

SW INVESTMENTS LIMITED

**39TH ANNUAL REPORT
2018-2019**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Pankaj Jain
Mrs. Lalitha Cheripalli
Mr. Mahadevan Kalahasthi (upto 9th February, 2019)
Mr. Gautam Panchal
Mrs. Sandhya Malhotra (w.e.f. 30th May, 2019)

CHIEF FINANCIAL OFFICER

Mr. Amit Pitale (w.e.f. 30th May, 2019)

COMPANY SECRETARY

Ms. Sapna Patel

AUDITORS

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

BANKERS

Kotak Mahindra Bank Ltd.
ICICI Bank Ltd.

REGISTRAR & TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.,
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: 91 22 49186270 Fax: 91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

REGISTERED OFFICE

5th Floor, Sunteck Centre, 37-40,
Subhash Road, Vile Parle (East), Mumbai-400057
CIN: L65990MH1980PLC023333
Tel: 91 22 4287 7800 Fax: 91 22 4287 7890
E-mail: cosec@sw1india.com
Website: www.sw1india.com

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DIRECTORS' REPORT

**To
The Members,
SW Investments Limited**

Your Directors take the privilege of presenting the 39th 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 2019.

FINANCIAL HIGHLIGHTS

The Company's performance during the financial year ended 31st March, 2019 as compared to the previous financial year, is summarized below:

(Rs. In Lakhs)

Particulars	For the year ended on 31.03.2019	For the year ended on 31.03.2018
Revenue from operations	3,499.16	49.45
Other Income	1.10	0.74
Total Revenue	3,500.26	50.19
Total Expenditure	3,442.75	18.24
Profit Before Tax (PBT)	57.51	31.95
Less: Income Tax Provision Excess/(Short)provision for tax Current Tax	- 15.14	- 8.10
Profit After Tax (PAT)	42.37	23.85
Balance brought forward from previous year	157.46	133.61
Surplus available for Appropriation	199.83	157.46
Less: Appropriations		
Proposed equity dividend	--	--
Tax on proposed equity dividend	--	--
Statutory Reserve Fund	--	--
Transfer to Capital Reserve	--	--
Surplus carried to Balance Sheet	199.83	157.46

PERFORMANCE

During the year under review, the total revenue earned is **Rs. 3,500.26 Lakhs** compared to previous year's revenue of **Rs. 50.19 Lakhs**. The profit before tax stands at **Rs. 57.51 Lakhs** as compared to **Rs. 31.95 Lakhs** during the previous year.

There were no changes in the nature of business during the financial year under review, to be disclosed in this report.

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 2018-19.

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 2018-19 is not applicable. The Company has adopted the policy determining material subsidiaries and the said policy is available on the Company's website at www.sw1india.com.

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 ('the Act'), 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. Mahadevan Kalahasthi ceased to act as a Director of the Company due to his demise on 9th February, 2019.

Ms. Sandhya Malhotra was appointed Additional Director in the capacity of Non-Executive Independent Director of the Company who shall hold office upto the date of ensuing AGM, for a term of five consecutive years from 30th May, 2019, subject to members approval in the ensuing general meeting.

Change in designation of Mrs. Lalitha Cheripalli from Non-executive Director to Whole-time Director of the Company w.e.f. 30th May, 2019 for a term of 5 years at a proposed remuneration of Rs. 8.6 lakhs per annum, subject to approval of shareholders in the ensuing general meeting.

Mr. Amit Pitale was appointed as the Chief Financial Officer of the Company w.e.f. 30th May, 2019 by the Board of Directors of the Company.

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 rules framed thereunder and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board reviewed the certificates and noted that all Independent Directors are Independent of the Company's Management.

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

Board Meetings

The Board of Directors met 4 (four) times i.e. on 18th May, 2018, 13th August, 2018, 26th October, 2018 and 1st February, 2019 during the financial year ended 31st March, 2019 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 26th September 2018
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-Executive Director	4	Yes

* Mr. Mahadevan Kalahasthi ceased to act as a Director due to demise on 9th February, 2019.

Change in designation of Mrs. Lalitha Cheripalli from Non Independent Non Executive to Whole-time Director w.e.f 30th May, 2019.

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, 2019, the Board of Directors hereby confirms that:

- in the preparation of the annual accounts for the year 2018-19, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- such accounting policies were selected and applied 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;
- the annual accounts of the Company have been prepared on a going concern basis;
- 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;
- 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 has been constituted 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 18th May 2018, 13th August 2018, 26th October, 2018 and 1st February, 2019. 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
Mrs. Sandhya Malhotra#	Independent Non Executive

* Mr. Mahadevan Kalahasthi ceased to be member of the Audit Committee pursuant to his cessation as a Director due to demise on 9th February, 2019.

Mrs. Sandhya Malhotra was appointed as Director on 30th May, 2019 and also appointed as a member of the Audit Committee w.e.f 30th May, 2019.

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.

In view of the amendments to the Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board amended the terms of reference of the Committee, effective from 1st April, 2019.

Nomination and Remuneration Committee

A Nomination and Remuneration Committee has been constituted in accordance with the provisions of sub-section (3) of section 178 of the Act and the Listing Regulations.

In view of the amendments to the Listing Regulations, the Board of Directors amended the terms of reference of the Committee, effective from 1st April, 2019.

During the financial year under review, two meetings of the Nomination and Remuneration Committee was held on 18th May 2018 and 1st February, 2019. 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
Mrs. Sandhya Malhotra#	Independent Non Executive

* Mr. Mahadevan Kalahasthi ceased to be member of Nomination and Remuneration Committee pursuant to his cessation as a Director due to his demise on 9th February, 2019.

Mrs. Sandhya Malhotra was appointed as Director on 30th May, 2019 and also appointed as a member of the Nomination and Remuneration Committee w.e.f. 30th May, 2019.

Policy on Directors' appointment and remuneration

The Company has a duly constituted Nomination and Remuneration Committee ("NRC"), with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations.

The policy, inter alia, provides the (a) criteria for determining qualifications, positive attributes and independence of directors and (b) policy on remuneration for directors, key managerial personnel and other employees. The policy is directed towards a compensation philosophy and structure that will attract, retain and motivate talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The NRC has formulated a policy on remuneration under the provisions of Section 178(3) of the Act and the same is uploaded on the website of the Company at www.sw1india.com.

Stakeholders' Relationship Committee

Pursuant to the provisions of the Companies Act and Listing Regulations, the Company has constituted Stakeholders Relationship Committee. The Committee is specifically responsible for the redressal of security holders grievances related to non-receipt of Annual Report, non-receipt of declared dividend etc.

In view of the amendments to the Listing Regulations, the Board of Directors amended the terms of reference of the Committee, effective from 1st April, 2019.

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 18th May 2018, 13th August 2018, 26th October, 2018 and 1st February, 2019. 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
Mrs. Sandhya Malhotra#	Independent Non Executive

* Mr. Mahadevan Kalahasthi ceased to be member of Stakeholders' Relationship Committee pursuant to his cessation as a Director due to his demise on 9th February, 2019.

Mrs. Sandhya Malhotra was appointed as Director on 30th May, 2019 and also appointed as a member of the Stakeholders' Relationship Committee w. e. f 30th May, 2019.

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 1st February, 2019, 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 timeliness 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

Since the net profit of the Company is below Rs. 5 crores, the provisions of section 135 of the Companies Act, 2013 are not applicable to the Company. 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 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.

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 Board of Directors have adopted a risk management policy for the Company which provides for identification, assessment and control of risks which in the opinion of the Board may threaten the existence of the Company. The Management identifies and controls risks through a properly defined framework in terms of the aforesaid policy.

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 parties are in the ordinary course of business and on arm's length basis. There are no material significant related party transactions entered into by the Company with Promoters, Directors, or Key Managerial Personnel which may have a potential conflict with the interest of the Company at large.

PARTICULARS OF EMPLOYEES

During the Financial Year 18-19, there were no persons employed, for a part of the financial year or throughout the financial year who were in receipt of remuneration of not less than Rs. 8.5 lakhs p.m or Rs. 1.2 crores p.a. respectively.

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) (I) 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, M/s MBAH & Co., Chartered Accountants, Mumbai (Firm Registration No.121426W) were appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 35th Annual General Meeting (AGM) held on 29th September, 2015 till the conclusion of the AGM to be held in 2020.

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.

Pursuant to provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

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 2018-19 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 has appointed Amit Pitale as Chief Financial Officer and Mrs. Lalitha Cheripalli as Whole-time Director on 30th May, 2019.

C) COST RECORDS AND COST AUDIT

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable in respect of the business activities carried out by the Company.

D) INTERNAL AUDIT

The Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organisation's risk management, control and governance

processes. The Company has appointed M/s. N. Somani & Co., (Firm Registration No. 139934W), Chartered Accountants, as an Internal Auditor. Findings of the Internal Auditor are placed before Audit Committee, which reviews and discuss the actions taken with the Management.

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"**. The same is available on www.sw1india.com.

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

Your Company has in place an appropriate policy which is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints, if any, received regarding sexual harassment of women. We further state that during the financial year under review, there were no complaints received/cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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.

CORPORATE GOVERNANCE

Provisions relating to 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 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, 2019.

MANAGRMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis report has been separately furnished in the Annual Report and forms a part of the Annual Report.

NON COMPLIANCES/STRICTURES/PENALTIES IMPOSED

During the last three years, there were no penalties or strictures imposed on the Company by SEBI, Stock Exchange or any statutory authority on any matter related to capital market.