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has established a Vigil Mechanism which includes whistle blower policy for Directors and employees to report genuine concerns to the management of the Company. The whistle blower policy of the Company is posted on the website of the Company and may be accessed at www.sw1india.com.

RISK MANAGEMENT

The Company's management systems, organisational structures, processes, standards, code of conduct and behaviors together form the system that governs how the Group conducts the business of the Company and manages associated risks.

The approach is based on a clear understanding of the variety of risks that the organisation faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures.

RELATED PARTY TRANSACTIONS

There are no related party transactions entered into by the Company during the financial year, hence, there is no need to furnish form AOC-2.

PARTICULARS OF EMPLOYEES

The information as required under the provisions of section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in MGT 9 attached