

SW INVESTMENTS LIMITED

**38TH ANNUAL REPORT
2017-2018**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pankaj Jain
Mrs. Lalitha Cheripalli
Mr. Mahadevan Kalahasthi
Mr. Kamal Kishor Vyas (upto 6th June, 2017)
Mr. Gautam Panchal (w.e.f. 27th June, 2017)

COMPANY SECRETARY

Ms. Sapna Patel

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-400057
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Tel: 91 22 4287 7800 Fax: 91 22 4287 7890
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DIRECTORS' REPORT

**To
The Members,
SW Investments Limited**

Your Directors take the privilege of presenting the 38th 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 2018.

FINANCIAL HIGHLIGHTS

The Company's performance during the financial year ended 31st March, 2018 as compared to the previous financial year, is summarized below:

(Rs. In Lakh)

Particulars	For the year ended on 31.03.2018	For the year ended on 31.03.2017
Revenue from operations	49.45	49.37
Other Income	0.74	1.39
Total Revenue	50.19	50.76
Total Expenditure	18.24	19.38
Profit Before Tax (PBT)	31.95	31.38
<u>Less: Income Tax Provision</u>		
Excess/(Short)provision for tax	--	0.01
Current Tax	8.10	9.08
Profit After Tax (PAT)	23.85	22.29
Balance brought forward from previous year	133.61	116.72
Surplus available for Appropriation	157.46	139.01
Less: Appropriations		
Proposed equity dividend	--	(4.50)
Tax on proposed equity dividend	--	(0.90)
Statutory Reserve Fund	--	--
Transfer to Capital Reserve	--	--
Surplus carried to Balance Sheet	157.46	133.61

During the year under review, the total revenue earned is **Rs. 50.19 Lakhs** compared to previous year's revenue of **Rs. 50.76 Lakhs**. The profit before tax stands at **Rs. 31.95 Lakhs** as compared to **Rs. 31.38 Lakhs** 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 2017-18.

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 does not have any Subsidiary/Joint Venture/Associate Company and therefore the details of subsidiaries of the Company, in format AOC-1, for the Financial Year 2017-18 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, Mr. Pankaj Jain (DIN- 00048283), 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 his re-appointment.

Mr. Gautam Panchal (DIN: 07826634) was appointed as Independent Director of the Company by passing a Resolution through Circulation by the Board of Directors on June 27, 2017. Mr. Kamalkishor Vyas, Non-Independent Non-executive Director (DIN: 00008898) resigned from the Directorship w.e.f. 6th June, 2017.

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 26th May 2017, 10th August 2017, 13th November 2017 and 2nd February 2018 during the financial year ended 31st March, 2018 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 26 th September 2017
Mr. Mahadevan Kalahasthi	Independent Non Executive	4	No
Mr. Pankaj Jain	Non Independent Non Executive	4	No
Mr. Gautam Panchal	Independent Non Executive	3	Yes
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, 2018, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts for the year 2017-18, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;

- d. the annual accounts of the Company have been prepared on a going concern basis;
- e. 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;
- f. 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 26th May 2017, 10th August 2017, 13th November 2017 and 2nd February 2018. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Mahadevan Kalahasthi	Independent Non Executive
Mr. Pankaj Jain	Non Independent Non Executive
Mr. Gautam Panchal	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, two meetings of the Nomination and Remuneration Committee were held i.e. on 26th May, 2017 and 2nd February, 2018. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Gautam Panchal	Non-Executive Independent
Mr. Mahadevan Kalahasthi	Non-Executive Independent
Mr. Pankaj Jain	Non-Executive Non-Independent

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 Non-Executive Directors shall not exceed 3% 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 2017-18:

The Company has paid Rs. 35,000/- as sitting fees to Independent Directors during the F.Y. 2017-18 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 26th May 2017, 10th August 2017, 13th November 2017 and 2nd February 2018. The current composition of the Committee is as follows:

Name of the Director	Category
Mr. Pankaj Jain	Non Independent Non Executive
Mr. Mahadevan Kalahasthi	Independent Non Executive
Mr. Gautam Panchal	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 February 2, 2018, 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, organizational 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 organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation measures

RELATED PARTY TRANSACTIONS

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party (ies) are in the ordinary course of business and on arm's length basis. There are no material significant related party transactions made by the Company with Promoters, Directors, or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large and consequently form AOC-2 is not required to be furnished.

PARTICULARS OF EMPLOYEES

During the Financial Year 17-18, there were no persons employed, for a part of the financial year who were in receipt of remuneration of not less than Rs. 8.5 lakhs p.m.

In accordance with the provisions contained in the proviso to section 136(1) of the Companies Act, 2013, the information required under section 197(12) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available for inspection at the registered office of the Company during working hours for a period of twenty one days before the date of the Annual General Meeting.

COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the provisions of the Companies Act, 2013, the Company has complied with the Secretarial Standard on the Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

DISCLOSURES UNDER SECTION 134(3)(L) OF THE COMPANIES ACT, 2013

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS/TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

The internal financial controls with reference to the financial statements were adequate and operating effectively.

AUDITORS

A) STATUTORY AUDIT

M/s MBAH & Co., Chartered Accountants, Mumbai (Firm Registration No.121426W) who are Statutory Auditors of the Company were appointed by the shareholders to audit the accounts of the Company for a term of 5 years on 29th September, 2015, subject to ratification by the shareholders at every AGM of the Company.

The provisions of Section 139 of the Companies Act, 2013 have been amended by the Companies (Amendment) Act, 2017 and notified with effect from May 7, 2018. In terms of the said amendment, ratification of the appointment of the Statutory Auditors by members at subsequent AGM is no longer required. In view of this, no resolution is proposed for ratification of the appointment of the Auditors at the ensuing AGM.

The Company has received a certificate from the said Auditors that they are eligible to hold office as the Auditors of the Company and are not disqualified for being so appointed.

The Statutory Audit Report does not contain any qualification, reservation or adverse remark or disclaimer made by Statutory Auditor.

B) SECRETARIAL AUDIT

Pursuant to the provisions of section 204 of the Companies Act, 2013 and rules made thereunder, the Company has re-appointed, Veeraraghavan N., (Membership No. A6911) Company Secretary in Practice to undertake the Secretarial Audit of the Company. Secretarial Audit Report for the financial year 2017-18 issued by him in the prescribed form MR-3 is annexed as '**Annexure A**' to this Report. In respect of the observation made by the auditor in the report, Directors would like to state that the Company is in process of appointing CFO and Whole Time Director of the Company.

Frauds Reported by Auditors

The Auditors had not reported any fraud during the Financial Year under review.

OTHER DISCLOSURES

Other disclosures as per provisions of section 134 of the Act read with Companies (Accounts) Rules, 2014 and Listing Regulations are furnished as under:

Extract of Annual Return

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

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Considering the nature of activities the Company is engaged into, the Company is not required to furnish information as required under the provisions of section 134(3)(m) of the Companies Act, 2013 read with the rule 8(3) of the Companies (Accounts) Rules, 2014.

Foreign Exchange Earnings and Outgo are as follows:

- i) Foreign Exchange Earned: NIL
- ii) Foreign Exchange Outflow: NIL

Information Required Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2014

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Your Company has a policy and framework for employees to report sexual harassment cases at workplace and the process ensures complete anonymity and confidentiality of information.

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MEANS

All documents, including the Notice and Annual Report shall be sent through electronic transmission in respect of members whose email IDs are registered in their demat account or are otherwise provided by the members. A member shall be entitled to request for physical copy of any such documents.

MEANS OF COMMUNICATION

The Company is publishing its Quarterly Unaudited Financial Results and the Annual Audited Financial Results in the widely circulated national and local newspapers viz. "Asian Age" and "Aapla Mahanagar." These are also available in our website, www.sw1india.com and on the website of the BSE Ltd.

CORPORATE GOVERNANCE

Corporate Governance is not applicable to the Company pursuant to the Regulation 27(2) of SEBI (LODR) Regulation, 2015.

CODE OF CONDUCT AND BUSINESS ETHICS

The Company has adopted a Code of Conduct for prevention of Insider Trading and Business Ethics for Directors and Senior Management Personnel of the Company. As per Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the same have been posted on the Company's website. The Company has received confirmations from the Directors and Senior Management personnel regarding compliance with the Code for the year ended 31st March, 2018.

DISCLOSURES ON MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS THAT MAY HAVE POTENTIAL CONFLICT WITH THE INTERESTS OF THE COMPANY AT LARGE

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.