

**26<sup>th</sup>**

**Annual Report**

**2019 - 2020**

**SAWACA BUSINESS MACHINES LIMITED**

**[CIN: L65910GJ1994PLC023926]**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS :**

**Mr. Shetal S. Shah**  
Chairman & Managing Director

**Mr. Vishal S. Shah**  
Non-Executive Director

**Mr. Vijay Shah**  
Non-Executive Independent Director

**Mrs. Leelaben K. Agaja**  
Non-Executive Independent Director

**Mr. Satish Shah**  
Chief Financial Officer

### **COMPANY SECRETARY**

**Ms. Shikha Bajaj**  
Company Secretary & Compliance Officer

### **BORAD COMMITTEES**

#### **Audit committee**

**Mr. Vijay Shah**, Chairman  
**Mrs. Leelaben K. Agaja**, Member  
**Mr. Vishal Shah**, Member

#### **Stakeholders Relationship Committee**

**Mr. Vijay Shah**, Chairman  
**Mrs. Leelaben K. Agaja**, Member  
**Mr. Vishal Shah**, Member

#### **Nomination and Remuneration Committee**

**Mr. Vijay Shah**, Chairman  
**Mrs. Leelaben K. Agaja**, Member  
**Mr. Vishal Shah**, Member

#### **Executive Committee**

**Mr. Shetal Shah**, Chairman  
**Mr. Vishal Shah**, Member  
**Mrs. Leelaben K. Agaja**, Member

### **STATUTORY AUDITORS**

**M/s. M A A K & Associates**,  
Chartered Accountants, Ahmedabad

### **INTERNAL AUDITORS**

**M/s. Shridhar Shah & Co.**,  
Chartered Accountants, Ahmedabad

### **SECRETARIAL AUDITORS**

**M/s. Mukesh H. Shah & Co.**,  
Company Secretaries, Ahmedabad

### **REGISTERED & CORPORATE OFFICE**

#### **SAWACA BUSINESS MACHINES LIMITED**

45, Chinubhai Tower,  
Opp. Handloom House,  
Ashram Road,  
Ahmedabad-380009, India.  
Phone: 079-26583309  
Email: sawacabusiness@yahoo.com

### **BANKERS**

**Indian Overseas Bank**  
Ashram Road Branch, Ahmedabad

### **REGISTRAR & SHARE TRANSFER AGENT**

#### **Bigshare Services Private Limited**

A-802 Samudra Complex,  
Near Klassic Gold Hotel,  
Off. C G Road,  
Ahmedabad-380009, Gujarat  
Ph. No.: 079-40024135  
Email: bssahd@bigshareonline.com  
Website: www.bigshareonline.com

### **WEBSITE**

[www.sawacabusiness.com](http://www.sawacabusiness.com)

### **INVESTOR SERVICES E-MAIL ID**

[investor.grievance.sawaca@gmail.com](mailto:investor.grievance.sawaca@gmail.com)

### **CORPORATE IDENTIFICATION NUMBER**

**L65910GJ1994PLC023926**

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**SAWACA BUSINESS MACHINES LIMITED**

**Regd. Office :-** 45, CHINUBHAI TOWER, OPP. HANDLOOM HOUSE, ASHRAM ROAD,  
AHMEDABAD-380009, GUJARAT, INDIA.

Tel:- (079)-26583309 Website: www.sawacabusiness.com

**CIN:** L65910GJ1994PLC023926

**NOTICE**

Notice is hereby given that the Twenty Sixth Annual General Meeting ("AGM") of the Members of SAWACA BUSINESS MACHINES LIMITED will be held on Wednesday 30th September, 2020 at 12:00 Noon through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2020 comprising of the Balance Sheet as at March 31, 2020, Statement of Profit & Loss and Cash Flow Statement as on that date and the Explanatory Notes annexed to, and forming part of, any of the above documents together with the Report of the Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr. Shetal Shah [DIN: 02148909] who retires by rotation and being eligible, offers him-self for re- appointment.

Therefore, members are requested to consider and if thought fit, to pass the following resolution as an ordinary resolution :

**"RESOLVED THAT**, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Shetal Shah [DIN: 02148909], who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation"

3. **To appointment of Statutory Auditors, M/s. M A A K & Associates (Firm registration No.135024W), Chartered Accountants, Ahmedabad and to fix their remuneration.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. M A A K & Associates, Chartered Accountants (ICAI Firm Registration No. 135024W), be and are hereby re-appointed as Statutory Auditors of the Company for second term of 5 (five) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 31st Annual General Meeting to be held in the year 2025, at such remuneration as may be decided by the Board of Directors."

**SPECIAL BUSINESS:**

4. **To ratify / approve the related party transactions of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of the Section 188 and other applicable provisions of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the members be and is hereby accorded for ratification / approval of material contracts / arrangements entered into by the Company with Related Party as defined under Section 2(76) of the Companies Act, 2013, and as set out in the explanatory statement annexed to the Notice."

5. **To appoint Mrs. Lilaben KishorBhai Agaja as an independent director for another term of five years:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Special Resolution:

**"RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee, provisions of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ('the Act')

read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Articles of Association of the Company, Mrs. Lilaben KishorBhai Agaja(DIN: 07124191), who holds the office of Independent Director up to 29th September, 2020 and being eligible, has submitted a declaration that he meets the criteria of Independence under Section 149(6) of the Act and the Listing Regulations and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office as such for a second term from 26th AGM to 31st AGM."

**6. Re-Appointment of Mr. ShetalSatish Shah [DIN: 02148909] as a Managing Director of the Company**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), consent and approval of the members of the Company be and is hereby accorded for the re-appointment and terms of remuneration of Mr. Shetal S. Shah [DIN 02148909] as a Managing Director and CEO of the Company for a period of 5 (five) years with effect from 30.09.2020, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed herewith, with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and/ or remuneration, subject to the same not exceeding the limits specified under Part II of Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

**"FURTHER RESOLVED THAT** the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then he shall be entitled to receive the above remuneration as minimum remuneration."

**"FURTHER RESOLVED THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent as may be required in this regard."

**"RESOLVED FURTHER THAT** Board of Directors be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**PLACE : AHMEDABAD.**

**DATE : 25.08.2020**

**By Order of the Board  
For, SAWACA BUSINESS MACHINES LIMITED**

**[SHETAL SHAH]  
DIN: 02148909  
Managing Director & Chairman**

**Regd. Office :- 45, CHINUBHAI TOWER,  
OPP. HANDLOOM HOUSE,  
ASHRAM ROAD, AHMEDABAD-380009,  
GUJARAT, INDIA.**

**Tel:- (079)-26583309**

**Website: www.sawacabusiness.com**

**CIN: L65910GJ1994PLC023926**

**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May, 2020 read with circulars dated 8th April, 2020 and 13 April, 2020 ("MCA Circulars" and Securities and Exchange Board of India vide its circular dated 12 May, 2020 ("SEBI Circular"), permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company will be held through VC / OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The deemed venue for the 41 Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM inter-alia, indicating the process and manner of voting through electronic means along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website i.e. <http://www.sawacabusiness.com/>, website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)
6. The brief profile of the Directors proposed to be appointed / re-appointed as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 is given in the section "Report on Corporate Governance" forming part of this Annual Report.
7. All documents referred to in the accompanying Notice to the Members and the Explanatory Statement are available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during working hours up to and including the date of the AGM.
8. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:**

9. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website <http://www.sawacabusiness.com/>, websites of the Stock Exchanges, i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com), and on the website of Company's Registrar and Transfer Agent, Bigshare Services Private Limited at [www.bigshareonline.com](http://www.bigshareonline.com)
10. For receiving all communication (including Annual Report) from the Company electronically:
  - a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [sawacabusiness@yahoo.com](mailto:sawacabusiness@yahoo.com) or Company's Registrar and Transfer Agent, Bigshare Services Private Limited at [www.bigshareonline.com](http://www.bigshareonline.com)
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.
11. The Register of Members and the Share Transfer Register of the Company will remain closed from 15.09.2020 to 30.09.2020 (both days inclusive).
12. The shares of the Company are at present listed with BSE Limited. The listing fee for the financial year 2020-21 has been paid to BSE Limited.

13. Pursuant to Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, Members are entitled to make a nomination in respect of shares held by them in physical form. Shareholders desirous of making a nomination are requested to send their requests in the prescribed Form No. SH-13 and for cancellation / variation in nomination in the prescribed Form No. SH-14 to the Registrar and Transfer Agent of the Company i.e. M/s Bigshare Services Private Limited.
14. The Notice of Twenty Sixth AGM along with the Annual Report for the financial year 2019-20 will be sent electronically indicating the process and manner of remote e-voting to the Members whose e-mail addresses are registered with the Depository Participants /Company. The physical copy of the Notice of Twenty Sixth AGM along with the Annual Report for the financial year 2019-20 will be sent through permitted mode to those Members whose e-mail addresses are not registered with the Depository Participants/Company indicating the process and manner of remote e-voting.

The Members will be entitled to receive physical copy of the Annual Report for the financial year ended on March 31, 2020, free of cost, upon sending a request to the Registrar and Transfer Agent or the Company Secretary of the Company. The Notice along with the Annual Report will also be available on the Company's website [www.sawacabusiness.com](http://www.sawacabusiness.com)

Further, the Members who have not registered their e-mail address so far are requested to register the same for receiving all communications including Notices, circulars, Annual Reports etc. from the Company electronically.

15. Members whose shareholding is in physical form are requested to inform change in address or bank mandate to the Registrar and Transfer Agent i.e. M/s. Bigshare Services Private Limited or the Company Secretary of the Company by a written request duly signed by the Member for receiving all communication in future.
16. Members desiring any information relating to the accounts are requested to write to the Company at least ten days before the AGM so as to enable the management to keep the information available at the AGM.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in dematerialized form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company's Registrar and Transfer Agent i.e. M/s. Bigshare Services Private Limited or the Company Secretary of the Company.
18. Voting through electronic means(EVSN 200828026):-

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide Members facility to exercise their right to vote at the Twenty Sixth AGM by electronic means ("e-voting") and business may be transacted through remote e-voting (e-voting from a place other than venue of the AGM,) services provided by Central Depository Services (India) Limited (CDSL) for the resolutions set forth in this Notice. It is hereby clarified that it is not mandatory for a Member to vote using the remote e-voting facility and a Member may avail facility at his/her discretion, subject to compliance with the instructions for remote e -voting given below :

**Instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting period begins on Sunday, September 27, 2020 (09:00 AM) and ends on Tuesday, September 29, 2020 (5:00 PM). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Tuesday 22 September 2020, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The Shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID:
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. For Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on the Attendance Slip indicated in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant 'SAWACA BUSINESS MACHINES LIMITED' for which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Contact Details:**

**Central Depository Services India Limited**

A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds,  
N M Joshi Marg, Lower Parel (East), Mumbai - 400013.  
Tel : 022-23023333 Fax : 022-23002043

19. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Tuesday 22 September 2020.
20. Any person, who acquires shares of the Company and become Member of the Company after dispatch of Notice of AGM and holding shares as of the cut-off date i.e Tuesday 22 September 2020, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
21. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through electronic voting system.
22. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
23. M/s Mukesh H. Shah & Co., has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting by electronic voting system and remote e-voting process in a fair and transparent manner.
24. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, the facility for voting through electronic voting system will also be made available at the Meeting (“Insta Poll”) and members attending the Meeting who have not cast their vote(s) by remote e-voting will be able to vote at the Meeting through Insta Poll.
25. The Scrutinizer shall immediately after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall submit within the stipulated time, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
26. The Results shall be declared on or after the AGM of the Company by the Chairman of the Company or a person authorized by him in writing, within stipulated time, as per the Scrutinizer’s Report submitted to him. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.sawacabusiness.com](http://www.sawacabusiness.com), notice board of the Company and on the website of CDSL. The results shall immediately be forwarded to the BSE Limited.
27. **Instructions for participation through VC:**
  - Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/ members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/ members login where the EVSN of Company will be displayed.
  - Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.



- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
- Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [www.sawacabusiness.com](http://www.sawacabusiness.com) . The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [www.sawacabusiness.com](http://www.sawacabusiness.com). These queries will be replied to by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## 28. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM

- **Note for Non-Individual Shareholders and Custodians:**

- ❖ **Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.**
- ❖ **A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**
- ❖ **After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.**
- ❖ **The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.**
- ❖ **A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.**
- ❖ **Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [www.sawacabusiness.com](http://www.sawacabusiness.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.**
- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
- All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:****ITEM NO. 3:**

The Members of the Company at the 21st Annual General Meeting ('AGM') held on 30th September, 2015 approved the appointment of M/s. M A A K & Associates (previously known as M/s. Marmik G. Shah & Associates), Chartered Accountants (Firm Registration No. 135024W), as the Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. M A A K & Associates will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of M/s. M A A K & Associates, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 31st AGM. None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

**ITEM NO. 4:**

The Company has entered into following related party transaction with the Related Party during the year under review:

<b>Name of Related Party</b>	<b>Mr. Satish Shah</b>
Nature of relationship	Chief Financial Officer
Nature of transaction	Rent
Amount of Transaction during the year (Rupees in Lacs)	Rs. 2.40
Are the transactions in the ordinary course of business	Yes
Are the transactions on an arm's length basis	Yes
Related parties interested, if any	Mr. Satish Shah

Pursuant to the provisions of the Section 188 and other applicable provisions, if any, of the Companies Act, 2013 and rules thereunder and Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to other approvals, consent of the members through general meeting is required for the ratification / approval of the material contracts / arrangements as stated above entered into by the Company with related party.

As per Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, related parties of the Company shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not.

Mr. Vishal Shah Director and Mr. Shetal Shah Managing Director and Mr. Satish R. Shah CFO of the Company are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice except as mentioned above.

Your Directors recommend the resolution for your approval as an Ordinary Resolution.

**ITEM NO. 5:**

The Members of the Company on 30th September, 2015 approved the appointment of Mrs. Leelaben Agaja as Independent Directors of the Company for a period of five years with effect from 30th September, 2015. Mrs. Leelaben Agaja will complete their respective terms on 29th September, 2020. The Board of Directors of the Company ('the Board') at the meeting held on 25th August, 2020, on the recommendation of the Nomination & Remuneration Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Mrs. Leelaben Agaja as Independent Directors of the Company with effect from this Annual General Meeting, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), as set out in the Resolutions relating to her respective re-appointment.

The Committee and the Board are of the view that, given the knowledge, experience and performance of Mrs. Leelaben Agaja, and contribution to Board processes by her, her continued association would benefit the Company. Declarations

have been received from Mrs. Leelaben Agaja that she meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015.

In the opinion of the Board, Mrs. Leelaben Agaja fulfil the conditions specified in the Act, the Rules there under and the Listing Regulations 2015 for re-appointment as Independent Directors and she is independent of the management of the Company.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Mrs. Leelaben Agaja have been received by the Company, and consents have been filed by Mrs. Leelaben Agaja pursuant to Section 152 of the Act. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution.

The Board recommends these Special Resolutions for your approval.

**ITEM NO. 6:**

The Board of Directors of the Company (the 'Board'), at its meeting held on August 25, 2020 has, subject to the approval of Members, to re-appoint Mr. Shetal S. Shah (DIN 02148909) as a Managing director, for a period of 5 (five) years w.e.f. 30.09.2020, on the remuneration determined by the Remuneration Committee of the Board and approved by the Board. It is proposed to seek Members' approval for the re-appointment of and remuneration payable to, Mr. Shetal S. Shah (DIN 02148909) as a Managing director, in terms of the applicable provisions of the Companies Act, 2013 ("the Act"). Broad particulars of the terms of re-appointment of and remuneration payable to Mr. Shetal S. Shah (DIN 02148909) are as under:

- a) Salary:Rs.60,000/- p.m. plus Rs. 20,000/- increase P.A. w.e.f. 30.09.2020
- b) Perquisites and allowances: The perquisites and allowances not exceeding Rs.1600/- p.m., shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and/ or allowances for utilization of gas, electricity, water, furnishing and repairs; medical reimbursement; leave travel concession for self and family including dependents; medical insurance and such other perquisites and/ or allowances. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules there under or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave shall not be included for the purpose of computation of the overall ceiling of remuneration.
- c) Commission: In addition to the salary, perquisites and allowances as set out above, Mr. Shetal S. Shah (DIN 02148909) shall be entitled to receive commission on net profits. The commission payable to him will be determined by the Board and/ or the Remuneration Committee of the Board for each financial year. The overall remuneration including commission shall not exceed 5% of the net profits of the Company as computed in the manner referred to under Section 198(1) of the Act, or any statutory modification(s) or re-enactment thereof.
- d) Reimbursement of Expenses: Reimbursement of expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of car for use on the Company's business; telephone expenses at residence and club membership shall be reimbursed and not considered as perquisites.

In the event of loss or inadequacy of profits during the tenure of service of the Managing Director, the payment of salary, perquisites and other allowances as per rules of the Company shall be governed by the limits prescribed under Section II (A) of Part II of Schedule V to the Companies Act, 2013. A brief resume of Mr. Shetal S. Shah as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished in the statement on corporate governance.

Mr. Shetal S. Shah is interested in the resolution as set out at Item No.6 of the Notice for his reappointment and remuneration payable to him. Save and except the above none of the other Directors of the Company is, in any way, concerned or interested in the aforesaid resolution.

The Board commends the resolutions as set out at Item No. 6 of the Notice for your approval.

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT  
AT THE ANNUAL GENERALMEETING**

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of the Director	SHETAL SHAH	LILABEN AGAJA
Directors Identification Number [DIN]	02148909	07124191
Date of Birth	12/10/1976	02/02/1980
Date of appointment on the Board	10/03/2010	27/03/2015
Qualifications	B.COM	SSC
Directorship held in other Public Companies (excluding foreign, private and Section 8 companies)	N.A	N.A
Memberships/ Chairmanships of Committee of other public companies (includes only Audit Committee & Stakeholders' Relationship Committee)	N.A	N.A
Number of shares held in the Company	860600	N.A
Expertise in Specific Area	FORMULATING STRATEGY	N.A

**PLACE : AHMEDABAD.**

**DATE : 25.08.2020**

**By Order of the Board  
For, SAWACA BUSINESS MACHINES LIMITED**

**[SHETAL SHAH]  
DIN: 02148909  
Managing Director & Chairman**

**Regd. Office :-** 45, CHINUBHAI TOWER,  
OPP. HANDLOOM HOUSE,  
ASHRAM ROAD, AHMEDABAD-380009,  
GUJARAT, INDIA.

Tel:- (079)-26583309

Website: www.sawacabusiness.com

**CIN:** L65910GJ1994PLC023926

## Directors' Report

Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report of the Company covering the operating and financial performance together with the Audited Financial Statements and the Auditors' Report thereon for the Financial Year ended on March 31, 2020.

**FINANCIAL RESULTS**

The financial highlights of the Company during the period ended March 31, 2020 are as below:

(Amount in Rupees)

Particulars	Financial Year 2019-20	Financial Year 2018-19
Revenue from operations (Gross)	7586700	14377358
Less: Excise duty	0.00	0.00
Revenue from operations (Net)	7586700	14377358
Other income	10067966	10240420
Total Revenue	17654666	24617777
Less: Expenses		
(a) Cost of materials consumed	10651302	7452401
(b) Purchases of stock-in-trade	Nil	Nil
(c) Changes in inventories of FG, WIP & Stock-in-Trade	- 8179800	-4790000
(d) Employee benefits expense	1968847	1611371
(e) Finance costs	3075.67	3113
(f) Depreciation expense	—	—
(g) Other expenses	5701960	6161973
<b>Total Expenses</b>	<b>14935385</b>	<b>21890618</b>
<b>Profit/ (Loss) before tax</b>	<b>2719281</b>	<b>2727161</b>
Less: Tax expense:		
(a) Current tax expense	710000	730000
(b) Deferred tax		
(c) Prior Period Adjustment	Nil	Nil
<b>Profit / (Loss) for the year</b>	<b>2009281</b>	<b>1997161</b>
Earnings per share (face value Rs.10/-) Basic & Diluted	0.19	0.19

**GLOBAL HEALTH PANDEMIC FROM COVID-19:**

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID-19) on February 11, 2020. In enforcing social distancing to contain the spread of the disease, our offices and client offices all over the world have been operating with minimal or no staff for extended periods of time. In keeping with its employee-safety first approach, the Company quickly instituted measures to trace all employees and be assured of their well-being.

Our teams reacted with speed and efficiency, and quickly leveraged technology to shift the workforce to an entirely new 'work-from-home' model. Proactive preparations were done in our work locations during this transition to ensure our offices and training centers were safe.

We have extended support to the employees impacted by this pandemic, including those who tested positive for COVID-19. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

**OPERATIONS REVIEW:**

The Company's total revenue from operations during the financial year ended 31st March, 2020 were Rs. 176.55 Lacs as against Rs. 246.18 Lacs of the previous year representing decrease of approximately about 28.00% over the

corresponding period of the previous year with total expenses of Rs. 149.35 lacs (previous year of Rs. 218.91 lacs). The Company has made Net Profit of Rs.20.09 Lacs as against Rs. 19.97 Lacs of the previous year after considering Depreciation and Provision for Tax and other adjustments representing an increase of approximately about 0.61% over the corresponding period of the previous year.

The EPS of the Company for the year 2019-20 is Rs. 0.19.

**DIVIDEND:**

No dividend has been recommended in respect of the financial year ended 31st March, 2020 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

**TRANSFER TO RESERVES**

The Company has not transferred any amount to reserves during the year.

**SHARE CAPITAL**

During the year under review, there is no change in the paid up share capital of the Company. Further, the paid up share capital of the Company as on March 31, 2020 is Rs. 10,40,09,000.

**STATE OF COMPANY AFFAIRS**

During the year under review, company made Total Income of Rs. 17,654,666/- as against Rs. 24,617,777/- in the previous year. The company has made profit before Interest, Depreciation, Finance Cost and Tax of Rs. 2,722,357/- against profit of Rs. 2,730,271/- in the previous year in the financial statement.

Your Company made net profit of Rs. 2,009,281/- against profit of Rs. 1,997,158/- in the previous year -in the financial statement.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AND CHANGE IN NATURE OF THE BUSINESS**

The outbreak of Coronavirus ( COVID -19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption, unavailability of personnel, closure / lockdown of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 3, 2020 to prevent community spread of COVID-19 in India resulting in significant reduction in economic activities due to such material changes that has affect the financial position of the Company.

**LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to BSE where the Company's Shares are listed.

**DEPOSITS**

During the year under review, the Company has neither invited nor accepted any deposits from the public under Section 76 and Chapter V of the Companies Act, 2013 and rules made thereunder.

**SUBSIDIARY, JOINT VENTURE (JV) AND ASSOCIATES COMPANIES**

During the year under review, the Company does not have any Subsidiary, Joint Venture (JV) or Associates Company.

**BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNELS**

Mr. Shetal Shah, Chairman and Managing Director of the Company. A brief resume of Mr. Shetal Shah, being the Managing Director, is given in the section on "Report on Corporate Governance" forming part of this Annual Report. Mr. Shetal Shah is a Key Managerial Personnel of the Company in terms of Section 203(1) of the Companies Act, 2013.

Mr. Satish Shah, Chief Financial Officer of the Company, A brief resume of Mr. Satish Shah is given in the section on "Report on Corporate Governance" forming part of this Annual Report. Mr. Satish Shah is a Key Managerial Personnel of the Company in terms of Section 203(1) of the Companies Act, 2013.

Mr. Vishal Shah holds office as an Non-Executive Director and Non Independent Director of the Company, retire by rotation at the conclusion of this Annual General Meeting and being eligible offer himself for re-appointment. A brief resume of Mr. Vishal Shah is given in the section on "Report on Corporate Governance" forming part of this Annual Report.

Mr. Vijay Shah holds office as an Non-Executive and Independent Director of the Company, and is eligible for appointment as a Director who is not liable for retirement by rotation for a period of 5 years. A brief resume of Mr. Vijay Shah is given in the section on "Report on Corporate Governance" forming part of this Annual Report.

Mrs. Lilaben Ageja holds office as an Non-Executive and Independent Director of the Company, and is eligible for appointment as a Director who is not liable for retirement by rotation for a period of 5 years. A brief resume of Mrs. Lilaben Ageja is given in the section on "Report on Corporate Governance" forming part of this Annual Report.

Mr. Shetal Shah, Chairman and Managing Director and Mr. Satish Shah, Chief Financial Officer and Ms. Shikha Bajaj, Company Secretary & Compliance Officer of the Company are the Key Managerial Personnel in terms of Section 203(1) of the Companies Act, 2013.

As on date of this Report, the Board of Directors of the Company comprised of Four Directors, one of whom is the Chairman & Managing Director. The remaining Three Directors comprises of one who is a Non-Executive and Non-Independent Director, Two Director Non-Executive and Independent Directors.

#### **DECLARATIONS OF INDEPENDENT DIRECTORS**

The Company has received declaration pursuant to Section 149(7) of the Companies Act, 2013 from each of its Non-Executive and Independent Directors to the effect that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, Regulation 16(1)(b) and Regulation 25 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations"). These declarations have been placed before and noted by the Board.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors to the best of its knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts for the financial year ended on March 31, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) They have selected 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 March 31, 2020 and of the profit and loss of the Company for that period;
- (c) They have taken proper and sufficient care 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) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **NUMBER OF MEETINGS OF THE BOARD**

During the year under review, Regular Board Meetings are held once in a quarter, inter-alia, to review the quarterly results of the Company. During the year under review 4 (Four) Board Meetings were convened and held on 22.05.2019, 14.08.2019, 24.10.2019, and 11.12.2020. The intervening gap between the two meetings was within the period prescribed under the Companies Act, 2013. The details of the meetings of the Board of Directors are given in the section on "Report on Corporate Governance" forming part of this Annual Report.

#### **POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION**

The Company has formed Nomination and Remuneration Committee which has framed Nomination and Remuneration Policy. The Committee reviews and recommend to the Board of Directors about remuneration for Directors and Key Managerial Personnel and other employee up to one level below of Key Managerial Personnel. The Company does not pay any remuneration to the Non-Executive Directors of the Company other than sitting fee for attending the Meetings of the Board of Directors and Committees of the Board. Remuneration to Executive Directors is governed under the relevant provisions of the Act and approvals.

The Company has devised the Nomination and Remuneration Policy for the appointment, re-appointment and remuneration of Directors, Key Managerial. All the appointment, re-appointment and remuneration of Directors and Key Managerial Personnel are as per the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Policy is also available on the website of the Company [www.sawacabusiness.com](http://www.sawacabusiness.com) CODE OF CONDUCT

For Board of Directors and Senior Management Group. The Board of Directors of the Company has laid down a code of conduct for all the Board Members and Senior Management Group of the Company. The main object of the Code is to set a benchmark for the Company's commitment to values and ethical business conduct and practices. Its purpose is to conduct the business of the Company in accordance with its value systems, fair and ethical practices, applicable laws, rules and regulations. Further, the Code provides for the highest standard of professional integrity while discharging the duties and to promote and demonstrate professionalism in the Company.

All the Board Members and Senior Management Group of the Company have affirmed compliance with the code of conduct for the financial year ended on March 31, 2020 as required by Regulation 26(3) of the Listing Regulations. A declaration signed by the Chairman & Managing Director to this effect is attached as a part of this Annual Report. The code of conduct is also available on the website of the Company [www.sawacabusiness.com](http://www.sawacabusiness.com)

**FOR PREVENTION OF INSIDER TRADING**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 came into effect from May 15, 2015 to put in place a framework for prohibition of insider trading in securities and to strengthen the legal framework thereof. Pursuant to Regulation 8 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("Code of Fair Disclosure") of the Company. The Code of Fair Disclosure is available on the website of the Company [www.sawacabusiness.com](http://www.sawacabusiness.com)

Further, pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated and adopted the Code of Conduct for Prevention of Insider Trading. The Code lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company and cautioning them on the consequence of non-compliances. The Company Secretary has been appointed as a Compliance Officer and is responsible for monitoring adherence to the Code. The code of conduct to regulate, monitor and report trading by insiders is also available on the website of the Company [www.sawacabusiness.com](http://www.sawacabusiness.com)

**VIGIL MECHANISM**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct. Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company [www.sawacabusiness.com](http://www.sawacabusiness.com).

**BOARD EVALUATION:**

Pursuant to the provisions of Sections 178(2) of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the Nomination and Remuneration Committee / Board has carried out evaluation of the performance of the Board, its Committees and Independent Directors. A structured evaluation feedback form was prepared after taking into consideration the inputs received from the Directors, covering various aspects such as board composition, flow of board process, information and functioning, establishment and determination of responsibilities of Committees, and quality of relationship between the Board and the management. The performance of Individual Directors and the Board Chairman was also carried out in terms of attendance, contribution at the meetings, circulation of sufficient documents to the Directors, timely availability of the agenda, etc. Further, pursuant to Schedule IV of the Companies Act, 2013, the performance evaluation of the Independent Directors was carried out by the entire Board of Directors of the Company, except the one being evaluated.

**REMUNERATION RATIO OF THE DIRECTORS/KEY MANAGERIAL PERSONNEL (KMP)/EMPLOYEES:**

The performance evaluation of the Independent Directors was completed. According to Schedule IV of the Companies Act, 2013 and the Rules there under mandate that the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the Management. Even before the Companies Act, 2013 came into effect; our Board's policy mandated periodic meetings attended exclusively by the independent directors. At such meetings, the independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman.

Considering the lockdown imposed in India due to the current pandemic situation across the world, the independent directors may not have adequate time and information at hand to convene such independent director meeting. Further, in the light of social distancing measures recommended by the Indian Government, the independent directors of the Company were not being able to hold such meetings physically before 31 March 2020. In these circumstances, the MCA has clarified that if, the independent directors are not able to hold at least one independent director meeting during the financial year 2019-20, the MCA will not view it as a non-compliance of the statutory provisions through the amendment made in the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 (Amended Meeting Rules).



**COMMITTEES OF THE BOARD OF DIRECTORS**

Your Company has several Committees which have been established as part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board of Directors:

- Audit Committee
- Stakeholder's Grievances and Relationship Committee
- Nomination and Remuneration Committee
- Executive Committee
- Transfer Committee

The details with respect to the compositions, powers, terms of reference and other information of relevant committees are given in details in the Corporate Governance Report which forms part of this Annual Report.

**RISK MANAGEMENT POLICY**

The Company is aware of the risks associated with the business. It regularly analyses and takes corrective actions for managing/ mitigating the same.

The Company has framed a formal Risk Management Framework for risk assessment and risk minimization which is periodically reviewed to ensure smooth operation and effective management control. The Audit Committee also reviews the adequacy of the risk management framework of the Company, the key risks associated with the business and measure and steps in place to minimize the same.

**POLICY FOR PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE**

Your Directors state that during the year under review, there were no complaints reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**BOARD DIVERSITY**

None of the Directors of the Company is disqualified for being appointed as Director as specified in Section 164(2) of the Companies Act, 2013.

**STATUTORY AUDITORS**

The Company at its Annual General Meeting held on 30th September, 2015 had appointed M/s. M A A K & Associates, Chartered Accountants, Ahmedabad [FRN No. 135024W] (previously known as M/s. Marmik G. Shah & Associates) as the Statutory Auditors for a term of five consecutive years from the conclusion of the Twenty-first Annual General Meeting to the conclusion of the Twenty-Sixth Annual General Meeting subject to ratification of their appointment by the members every year. Further, the first term of the appointment of Statutory Auditors expires at the conclusion of Twenty-Sixth Annual General Meeting.

Accordingly, in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the present Statutory Auditors of the Company, M/s. M A A K & Associates, would hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their willingness to be reappointed for a further term.

In terms of the provisions of Section 139 (2) (b) of the Companies Act, 2013, an Audit Firm can be appointed for two terms of five consecutive years each. The Board of Directors at its meeting held 25th August, 2020, after considering the recommendations of the Audit Committee, had recommended the re-appointment of M/s. M A A K & Associates (previously known as M/s. Marmik G. Shah & Associates), as the Statutory Auditors of the Company, for approval of the Members, to hold office for a period of five consecutive years, from the conclusion of the ensuing Thirty-Sixth Annual General Meeting until the conclusion of Thirty-First Annual General Meeting to be held in the calendar year 2025.

M/s. M A A K & Associates has submitted their confirmation to the effect that they continue to satisfy the criteria provided in Section 141 of the Companies Act, 2013 and that their appointment is within the limits prescribed under Section 141(3)(g) of the Act. Members are requested to ratify their appointment as the Statutory Auditors of the Company and to fix their remuneration.

The eligibility certificate pursuant to Section 141 of the Companies Act, 2013 and the rules made there under is also received from the Statutory Auditors of the Company.

The Standalone Auditors' Report for the financial year ended on March 31, 2019 has been provided in "Financial Statements" forming part of this Annual Report.

The report of the Statutory Auditor does not contain any qualification, reservation, adverse remark or disclaimer. The observations made in the Auditor's Report are self-explanatory and therefore do not call for any further comments.

**INTERNAL AUDITORS:**

M/s. Shridhar Shah & Co. has been appointed on 22/05/2019 as the internal auditor of the company for the Financial Year 2019-20 and continues until resolved further. Internal Auditors are appointed by the Board of Directors of the Company on a yearly basis, based on the recommendation of the Audit Committee. The Internal Auditor reports their findings on the Internal Audit of the Company, to the Audit Committee on a quarterly basis. The scope of internal audit is approved by the Audit Committee.

**SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013 and rules made there under, the Company has appointed M/s. Mukesh H. Shah & Co., Company Secretaries as Secretarial Auditor of the Company for the financial year ended on March 31, 2020. The Secretarial Audit Report for the financial year ended on March 31, 2020 is attached as Annexure –I to the Directors' Report and forming part of this Annual Report.

**DIRECTORS' RESPONSE ON AUDITORS' QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMER MADE**

1. There is a no qualification of Disclaimer of Opinion in the Auditor's Report on the Financial Statements to the shareholders of the Company made by the Statutory Auditors in their Auditors

**EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92 of the Companies Act, 2013 and rules made thereunder, the extract of the Annual Return in the prescribed Form MGT – 9 is attached as Annexure –II to the Directors' Report and forming part of this Annual report. The same has been disclosed on the website of the company at [www.sawacabusiness.com](http://www.sawacabusiness.com).

**CORPORATE GOVERNANCE REPORT:**

Pursuant to the Regulation 34(3) read with Schedule V Part C of the Listing Regulations, a "Report on Corporate Governance" is given separately, forming part of this Annual Report. Pursuant to Regulation 34(3) read with Schedule V, Part E of the Listing Regulations, the Certificate from M/s. M A A K & Associates, Chartered Accountants, Ahmedabad confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report forming part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to the Regulation 34(2)(e) read with Schedule V, Part B of the Listing Regulations, "Management Discussion & Analysis" is given separately forming part of this Annual Report.

**PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT**

Pursuant to Section 186 of the Companies Act, 2013 and the rules made thereunder, particulars of loans given, investments made or guarantee given or security provided, have been provided in "Financial Statements" forming part of this Annual Report.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

Pursuant to the provision of Section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties falling within the scope of Section 188(1) of the Companies Act, 2013 given in prescribed Form AOC-2 is attached as Annexure –III to the Directors' Report and forming part of this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY**

As the Company does not fall under the mandatory bracket of Corporate Social Responsibility, the Company has not taken any initiative on Corporate Social Responsibility.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Your Company has laid down the set of standards, processes and structure which enables to implement internal financial control across the Organization and ensure that the same are adequate and operating effectively. To maintain the objectivity and independence of Internal Audit, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies of the Company. Based on the report of Internal Auditor, the process owners undertake the corrective action in their respective areas and thereby strengthen the Control. Significant audit observation and corrective actions thereon are presented to the Audit Committee of the Board.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

**Remuneration Ratio of Directors/ KMP/ Employees:**

Name	Designation	Remuneration Paid		Increase in remuneration from previous year
		FY 2019-20 (Rs.)	FY 2018-19 (Rs.)	
Shetal Shah	CMD	660000	480000	180000
Satish Shah	CFO	660000	480000	180000
Ms. Shikha Bajaj	CS	168000	70000	0

The particulars of the employees who are covered by the provisions contained in Rule 5(2) and rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

Employed throughout the year : 09 (Nine)

Employed for part of the year : 01 (One)

The number of permanent employees on the rolls of Company as on 31 March, 2020:09 (Nine)

The remuneration paid to all Key management Personnel was in accordance with remuneration policy adopted by the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

In view of the nature of activities which are being carried on by the Company, the particulars as prescribed under Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Conservation of Energy, Technology Absorption and Research and Development are not applicable to the Company.

During the Year Company used foreign exchange and earned foreign exchange amounting is NIL.

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

During the year under review, there were no significant and/or material orders passed by any Court or Regulator or Tribunal, which may impact the going concern status or the Company's operations in future.

**BUSINESS RESPONSIBILITY REPORT**

Pursuant to Regulation 34(2)(f) of the Listing Regulations read with notification SEBI/LAD-NRO/GN/2015-16/27 dated December 22, 2015, the Business Responsibility Report is to be given only by top 500 listed companies based on market capitalization, therefore the same is not applicable to the Company as on March 31, 2020.

**ACKNOWLEDGMENTS**

The **Board of Directors** greatly appreciates the commitment and dedication of employees at all levels who have contributed to the growth and success of the Company. We also thank all our clients, vendors, investors, bankers and other business associates for their continued support and encouragement during the year.

We also thank the Government of India, Government of Gujarat, Ministry of Commerce and Industry, Ministry of Finance, Customs and Excise Departments, Income Tax Department and all other Government Agencies for their support during the year and look forward to their continued support in future.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**SHETAL SHAH**  
MANAGING DIRECTOR  
(DIN: 02148909)

**VISHAL SHAH**  
DIRECTOR  
(DIN: 02148899)

PLACE : AHMEDABAD  
DATE : 25.08.2020

## ANNEXURE I

## SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[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,  
**SAWACA BUSINESS MACHINES LIMITED**  
45, Chinubhai Tower,  
Opp. Handloom House, Ashram Road,  
Ahmedabad -380009

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sawaca Business Machines Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to me and the representations made by the management, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020, generally complied with the statutory provisions listed hereunder 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:

I have examined the books, papers, minute books, forms and returns filed and maintained by the Company for the financial year ended on 31st March, 2020 and made available to me according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under as applicable;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made there under;
- (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 there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) 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 as amended from time to time;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the audit period)**;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the audit period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008 **(Not applicable to the Company during the audit period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies 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 audit period)**; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company are:
- (a) Payment of Wages Act, 1936, and rules made there under;
- (b) Prevention of Money Laundering act, 2002

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
- (ii) The provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the all material aspects of applicable provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I further report that:**

- a) The Compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial auditor and other designated professionals.
- b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes if any 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.
- c) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent 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.
- d) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I 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, and regulations and guidelines.

For, **MUKESH H. SHAH & CO.**  
Company Secretaries

Place: Ahmedabad  
Date : 24.08.2020  
UDIN NO: F005827B000610629

Sd/-  
[MUKESH H. SHAH]  
PROPRIETOR  
CP. NO. 2213

**Note:** This 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.

Due to restricted movement amid COVID-19 pandemic, I have conducted the Secretarial audit by examining the secretarial records including Minutes, Documents, Registers and other records, etc., some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to me are the true and correct.

**ANNEXURE- A**

To the Members,  
**SAWACA BUSINESS MACHINES LIMITED**  
45, Chinubhai Tower,  
Opp. Handloom House, Ashram Road,  
Ahmedabad -380009

My secretarial audit report for the financial year 31st March, 2020 is to be read along with this letter.

**Management's Responsibility**

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.

**Auditor's Responsibility**

2. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis. My Responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. 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. I believe that Audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and books of account of the company.

**For, MUKESH H. SHAH & CO.**  
**Company Secretaries**

**Place: Ahmedabad**  
**Date : 24.08.2020**  
**UDIN NO. F005827B000610629**

**Sd/-**  
**[MUKESH H. SHAH]**  
**PROPRIETOR**  
**CP. NO. 2213**

## ANNEXURE II

## FORM NO. MGT 9

EXTRACT OF THE ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014.

## I. REGISTRATION &amp; OTHER DETAILS:

i	CIN	L65910GJ1994PLC023926
ii	Registration Date	20/12/1994
iii	Name of the Company	SAWACA BUSINESS MACHINES LIMITED
iv	Category/Sub-category of the Company	INDIAN NON-GOVERNMENT COMPANY
v	Address of the Registered office & contact details	45, CHINUBHAI TOWER, OPP. HANDLOOM HOUSE, ASHRAM ROAD, AHMEDABAD-380009, GUJARAT, INDIA. TEL NO. 079-26583309 E-MAIL ID : sawacabusiness@yahoo.com
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent.	BIGSHARE SERVICES PRIVATE LIMITED A-802 SAMUDRA COMPLEX, NEAR KLASSIC GOLD HOTEL, OFF. C G ROAD, AHMEDABAD-380009, GUJARAT PH. NO.: 079-40024135 EMAIL: bssahd@bigshareonline.com WEBSITE: www.bigshareonline.com

## 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:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	MIXTURE OF AROMATIC CHEMICALS	46691	100%

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	NOT APPLICABLE				

## IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)

## i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year(01-04-2019)				No. of Shares held at the end of the year(31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	3391097	0	3391097	32.60	3391097	0	3391097	32.60	0
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporates	0	0	0	0	0	0	0	0	0
d) Bank/FI0	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>3391097</b>	<b>0</b>	<b>3391097</b>	<b>32.60</b>	<b>3391097</b>	<b>0</b>	<b>3391097</b>	<b>32.60</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>3391097</b>	<b>0</b>	<b>3391097</b>	<b>32.60</b>	<b>3391097</b>	<b>0</b>	<b>3391097</b>	<b>32.60</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	3250	0	3250	0.03	0.03
c) Central govt.	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3250</b>	<b>0</b>	<b>3250</b>	<b>0.03</b>	<b>0.03</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	353277	0	353277	3.40	271261	0	271261	2.61	-.79
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	3986364	23391	4009755	38.55	4008719	23731	4032450	38.77	0.22



## i. Category-wise Shareholding (Contd.....)

Category of Shareholders	No. of Shares held at the beginning of the year(01-04-2019)				No. of Shares held at the end of the year(31-03-2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2423775	0	2423775	23.30	2527192	0	2527192	24.30	0.99
c) Others (specify)									
i) Clearing Member	126745	0	126745	1.22	78294	0	78294	0.75	-0.47
ii) HUF 71096	0	71096	0.68	71701	0	71701	0.69	-0.01	
iii) Foreign Individuals or NRI 24500	0	24500	0.24	25000	0	25000	0.24	0.00	
iv) Partnership Firm	655	0	655	0.01	655	0	655	0.01	0.00
<b>SUB TOTAL (B)(2):</b>	<b>6986412</b>	<b>23391</b>	<b>7009803</b>	<b>67.40</b>	<b>6982822</b>	<b>23731</b>	<b>7006553</b>	<b>67.37</b>	<b>-0.03</b>
<b>Total Public shareholding (B)= (B)(1)+(B)(2)</b>	<b>6986412</b>	<b>23391</b>	<b>7009803</b>	<b>67.40</b>	<b>6986072</b>	<b>23731</b>	<b>7009803</b>	<b>67.40</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>10377509</b>	<b>23391</b>	<b>10400900</b>	<b>100</b>	<b>10377169</b>	<b>23731</b>	<b>10400900</b>	<b>100</b>	<b>0</b>

## ii. Shareholding of Promoters

Sr. 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.	Mr. Satish R. Shah	1593189	15.32	0	1593189	15.32	0	0
2.	Mr. Shetal S. Shah	860600	8.27	0	860600	8.27	0	0
3.	Mr. Vishal S. Shah	650000	6.25	0	650000	6.25	0	0
4.	Mrs. Jyotsna S. Shah	191000	1.84	0	191000	1.84	0	0
5.	Mr. Yatin G. Shah	96308	0.93	0	96308	0.93	0	0
	<b>Total</b>	<b>3391097</b>	<b>32.60</b>	<b>0</b>	<b>3391097</b>	<b>32.60</b>	<b>0</b>	<b>0</b>

## iii. Change in Promoters' Shareholding (SPECIFY IF THERE IS NO CHANGE)

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year	
		No. of Shares	% of total Shares	No. of Shares	% of Total Shares
1	At the beginning of the year	3391097	32.60	3391097	32.60
2	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
3	At the end of the year	3391097	32.60	3391097	32.60

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

Sr. No.	Particulars	Shareholding at the beginning of the year		Change in Share holding during the year		Share holding at the end of the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares
1	ISLAMMUDDIN KHAN	135212	1.30	84788	0.82	220000	2.12
2	DEPUTY DIRECTOR (PMLA) DIRECTORATE OF ENFORCEMENT AHMEDABAD	146738	1.41	0	0	146738	1.41
3	KISHOR PRAVINCHANDRA PARIKH	61537	0.59	45000	0.42	106537	1.02
4	HARITHA KASHI REDDY	100000	0.96	0	0	100000	0.96
5	RADHA RANI CHOUDHARY	0	0	100000	0.96	100000	0.96
6	BALA SAMBASIVARAO SIKHAKOLI	98047	0.94	0	0	98047	0.94
7	VIJAY VELICHERA	85000	0.82	0	0	85000	0.82
8	DINERO PROPBUILD PRIVATE LIMITED	74000	0.71	0	0	74000	0.71
9	PUSHPA KISHOR PARIKH	72911	0.70	0	0	72911	0.70
10	PRAKASH RANJAN THAKUR	70000	0.67	0	0	70000	0.67
11	KARTHIK GOPALAKRISHNAN .	66106	0.64	0	0	66106	0.64
12	KAMLESH RAMANLAL PATEL	60000	0.58	0	0	60000	0.58

## v. Shareholding of Directors &amp; KMP

Sr. No.	Particulars	Shareholding at the beginning of the year		Change in Share holding during the year		Share holding at the end of the year	
		No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares
1.	Mr. Satish R. Shah – CFO	1593189	15.32	0	0.00	1593189	15.32
2.	Mr. Shetal S. Shah - CMD	860600	8.27	0	0.00	860600	8.27
3.	Mr. Vishal Shah–Director	650000	6.25	0	0.00	650000	6.25
4.	Mr. Vijaybhai Shah- Director	0	0.00	0	0.00	0	0.00
5.	Mrs. Lilabenagaja	0	0.00	0	0.00	0	0.00
6.	Ms. Shikha Bajaj – CS & Compliance officer	0	0.00	0	0.00	0	0.00

## vi. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	0	0	0	0
Reduction	0	0	0	0
Net Change	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER :

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
1	Gross salary	Mr. Shetal Shah	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	Rs. 660000.00	Rs. 660000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2	Stock option		
3	Sweat Equity		
4	Commission		
	as % of profit		
	others (specify)		
5	Others, please specify		
	<b>Total (A)</b>	<b>Rs. 660000.00</b>	<b>Rs.660000.00</b>
	<b>Ceiling as per the Act</b>		

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No.	Particulars of Remuneration	Name of Directors		Total Amount
		Mrs. Lilaben	Mr. Vijay Shah	
<b>1.</b>	<b>Independent Directors</b>			
	• Fee for attending board committee meetings			
	• Commission			
	• Others, please specify	0	0	0
	<b>Total(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>	<b>Mr. Vishal Shah</b>		
	• Fee for attending board committee meetings	0		0
	• Commission			
	• Others, please specify			
	<b>Total(2)</b>	<b>0</b>		<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>		<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>0</b>		<b>0</b>
	<b>Overall Ceiling as per the Act.</b>			

**C. REMUNERATION TO KEYMANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SR. No.	Particulars of Remuneration	Key Managerial Personnel			TOTAL
		CEO/MD	COMPANY SECRETARY	CFO	
1.	Gross Salary	Mr.Shetal Shah*	Ms.Shikha Bajaj	Mr.Satish Shah	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	168000	660000	828000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2.	Stock Option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5.	Others, please specify	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>168000</b>	<b>660000</b>	<b>828000</b>

\* MD also acts as CEO hence not given here.

## viii. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type		Section of the companies Act/Listing Agreement	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /Court]	Appeal made. If any (give details)
<b>A.</b>	<b>Company</b>					
	Penalty	-	-	0	-	-
	Punishment	-	-	0	-	-
	Compounding	-	-	0	-	-
<b>B.</b>	<b>Directors</b>					
	Penalty	-	-	0	-	-
	Punishment	-	-	0	-	-
	Compounding	-	-	0	-	-
<b>C.</b>	<b>Other Officers in Default</b>					
	Penalty	-	-	0	-	-
	Punishment	-	-	0	-	-
	Compounding	-	-	0	-	-

## ANNEXURE III

## FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NA
b)	Nature of contracts/arrangements/transaction	NA
c)	Duration of the contracts/arrangements/transaction	NA
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
e)	Justification for entering into such contracts or arrangements or transactions'	NA
f)	Date of approval by the Board	NA
g)	Amount paid as advances, if any	NA
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

2. Details of contracts or arrangements or transactions at Arm's length basis.

No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr. Satish Shah Promoter and CFO
b)	Nature of contracts / arrangements / transaction	Rent
c)	Duration of the contracts / arrangements / transaction	3year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 240,000 /- PA
e)	Date of approval by the Board	22-05-2019.
f)	Amount paid as advances, if any	NIL

Place : Ahmedabad

Date : 25/08/2020

For and on behalf of the Board  
For, SAWACA BUSINESS MACHINES LIMITED

[SHETAL SHAH]  
DIN: 02148909  
Managing Director

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY :**

Sawaca Business Machines Limited believes in adopting "best practices" followed in the area of Corporate Governance. The Company emphasis and aims in achieving highest standards in Corporate Governance by creating professional beliefs and values, timely disclosures, transparent accounting policies, responsibility and fairness in all its operations and business. Its endeavor is to maximize the long term value of the stakeholders of the Company and to protect the interests of its stakeholders.

The Company has made disclosures under this part as per the Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, (hereinafter referred as "Listing Regulations") which came into effect from December 1, 2015.

**2. BOARD OF DIRECTORS :**

The Board of Directors comprises of Four Directors as on March 31, 2020 out of which One is Executive Directors and Three Non-Executive Directors including two Independent Directors. The composition of the Board is in consonance with the provisions of the Companies Act, 2013 (the "Act") and Regulation 17(1) of the Listing Regulations.

Name of the Directors	Category	Designation
Mr. Shetal Shah	Executive Director	Chairman & Managing Director
Mr. Vishal Shah	Non-Executive and Non-Independent Director	Director
Mrs. Leela K. Agaja	Non-Executive and Independent Director	Director
Mr. Vijay Shah	Non-Executive and Independent Director	Director

**Note:**

- All the Independent Directors have, in terms of Section 149(7) of the Act given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) and Regulation 25 of the Listing Regulations. These declarations have been placed before the Board.

**The details of number of other Directorships and Memberships / Chairmanships of Committees in various Companies held by the Directors are given as under:**

Name of the Directors	Category	Number of other Directorships and Committee Memberships/Chairmanships			
		Other Directorships	Other Chairmanships	Other Committee Memberships	Other Committee Chairmanships
Mr. Shetal Shah	Executive Director	-	-	-	-
Mr. Vishal Shah	Non-Executive and Non-Independent Director	-	-	-	-
Mrs. Leela K. Agaja	Non-Executive and Independent Director	-	-	-	-
Mr. Vijay Shah	Non-Executive and Independent Director	-	-	-	-

**Notes :**

- The number of other Directorships and Committee Memberships/Chairmanships excludes Directorships and Committee Memberships/Chairmanships held in the Company, private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act. Further, it includes only the Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee.
- All the Directors meet the criterion laid down in the Act and the Listing Regulations, vis-à-vis, independence, number of directorship in other companies, Memberships/ Chairmanships of committees across all public companies in which he is a Director. Necessary disclosures in this respect as on March 31, 2020 have been made by the Directors.
- Except for Mr. Shetal Shah and Mr. Vishal Shah, who are related to each other as brothers, none of the other Directors are related to any other Director on the Board in terms of definition of 'relative' as per the Act.

**Board Procedure & Board Meetings :**

The annual calendar of meeting is agreed upon well in advance after consulting all the Directors. Board Meetings are held once in every quarter. In addition to this, Board Meetings are convened to transact special businesses, as and when necessary. The meetings are governed by a detailed agenda. All major issues included in the agenda are backed up by comprehensive background information to enable the Board to take informed decisions.

The agenda papers, containing detailed notes on various agenda items and other information, which would enable the Board to discharge its responsibilities effectively, are circulated in advance to the Directors. The Board is briefed on all the matters of the Company at its meeting.

**Number of Board Meetings held and the dates on which they are held.**

There were five meetings of the Board of Directors held during the financial year ended on March 31, 2020, i.e., 22.05.2019, 14.08.2019, 24.10.2019, and 11.02.2020. The gap between the Board meetings was in compliance with the provisions contained in the Act, the Listing Regulations and the Secretarial Standard which are notified.

The details regarding the total Board Meeting held, attendance of each Director at the Board meetings and the last Annual General Meeting during the financial year ended on March 31, 2020 is given below:

Name of the Directors	Designation Meetings Held	No. of Board Meetings held	No. of Board Meetings attended	Attendance at Last AGM
Mr. Shetal Shah	Executive Director	4	4	YES
Mr. Vishal Shah	Non-Executive and Non-Independent Director	4	4	YES
Mrs. Leela K. Agaja	Non-Executive and Independent Director	4	4	YES
Mr. Vijay Shah	Non-Executive and Independent Director	4	4	YES

**BRIEF PROFILE OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT :**

Pursuant to Regulation 36(3) of the Listing Regulations:

**Mr. Shetal Shah - Chairman & Managing Director**

Mr. Shetal Shah, aged about 43 years, is currently the Chairman and Managing Director of Sawaca Business Machines Limited. He was appointed as Managing Director of our Company on March 27, 2015. He is a Bachelor of Commerce degree from Gujarat University, Ahmedabad. His vision is to make Sawaca India's most admired Trading company. He likes to focus on people, entrepreneurship and management quality. He would like to add value to the lives of people in the world through his business and to contribute to the society by creating opportunities for people in the fields of sports and culture.

The success of a visionary can only be realized through rightly placed operations. And that's exactly what Mr. Shetal Shah is. He has vast experience in various leadership roles across functions including Service Delivery, Presales, and Business Operations & Relationship Management. He played a pivotal role in redefining the strategic business plan that involved defining the Go-to-market strategy covering focus sectors, offerings, partners and regions. In his current role, He is responsible for leading strategic initiatives related to the markets and striking strategic engagements with key partners and large businesses.

He is not holds other Directorships held in the other Company, private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act.

He is not holding Committee Memberships/ Chairmanships in any other companies.

He holds 860600 equity shares of the Company in his individual capacity as on March 31, 2020.

**Mr. Satish Shah – Chief Financial Officer :**

Mr. Satish Shah, aged about 63 years, holds a Bachelor of Commerce degree from Gujarat University, Ahmedabad. He was appointed as a Chief Financial Officer (CFO) from February 10, 2016. He has around 32 years of experience in the Trading industry. He has expertise in finance, sales and marketing network across key international markets.

Sawaca has achieved significant milestones. Expansion into the regulated markets under his leadership. Apart from work, Satish likes to read books on entrepreneurship and management, is a car & technology freak, and holds a deep interest in old music and watching Movies .He is actively participate in Social Services.

He does not hold other Directorships held in the other Company, private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act.

He is not holding Committee Memberships/ Chairmanships in any other companies.

He holds 1593189 equity shares of the Company in his individual capacity as on March 31, 2020.



**Mr. Vishal Shah –Non-Executive and Non-Independent Director**

Mr. Vishal Shah is currently working as Additional Non-Executive and Non-Independent Director of the Company. Mr. Vishal Shah, aged about 42 years, holds Masters in Business Administration from Gujarat University, Ahmedabad. He has 13 years of experience in Trading Industry, with specific focus on the Float Glass Products. He has handled various functions during his tenure including International and India Sales, Business Development, Technical and Supply Chain Management, among others. Apart from this, he has played major role in various Corporate Strategic Initiatives which Sawaca has taken up from time to time.

He joined the company to share his vision and experience. He leads the team at Sawaca and looks after marketing of Projects. His outspoken skills and dynamic skills will benefit the company in all ways.

He is not holds other Directorships held in the other Company, private limited companies, foreign companies, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Act.

He is not holding Committee Memberships/ Chairmanships in any other companies.

He holds 650000 equity shares of the Company in his individual capacity as on March 31, 2020.

Number of Shares and Convertible Instruments held by Non-Executive Directors

There are no convertible instruments outstanding as at March 31, 2020. The details regarding the number of shares held directly by the Non-Executive Directors as on March 31, 2020 is given below:

Name of the Directors	Designation	No. of Equity Shares held as on March 31, 2020
Vijay C. Shah	Non-Executive and Independent Director	Nil
Leela K. Agaja	Non-Executive and Independent Director	Nil

**FAMILIARIZATION PROGRAMMES :**

Pursuant to Regulation 25(7) of the Listing Regulation, suitable training to Independent Directors was provided by the Company to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The familiarization programme was amended by the Company pursuant to Regulation 25(7) of the Listing Regulations by the Board of Directors in its meeting held on 11th February, 2020. Pursuant to Regulation 46(2) of the Listing Regulations, the above details are also available on the [www.sawacabusiness.com](http://www.sawacabusiness.com).

**SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS**

Core skills/expertise/competence required by the Board (as identified by the Board) for efficient functioning of the Company in the present business environment and those skills/expertise/competence actually available with the Board are as follows:-

On the basis of the above-mentioned skill matrix, the skills which are currently available with the Board are as under:-

Name of Directors	Understanding of business industry	Critical and innovative thoughts	Strategy and Strategic planning	Financial understanding	Market understanding	Risk and compliance oversight
Mr. Shetal Shah	v	v	v	v	v	v
Mr. Vishal Shah	v	v	v	v	v	v
Mrs. Leela K. Agaja	v	v	v	v	v	v
Mr. Vijay Shah	v	v	v	v	v	v

**BOARD INDEPENDENCE**

Four Directors out of two Directors of the Company are Independent Directors as per the criteria specified in the Listing Regulations and the Companies Act, 2013 (As amended). All Independent Directors make annual disclosure of their Independence to the Company. None of the Independent Directors has any material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving sitting fee and commission as an Independent Director. Further, no Independent Director has resigned before the expiry of the tenure during the year. In opinion of the Board of Director of the Company, the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the Management.

During the year under review, 1 Independent Directors i.e. Mrs. Leelaben Agaja was re-appointed for the second term of 5 year w.e.f. 26th Annual General Meeting

**3. COMMITTEES OF THE BOARD:**

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review.

**(a) Audit Committee :**

Apart from all the matters provided in 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and Finance & Accounts department are invited to the meetings of the Audit Committee.

**Composition and Attendance:**

The Audit Committee comprises of three (3) Directors and Two are Non-Executive and Independent Directors and One director is Non-Executive and Non-Independent Director. The Chairman of the Audit Committee is a Non-Executive and Independent Director. The Constitution of the Committee meets the requirements of Section 177 of the Companies Act, 2013 as well as Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Statutory Auditors and Internal Auditors attend the meetings by invitation. Mr. Vijay C. Shah, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

During the year the Audit Committee met 4 times on 22.05.2019, 14.08.2019, 24.10.2019, and 11.02.2020. and attendance of the members as under:

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Mr. Vijay C. Shah	Chairman	Non-Executive & Independent Director	4	4
Mrs. Leela K. Agaja	Member	Non-Executive & Independent Director	4	4
Mr. Vishal S. Shah	Member	Non-Executive & Non- Independent Director	4	4

The Committee is authorised by the Board of Directors in the manner as envisaged under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013. The Committee has been assigned task as listed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee reviews the information as listed under Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 177 of the Companies Act, 2013.

Apart from all the matters provided in 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act 2013, the Audit committee reviews reports of the internal auditor, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the company. The Chief Financial Officer, representatives of Statutory Auditors, Internal Auditor and Finance & Accounts department are invited to the meetings of the Audit Committee.

**The scope of the Audit Committee includes:**

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of statutory auditor and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013,
  - b) Changes, if any, in accounting policies and practices and reasons for the same,
  - c) Major accounting entries involving estimates based on the exercise of judgment by management,
  - d) Significant adjustments made in the financial statements arising out of audit findings,
  - e) Compliance with listing and other legal requirements relating to financial statements,
  - f) Disclosure of any related party transactions,
  - g) Modified opinion(s) in the draft audit report
5. Reviewing with the management, the quarterly financial statements before its submission to the Board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
  7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
  8. Approval of any subsequent modification of transactions of the Company with related parties
  9. Scrutiny of inter-corporate loans and investments;
  10. Valuation of undertakings or assets of the Company, wherever it is necessary;
  11. Evaluation of internal financial controls and risk management systems;
  12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  14. Discussion with internal auditors, any significant findings and follow up thereon;
  15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  16. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  18. To review the functioning of the Whistle Blower mechanism;
  19. Approval of appointment of CFO (i.e., the Whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

In addition to the areas noted above, Audit Committee looks into controls and security of the Company's internal control systems and internal audit reports.

The Committee Meetings were also attended by Internal Auditors, Statutory Auditors and Company Secretary who also acted as Secretary of the Committee.

A certificate from the Managing Director on the standalone financial statements and other matters of the Company for the financial year ended March 31, 2020 is also appended at the end of this Report.

The Chairman of the Audit Committee was present in the last Annual General Meeting to answer the shareholders' queries.

**(b) NOMINATION AND REMUNERATION COMMITTEE:**

The nomination & remuneration committee for appointment and remuneration of executive directors was constituted and consists of Non-executive Independent Directors and Non-executive and Non-independent which evaluates and finalizes among other things, compensation and benefits of the Executive Directors. The Constitution of the Committee meets the requirements of Section 178 of the Companies Act, 2013 as well as Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition and Attendance at the Nomination and Remuneration Committee Meetings:**

During the financial year, 4 (four) Nomination and Remuneration Committee Meetings were held as 22.05.2019, 14.08.2019, 24.10.2019, and 11.02.2020. The Committee reviews the information as listed under Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as under Section 178 of the Companies Act, 2013.

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Mr. Vijay C. Shah	Chairman	Non-Executive & Independent Director	4	4
Mrs. Leela K. Agaja	Member	Non-Executive & Independent Director	4	4
Mr. Vishal S. Shah	Member	Non-Executive & Non- Independent Director	4	4

**Terms of Reference:**

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal;
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, key managerial personnel and other employees;
- To formulate the criteria for evaluation of Independent Directors and the Board;
- To devise a policy on Board Diversity;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

**Performance evaluation criteria for Independent Directors**

In the Nomination and Remuneration Committee Meetings held on 11.02.2020, the Committee set criteria for evaluating performance evaluation of Independent Director pursuant to Section 178 of the Companies Act, 2013.

**REMUNERATION OF DIRECTORS:****Remuneration Policy:**

The Objective of Remuneration Policy is directed towards having the compensation structure that will reward and retain the talent.

The Company has adopted and implemented the provision of Section 178 of the Companies Act, 2013 on the requirement of the Committee to recommend to the Board a policy, relating to the remuneration of the Directors, Key management personnel and Senior Management.

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long term performance objectives appropriate to the working of the Company and its goal.

The remuneration levels are governed by industry pattern, qualification and experience of employee, responsibilities shouldered, individual performance and Company performance.

Mr. Vishal Shah Non-Executive Directors have pecuniary relationship or transaction with the Company. Company is not giving sitting fees for attending Meetings. The Company does not pay any severance fee and no stock option is available to the directors.

**(i) Disclosures with respect to Remuneration :**

The aggregate value of salary, perquisites, commissions, Performance incentive & Sitting fees paid for the year 2019-2020 to all the Directors are as follows.

**(Rs. in lacs)**

Name of Directors	Status Category	Sittings fees					Remuneration	Total
		BM	AC	SGEC	NRC	IDM	Fixed Salary	
Shetal Shah	ED	-	-	-	-	-	6.60	6.60
Vishal Shah	NED	-	-	-	-	-	-	-
Vijay Shah	NED & ID	-	-	-	-	-	-	-
Leela K. Agaja	NED& ID	-	-	-	-	-	-	-
<b>Total</b>		-	-	-	-	-	<b>6.60</b>	<b>6.60</b>

**Notes:-** BM- Board Meeting, AC- Audit Committee Meeting, SGRC- Shareholders Grievance and Relationship Committee Meeting, NRC- Nomination and Remuneration Committee Meeting. IDM- Independent Director Meeting. Fixed Salary includes Salary, Perks & Retirement Benefits.

**(c) STAKEHOLDERS' GRIEVANCES AND RELATIONSHIP COMMITTEE:****Composition and Attendance :**

The Stakeholders Relationship Committee met four times during the financial year ended on March 31, 2020, i.e. 22.05.2019, 14.08.2019, 24.10.2019, and 11.02.2020.

The details of composition of the Stakeholders Relationship Committee as well as the particulars of attendance by its members at the Stakeholders Relationship Committee meetings during the year are given below:

Name of the Director	Designation	Category	No. of Meeting attended	
			Held	Attended
Vijay C. Shah	Non-Executive & Independent Director	Chairman	4	4
Leela K. Agaja	Non-Executive & Independent Director	Member	4	4
Vishal S. Shah	Non-Executive & Non- Independent Director	Member	4	4

**Compliance Officer :**

Ms. Shikha Jagdish Bajaj Secretary & Compliance Officer.

**Details of Complaints for the During the year 2019-20.**

No.	Nature of Complaints	Received	Disposed	Pending
1.	Non-receipt of annual report	NIL	NIL	NIL
2.	SCORES (SEBI)	NIL	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

**(d) EXECUTIVE COMMITTEE**

Executive Committee comprises of three members namely; Mr. Shetal Shah, Mr. Vijay Shah and Mrs. Leela Agaja. The Committee looks after the businesses, which are administrative in nature and within the overall board approved directions and framework. The Committee also performs other activities as per the terms of reference of the Board. During the year, Executive Committee meets as per the business and administrative requirements.

**4. INDEPENDENT DIRECTOR'S MEETING :**

During the year, considering the lockdown imposed in India due to the current pandemic situation across the world, the independent directors may not have adequate time and information at hand to convene such independent directors meeting. Further, in the light of social distancing measures recommended by the Indian Government, the independent directors of the Company were not being able to hold such meetings physically

before 31 March 2020. In these circumstances, the MCA has clarified that if, the independent directors are not able to hold at least one independent director meeting during the financial year 2019-20, the MCA will not view it as a non-compliance of the statutory provisions through the amendment made in the Companies (Meetings of Board and its Powers) Amendment Rules, 2020 (Amended Meeting Rules).

#### 5. GENERAL BODY MEETINGS :

##### Location and time for the Annual General Meetings held in the last three financial years

Year	Date/Time	Venue	Special Resolution
2018-19	September 27,2019 12.00 noon	Shree Balaji Agora mall, 200 ft S.P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424,	1. To ratify / approve the material related party transactions.
2017-18	September 28,2018 12.00 noon	Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424,	1. To ratify / approve the material related party transactions.
2016-17	September 29,2017 12.00 noon	Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424,	1. To ratify / approve the material related party transactions.

#### 6. MEANS OF COMMUNICATION :

##### Results :

The quarterly, half-yearly and yearly unaudited/ audited financial results of the Company were published as per Regulation 33 of the Listing Regulations coming into effect from December 1, 2015. The unaudited / audited financial results are generally published in Western Times – English circulating in whole of Gujarat and Western Times – Gujarati (i.e. daily newspaper published in the language of the region where the registered office of the company is situated.).

#### 7. GENERAL SHAREHOLDERS INFORMATION :

Date of Incorporation of the Company	20th day of December, 1994
Financial year	April 1, 2019 to March 31,2020
Day, date and time of AGM	Wednesday, 30th September, 2020 at 12.00 Noon
Venue of Annual General Meeting	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
Cut-off date of AGM	22nd September, 2020

##### Name and Address of Stock Exchange where shares are listed :

BSE Limited, P. J. Towers, Dalal Street, Mumbai – 400 001.

##### Annual Listing Fees :

The listing fee for the financial year 2020-21 has been paid to the BSE Limited.

##### Stock Code :

- (a) Scrip code BSE Limited : 531893  
Scrip ID BSE Limited : SAWACA
- (b) Demat ISIN Numbers in NSDL & CDSL for Equity Shares : INE248B01015

**Monthly high / low stock quotations at BSE Limited for the Financial Year 2019-20**

Month	High Price (Rs)	Low Price (Rs)
April, 2019	1.82	1.54
May, 2019	1.51	1.40
June, 2019	1.43	1.42
July, 2019	1.36	0.70
August, 2019	0.69	0.56
September, 2019	0.62	0.51
October, 2019	0.64	0.59
November, 2019	0.70	0.62
December, 2019	1.27	0.71
January, 2020	1.05	0.95
February, 2020	1.00	0.
March, 2020	0.87	0.87

Total Equity Share Capital of the Company as on March 31, 2020 was 1,04,00,900 equity shares of Rs. 10/- each.

**Registrar and Transfer Agents :**

Members are requested to correspond with the Company's Registrar and Transfer Agents for all matters related to share transfers, dematerialization, complaints for non-receipt of refund order/dividends etc. at the following address:

**M/s. Bigshare Services Private Limited**

A-802 Samudra Complex, Near Klassic Gold Hotel,  
Off. C. G. Road, Ahmedabad-380009, Gujarat, INDIA  
Phone No.: 079-40024135  
Email: bssahd@bigshareonline.com  
Website: www.bigshareonline.com

**Share transfer system :**

The Company has a Registrar and Share Transfer Agent. Share transfers, if documents are found to be in order, are registered and Certificates are returned in the normal course within two weeks from the date of receipt of the documents. Request for dematerialisation of shares are processed and confirmation given to the respective depositories i.e., National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within seven days.

**Distribution of shareholding as on March 31, 2020**

No. of Equity Shares	No. of members	% of total members	No. of shares	% to total capital
Less than 500	3462	65.4195	580602	5.5822
501-1000	773	14.607	690520	6.639
1001-2000	482	9.1081	786865	7.5654
2001-3000	180	3.4014	482071	4.6349
3001-4000	82	1.5495	296966	2.8552
4001-5000	106	2.003	513583	4.9379
5001-10000	113	2.1353	842066	8.0961
10001 and above	94	1.7763	6208227	59.6893
<b>Total</b>	<b>5292</b>	<b>100.0000</b>	<b>10400900</b>	<b>100.0000</b>

**Shareholding Pattern as on March 31, 2020**

Category	No. of shares held	% of shareholding
Company Promoter / Promoter Group	3391097	32.60%
Financial Institutions / Banks	3250	0.03%
Foreign Portfolio Investors	0	0
Bodies Corporate	271261	2.61%
Individuals	6559642	63.07%
Non-Resident Indians (Repat)	24500	0.24%
Non Resident Indians (Non- Repat)	500	
Clearing Members	78294	0.75%
Mutual Funds	0	0
Trusts	0	0
Hindu Undivided Family	71701	0.69%
Partnership Firm	655	0.01%
<b>Total</b>	<b>10400900</b>	<b>100.00%</b>

**RECOMMENDATION TO GET THE SHARES DEMATERIALIZED**

The trading in the Company's equity shares is compulsorily in dematerialized mode. The Company has tied up with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). Thus the investors can exercise dematerialization and transfer actions through a recognized Depository Participant (DP) who is connected to NSDL or CDSL. We strongly recommend all the members holding shares in physical form to promptly get their shares dematerialized.

**OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY**

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

**PROCEEDS FROM PUBLIC ISSUE/RIGHTS ISSUE/PREFERENTIAL ISSUE/WARRANT CONVERSION**

During the financial year, the Company has not raised any fund through Public Issue/ Rights Issue/Preferential Issue/Warrant Conversion.

**CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING**

The Company has adopted the Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013.

**DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENT**

Your Company has followed all relevant Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) while preparing Financial Statements.

**Address for Correspondence :****For Shares held in physical & Demat form****M/s. Bigshare Services Private Limited**

A-802 Samudra Complex, Near Klassic Gold Hotel,  
Off. C. G. Road, Ahmedabad-380009, Gujarat, INDIA.  
Phone No.: 079-40024135  
Email : [bssahd@bigshareonline.com](mailto:bssahd@bigshareonline.com)  
Website : [www.bigshareonline.com](http://www.bigshareonline.com)

**8. DISCLOSURES :**

Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large. Material significant related party transactions are disclosed in the "Notes forming part of the Financial Statements".



None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large.

**Disclosure of Accounting Treatment**

In preparation of Financial Statements, the Company has followed Accounting Standards as referred to in Section 133 of the Act and rules made thereunder. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

**Details of non-compliance 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 :**

There was no penalty imposed on the company during the financial year.

**Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the Audit Committee :**

The Company has implemented a Whistle Blower Policy covering the employees. The Policy enables the employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of Conduct. Employees can lodge their Complaints through anonymous e-mails besides usual means of communications like written complaints. No personnel have been denied access to the Audit Committee.

**Policy for Determining Material Subsidiaries:**

The Company is not having any subsidiary Company; however, the Company has formulated the Policy for determining 'Material Subsidiaries' which has been put up on the website of the Company at [www.sawacabusiness.com](http://www.sawacabusiness.com).

**Policy on dealing with Related Party Transactions:**

The Company has formulated the Policy on dealing with Related Party Transactions which has been put up on the website of the Company at [www.sawacabusiness.com](http://www.sawacabusiness.com).

**Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any exposure of foreign exchange and hedged through Commodity derivatives.

**Certificate from Practicing Company Secretary:**

A certificate from Shri Mukesh H. Shah, Practicing Company Secretary is attached and forms part of this report certifying that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of company, by the SEBI or Ministry of Corporate Affairs or any such statutory authority.

**Total fee paid to Statutory Auditors:**

Total fees paid by the Company for the services rendered by the statutory auditor and to all the entities in network firm/network entity belonging to them, is Rs. 30000/- (includes Audit fees and certification / other services).

**Confirmation by the Board of Directors' Acceptance of Recommendation of Mandatory Committees:**

During the year, there were no such instances of non acceptance by the Board of any mandatory recommendations made by the Committees.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the year, there were no funds raised through preferential allotment or qualified institutions placement.

**Disclosure pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The details of the complaints pertaining to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as under:-

S.N.	Particulars	No. of Complaints
1.	Number of complaints filed during the financial year 2019-20	NIL
2.	Number of complaints disposed of during the financial year 2019-20	NIL
3.	Number of complaints pending as at end of the financial year 2019-20	NIL

Disclosures of the Compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 are as follows:

Regulation	Particulars of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
17A	Maximum number of directorships	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	NA
22	Vigil mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirements with respect to subsidiary of listed entity	NA
24A	Secretarial Audit	Yes
25	Obligations with respect to Independent Directors	
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (l)	Website (Updation)	Yes

#### CEO / CFO Certification

In terms of Regulation 17(8) read with Part B of Schedule II of the Listing Regulations, the Managing Director and the Chief Finance Officer of the Company is required to issue annual certification on financial reporting and internal controls to the Board. The certificate for financial year 2019-20 given by the Managing Director and the Chief Finance Officer is annexed to this Report

#### Details of compliance with Adoption of Mandatory and Discretionary Requirement as per Schedule II Part E of SEBI Listing Regulation:

The Company has complied with all mandatory requirements of Regulation 34(3) read with Schedule V of the Listing Regulations. Disclosure of Compliance of Non-mandatory requirements as specified in Part E of the Schedule II of Listing Regulations are as under:-

**The Board:** Since the Company has an Executive Chairman on its Board, there is no requirement for maintaining separate office.

**Shareholder's Right:** Half yearly financial results including summary of the significant events are presently not being sent to shareholders of the Company. However quarterly financial results are published in the leading newspapers and are also available on the website of the Company.

**Audit Qualification:** There is an unmodified opinion on Audit Report of Audited Standalone Financial Results ended on 31st March 2020.

**Separate Post of Chairman and CEO:** Mr. Shetal Shah, Chairman and Managing Director of the Company also act as CEO of the Company.

**Reporting of Internal Auditor:** The Company's Internal Auditor, reports directly to the Audit Committee.

#### Any Query on Annual Report

**Sawaca Business Machines Limited** - Secretarial Department,  
45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-380009.  
Tel.:- 079-40024135 Website: www.sawacabusiness.com  
CIN: L65910GJ1994PLC023926  
For any other queries: Email: investor.grievance.sawaca@gmail.com

For and on Behalf of the Board  
For, SAWACA BUSINESS MACHINES LIMITED

[SHETAL SHAH]  
DIN: 02148909

MANAGING DIRECTOR & CHAIRMAN

PLACE : AHMEDABAD  
DATE : 25.08.2020

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE UNDER REGULATION 34 READ WITH SCHEDULE V, PARA E OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

THE MEMBERS OF  
**SAWACA BUSINESS MACHINES LIMITED**  
AHMEDABAD.

We have examined the compliance of conditions of Corporate Governance by SAWACA BUSINESS MACHINES LIMITED, for the year ended on 31st March, 2020, as stipulated as per Regulation 17 to Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st April, 2019 to 31st March, 2020 Pursuant to Regulation 34 read with Para E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Place : Ahmedabad**  
**Date : 25/08/2020**

**For, M A A K & Associates**  
**(Chartered Accountants)**  
**F.R.N.: 135024W**

**Marmik G. shah**  
**(Partner)**

**M.No.: 133926**  
**UDIN 20133926AAAAGI4740**

**DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT UNDER REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange, all the Board Members and the Senior Management Group have confirmed compliance with the Code of Conduct of Sawaca Business Machines Limited for the financial year ended on March 31, 2020.

**For Sawaca Business Machines Limited**

**Place : Ahmedabad**  
**Date : 25.08.2020**

**Shetal Shah**  
**Managing Director**  
**(DIN: 02148909)**

**CEO / CFO Certification**

To,  
The Board of Directors,  
**Sawaca Business Machines Limited.**  
Ahmedabad.

We hereby certify to the Board that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended on March 31, 2020 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
1. Significant changes in internal control over financial reporting during the financial year;
  2. Significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Sawaca Business Machines Limited**

**Place : Ahmedabad**  
**Date : 25.08.2020**

**Shetal Shah**  
**Managing Director**  
**(DIN: 02148909)**

**Satish Shah**  
**Chief Financial Officer**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**SAWACA BUSINESS MACHINES LIMITED**  
45, Chinubhai Tower,  
Opp. Handloom House, Ashram Road,  
Ahmedabad -380009

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SAWACA BUSINESS MACHINES LIMITED having CIN:L65910GJ1994PLC023926 and having registered office at 45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad -380009 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.N.	Name of Director	DIN	Date of appointment in Company
1	VISHAL SATISHKUMAR SHAH	02148899	20/05/2009
2	SHETAL SATISHKUMAR SHAH	02148909	10/03/2010
3	LILABEN KISHOR BHAI AGAJA	07124191	27/03/2015
4	VIJAY CHHOTALAL SHAH	07445515	26/02/2016

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

**For, MUKESH H. SHAH & CO.**  
**Company Secretaries**

Place : Ahmedabad  
Date : 24.08.2020  
UDIN NO: F005827B000610640

Sd/-  
**[MUKESH H. SHAH]**  
**PROPRIETOR**  
**CP. NO. 2213**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2020.

**1. INDUSTRY STRUCTURE, DEVELOPMENT:**

During the period under the review, the Company had been operating in the Business of Trading. The main products for Trading include Various Perfumery Chemicals.

The performance of company is positive during the entire FY 2019-20. The year gone by saw high inflation, rising cost of imported fuel, moderating economy and a volatile political environment, which contributed to the challenging market environment. The GDP of Indian Economy has shown estimated growth of around 7.1% during the year 2019-20.

**2. OPPORTUNITIES & THREATS:**

The Government is committed to encourage the healthy growth of Capital Market for development of the Economy. While the government seems committed to reforms to address the challenges, political compromises and high populist spending in an election year will mean that tough decisions are more likely to be deferred. However, steps by RBI to stabilize the exchange rate by reducing liquidity support to the banking system will create a challenging environment for investments.

**3. SEGMENT-WISE PERFORMANCE:**

The Company's main business activity is trading of Perfumery Chemicals.

**4. OUTLOOK:**

The Company continues to explore the possibilities of expansion and will make the necessary investments when attractive opportunities arise.

**5. RISK & CONCERNS:**

The Company is exposed to specific risks that are particular to its business, including interest rate volatility, economic cycle, market risk and credit risk. The management continuously assesses the risks and monitors the business and risk management policies to minimize the risk.

**6. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

The Company's operating and business control procedures ensure efficient use of resources and comply with the procedures and regulatory requirements. There are adequate internal controls to safeguard the assets and protect them against losses from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

The Audit Committee periodically reviews the internal controls systems and reports their observations to the Board of Directors.

The Directors have appointed Mr. Shridhar Shah of M/s. Shridhar Shah & Co, Chartered Accountants as the Internal Auditors of the Company for the FY 19-20 on 22/05/2019.

**7. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year, the Company has recorded a turnover of Rs. 176.55/- Lacs as compared to Rs.246.17 Lacs in the previous year. The Company has made net profit of Rs. 20.09/-Lacs as compared to Rs.19.97 Lacs of the previous year after providing depreciation, tax, etc. for the year ended 31st March, 2020.

**8. HUMAN RESOURCE DEVELOPMENT:**

The Company believes that the human resources are vital in giving the Company a Competitive edge in the current business environment. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition / dissemination, creativity and responsibility. As in the past, the Company has enjoyed cordial relations with the employees at all levels.

The Company continues to run an in-house training programme held at regular intervals and aimed at updating their knowledge about issues.

**9. CAUTIONERY STATEMENT:**

Statements in this report on Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

**For Sawaca Business Machines Limited**

Place : Ahmedabad  
Date : 25.08.2020

**Shetal Shah**  
Managing Director  
(DIN: 02148909)

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF SAWACA BUSINESS MACHINES LIMITED****Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the accompanying standalone Ind AS financial statements of SAWACA BUSINESS MACHINES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, standalone Ind AS 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 standards prescribed under section 133 of the Act, read with companies Rules 2015, as amended (IND AS) and other accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2020, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We have conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in Auditor's Responsibility for the Audit of the standalone financial statements section of our report. We are independent of the company in accordance with code of ethics issued by ICAI together with the independence requirement that are relevant to our audit of standalone financial statement under the provisions of the Act and the rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

**Key Audit Matters**

S.N.	Key Audit Matters	How Our Audit addressed the Key Audit Matter
1	Revenue Recognition	The company has trading income and interest income. We have verified the basis of recognition of sale transaction and for interest income the basis of interest calculation has been verified with consistency.
2	Recoverability of the balance of debtors.	The validations of the transaction and party confirmations have been verified. In some cases confirmations not available.

**Emphasis of Matter:**

We would like to draw attention to the fact that, balance confirmation from the some of the parties to whom loans have been provided were not available till the date of this report. However the management confirms the balances to be correct.

**Other Information:**

The company's management and board of directors are responsible for the other information. The other information comprises Board's Report on corporate governance and Business Responsibility report but does not include the consolidated financial statements, standalone financial statement and our auditor's report thereon.

Our opinion on the financial statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit procedures or otherwise appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report on that fact. We have nothing to report in this regard.

**Management's Responsibility for the Standalone Ind AS Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view

of the state of affairs, Profit (including other comprehensive income), changes in equity and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibility:**

Our objectives are to obtain reasonable assurance about whether standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As a part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedure responsive to those risk, and obtain evidence that are sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional, omission, misrepresentation, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial control system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, except for the explanations and information described in the qualified opinion paragraph, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - (e) On the basis of the written representation received from the directors as on as on 31st March and taken on record by the board of directors, none of the directors is disqualified as on 31st March 2020 from being appointed as director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There is no pending litigation on the company therefore the same is not required to be disclosed.
    - 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.

Date : 04/07/2020  
Place : Ahmedabad

For M A A K & Associates  
(Chartered Accountants)  
FRN : 135024W

Sd/-  
Marmik G Shah  
Partner  
M. No.: 133926  
UDIN: 20133926AAAADJ5380

**Annexure A to the Independent Auditors' Report of SAWACA BUSINESS MACHINES LIMITED  
(Referred to in our report of even date)**

With reference to the Annexure A referred to in the Independent Auditors' report to the members of the Company on the standalone Ind AS financial statements for the year ended 31st March 2020, we report the following:

**I. In Respect of Fixed Assets**

- (a) As per the information provided by the management, the Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets on the basis of available information.
- (b) As per the information and explanations given to us, the management at reasonable intervals during the year in accordance with a programme of physical verification, has physically verified the fixed assets and no material discrepancies were noticed on such verification as compared to the available records.
- (c) The Company does not hold the immovable property. Therefore, the provisions of Clause 3(i) (c) of the said Order are not applicable to the Company.

**II. In Respect of Inventories**

As explained to us, physical verification of the inventories has been conducted at reasonable intervals by the management, which in our opinion is reasonable, having regard to the size of the Company and nature of its inventories. No material discrepancies were noticed on such physical verification.

**III. Compliance under section 189 of The Companies Act, 2013**

As informed, the company, company has granted loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (a) In our opinion and according to the information and explanations given to us. The rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest to the company.
- (b) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest have been regular.
- (c) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the companies Act, 2013.

**IV. Compliance under section 185 and 186 of The Companies Act, 2013**

In our opinion and according to information and explanations given to us, the Company has complied with provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments, and providing guarantees and securities, as applicable.

**V. Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

**VI. Maintenance of cost records**

The Company is not required to maintain cost records pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013.

**VII. Deposit of Statutory Dues**

- (a) The company is generally regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income tax, sales, tax wealth tax, service tax, custom duty, excise duty, GST, Cess and other statutory dues applicable to the Company with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) As informed to us by the management, there is no dispute with the revenue authorities regarding any duty or tax payable.

**VIII. Repayment of Loans and Borrowings**

The company has not taken any loan from financial institution, bank or debenture holders.

**IX. Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including

debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

**X. Reporting of Fraud During the Year**

Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

**XI Managerial Remuneration**

Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

**XII. Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio**

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

**XIII. Related party compliance with Section 177 and 188 of companies Act – 2013**

According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

**XIV. Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures**

According to the information and explanations given to us, and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

**XV. Compliance under section 192 of Companies Act - 2013**

According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

**XVI. Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934**

According to the information and explanations given to us, the provisions of section 45-IA of are not applicable to the company.

Date : 04/07/2020  
Place : Ahmedabad

For, M A A K & Associates  
(Chartered Accountants)  
F.R.N.: 135024W

CA Marmik G. Shah  
(Partner)  
M. No. : 133926  
UDIN: 20133926AAAADJ5380

**Annexure B to the Auditor's Report**

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

We have audited the internal financial controls over financial reporting of **SAWACA BUSINESS MACHINES LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone 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. 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 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 information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent 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 we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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.

**Date : 04/07/2020**  
**Place : Ahmedabad**

**For, M A A K & Associates**  
**(Chartered Accountants)**  
**F.R.N.: 135024W**

**CA Marmik G. Shah**  
**(Partner)**  
**M. No. : 133926**  
**UDIN: 20133926AAAADJ5380**

## BALANCE SHEET AS AT 31st MARCH, 2020

(Amount in Rs.)

Particulars	Note No.	As at 31 March, 2020	As at 31 March, 2019
<b>I. ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	1	12,363	12,363
(b) Financial assets			
(i) Investments		-	-
(ii) Other financial assets	2	120,889,739	114,698,410
(c) Other non-current assets			
<b>Total Non-current assets</b>		<b>120,902,102</b>	<b>114,710,773</b>
<b>Current Assets</b>			
(a) Inventories	3	8,179,800	4,790,000
(b) Financial Assets			
(i) Trade receivables	4	242,775	4,020,972
(ii) Cash and cash equivalents	5	784,971	737,324
(iii) Bank balances other than (ii) above	6	323,411	25,207
(iv) Other financial asset		-	-
(c) Deferred tax assets (net)		-	-
(d) Other current assets	7	2,504,237	2,197,602
<b>Total Current assets</b>		<b>12,035,195</b>	<b>11,771,105</b>
<b>Total Assets</b>		<b>132,937,297</b>	<b>126,481,878</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	8	104,009,000	104,009,000
(b) Other equity	9	17,491,277	15,481,995
<b>Total Equity</b>		<b>121,500,277</b>	<b>119,490,995</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial Liabilities		-	-
<b>Total Non-current liabilities</b>		-	-
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables			
(ii) Trade payables	10	10,410,520	5,673,038
(iii) Other financial liabilities			
(ii) Other financial liabilities	11	316,500	587,845
(b) Current tax liabilities	12	710,000	730,000
<b>Total Current liabilities</b>		<b>11,437,020</b>	<b>6,990,883</b>
<b>Total Liabilities</b>		<b>11,437,020</b>	<b>6,990,883</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>132,937,297</b>	<b>126,481,878</b>
<b>See accompanying notes to the financial statements 1 to 25</b>			

As per our report of even date  
**For M A A K & Associates**  
Chartered Accountants  
FRN : 135024W

**Marmik Shah**  
Partner  
M. N.: 133926

Place : Ahmedabad  
Date : 04/07/2020

**For and on behalf of Board of Directors of**  
**SAWACA BUSINESS MACHINES LIMITED**

**Shetal Shah**  
Chairman &  
Managing Director  
DIN:02148909

**Satish Shah**  
CFO  
PAN -  
ACBPS8940G

**Vishal Shah**  
Director  
DIN -  
02148899

**Shikha Bajaj**  
Company Secretary  
PAN-CHTPB5365B

Place : Ahmedabad  
Date : 04/07/2020

## Statement of Profit and Loss for the year ending 31 March 2020

(Amount in Rs.)

Particulars	Note No.	For the year ended 31 March 2020	For the year ended 31 March 2019
I. Revenue from operations	13	7,586,700	14,377,357
II. Other income	14	10,067,966	10,240,420
<b>III. Total Income (I+II)</b>		<b>17,654,666</b>	<b>24,617,777</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	15	7,261,502	14,114,161
Employee benefits expense	16	1,968,847	1,611,371
Bad Debt	7	4,020,972	4,578,305
Other expenses	18	1,684,063	1,586,782
<b>Total expenses (IV)</b>		<b>14,935,385</b>	<b>21,890,619</b>
<b>V. Profit before tax (III-IV)</b>		<b>2,719,281</b>	<b>2,727,158</b>
<b>VI. Tax Expense:</b>			
Current tax	19	710,000	730,000
Income tax earlier years			
Deferred tax			
MAT credit entitlement			
<b>Total tax expense (VI)</b>		<b>710,000</b>	<b>730,000</b>
<b>VII. Profit for the year (VI-VII)</b>		<b>2,009,281</b>	<b>1,997,158</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
(i) Re-measurement losses/(gain) on defined benefit plans		-	-
(ii) Equity instruments through other comprehensive income		-	-
(iii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total Other comprehensive income (VIII)		-	-
<b>IX. Total Comprehensive Income for the year (VII+VIII)</b>		<b>2,009,281</b>	<b>1,997,158</b>
<b>X. Earnings per equity share of Rs. 10 each</b>	20		
- Basic		0.19	0.19
- Diluted		0.19	0.19

See accompanying notes to the financial statements 1 to 25

As per our report of even date  
**For M A A K & Associates**  
Chartered Accountants  
FRN : 135024W

**Marmik Shah**  
Partner  
M. N.: 133926

Place : Ahmedabad  
Date : 04/07/2020

**For and on behalf of Board of Directors of**  
**SAWACA BUSINESS MACHINES LIMITED**

**Shetal Shah**  
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**Satish Shah**  
CFO  
PAN -  
ACBPS8940G

**Vishal Shah**  
Director  
DIN -  
02148899

**Shikha Bajaj**  
Company Secretary  
PAN-CHTPB5365B

Place : Ahmedabad  
Date : 04/07/2020

## Cash flow statement for the year ended 31 March 2020

(Amount in Rs.)

Particular	For the Year ended 31 March 2020	For the Year ended 31 March 2019
<b>A. Cash flow from operating activities</b>		
Net profit before tax	2,719,281	2,727,158
Adjustments for Depreciation		
Sundry balances / Excess Liabilities written back	(375,000)	(146,230)
Provision for Audit Fees	40,000	50,000
Depreciation		-
Bad Debt	4,020,972	4,578,305
Loss/(Profit) on sale of fixed assets		
<b>Operating profit before working capital changes</b>	<b>6,405,254</b>	<b>7,209,233</b>
Adjustments for:-		
Movements in working capital :		
(Increase)/ decrease in Current Aseet	(3,939,210)	6,989,395
Increase/ (decrease) in other current liabilities	4,071,137	(7,441,986)
<b>Cash generated from operations</b>	<b>6,537,180</b>	<b>6,756,642</b>
Income tax paid		
<b>Net cash inflow/(outflow) from operating activities</b>	<b>6,537,180</b>	<b>6,756,642</b>
<b>B. Cash flow from investing activities</b>		
Increase in Loans & Advances	(6,191,329)	(7,329,516)
Repayment of Loans & Advances		
Interest Received		
<b>Net cash inflow / (outflow) from investing activities</b>	<b>(6,191,329)</b>	<b>(7,329,516)</b>
<b>C. Cash inflow/(outflow) from financing activities</b>		
Repayment of short-term borrowings		
Proceeds from other long term liabilities		
Financial expenses		
<b>Net cash inflow / (outflow) used in financing activities</b>		
<b>Net changes in cash and cash equivalents</b>	<b>345,852</b>	<b>(572,874)</b>
<b>Opening Cash and cash equivalents</b>	<b>762,531</b>	<b>1,335,405</b>
<b>Closing Cash and cash equivalents</b>	<b>1,108,383</b>	<b>762,531</b>

**Note:**

- (i) Statement of cash flows has been prepared using Indirect method in accordance with Ind AS-7  
(ii) Refer note no. 5 and 6 for components of cash and cash equivalents

As per our report of even date  
**For M A A K & Associates**  
Chartered Accountants  
FRN : 135024W

**Marmik Shah**  
**Partner**  
**M. N.: 133926**

**Place : Ahmedabad**  
**Date : 04/07/2020**

**For and on behalf of Board of Directors of**  
**SAWACA BUSINESS MACHINES LIMITED**

**Shetal Shah**  
**Chairman &**  
**Managing Director**  
**DIN:02148909**

**Satish Shah**  
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**Vishal Shah**  
**Director**  
**DIN -**  
**02148899**

**Shikha Bajaj**  
**Company Secretary**  
**PAN-CHTPB5365B**

**Place : Ahmedabad**  
**Date : 04/07/2020**

**Notes Forming Part of the Financial Statements****NOTE - 1A: CORPORATE INFORMATION:**

The standalone financial statements comprise of financial statements of Sawaca Business Machines Limited for the year ended March 31, 2020. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on BSE, a recognised stock exchange, in India. The registered office of the company is located at 45, Chinubhai tower, Opp. Handloom House, Ahram Road, Ahmedabad - 380009. The company is engaged in the business of sale of various chemical products and scarp material.

The standalone financial statements were authorised for issue in accordance with a resolution of the board of directors on June 30, 2020.

**NOTE - 1B : BASIS OF PREPARATION:**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in Indian Rupees and all values are rounded to the nearest Rupees, except where otherwise indicated. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off.

**NOTE - 1C : SIGNIFICANT ACCOUNTING POLICIES AND KEY ACCOUNTING ESTIMATES:****(A) Significant accounting policies****1 Current / non-current classification**

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing and their realisation in cash and cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

**2 Foreign currencies**

Company has not made any foreign transaction during the year.



**3 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
  - b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- and
- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**4 Property, plant and equipment**

Property, plant and equipment are carried at cost less accumulated depreciation and impairment losses, if any. Depreciation in current year is not charged due to very minor amount. The cost of Property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities).

**5. Inventories**

Inventories are valued at lower of cost and net realisable value. Cost is determined on a First in First out (FIFO). Cost includes cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified and provided for.

Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated costs necessary to make sale.

**6 Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These

calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations.

## 7 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

However, Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

### Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## 8 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

## 9 Taxes on Income

Tax on Income comprises current tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

### Current tax

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax liability are generally recorded for all temporary timing differences. There is No deferred tax in current year.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the

period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

## 10 Employee benefits

### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### Post- Employment Benefits

#### Defined Contribution Plans

The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services.

The gratuity liability is paid in terms of insurance premium and the company does not have any liability once the contribution in terms of premium is paid.

## 11 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity 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 which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

## 12 Dividend distribution

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 13 Provisions & contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability arises when the Company has:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded in the financial statement but, rather, are disclosed in the note to the financial statements.

**(B) Key accounting estimates****1 Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

**2 Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cashflow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. There is no losses due to impairment of asset.

**3. Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies

**4. Property, Plant and Equipment**

The carrying values of Property, plant and equipment have been disclosed in Note 1.

**6. Intangible assets**

There is no intangible asset in the company.

**7. Allowance for doubtful trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Individual trade receivables are written off when the management deems them not to be collectable.

## Notes forming part of financial statements for the year ended March 31, 2020

**1. PROPERTY, PLANT AND EQUIPMENT :**

(Amt in Rs.)

Particulars	Plant and Machinery	Total
<b>Deemed cost/ Gross carrying amount</b>		
<b>As at March 31, 2019</b>	<b>152,365</b>	<b>152,365</b>
Additions	-	-
Disposal/Adjustments	-	-
<b>As at March 31, 2020</b>	<b>152,365</b>	<b>152,365</b>
<b>Accumulated Depreciation</b>		
<b>As at March 31, 2019</b>	<b>140,002</b>	<b>140,002</b>
Depreciation for the year	-	-
Disposal/reversal	-	-
<b>As at March 31, 2020</b>	<b>140,002</b>	<b>140,002</b>
<b>Net Carrying amount</b>		
<b>As at March 31, 2019</b>	<b>12,363</b>	<b>12,363</b>
<b>As at March 31, 2020</b>	<b>12,363</b>	<b>12,363</b>

## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>2. OTHER NON-CURRENT FINANCIAL ASSETS</b>		
<b>Unsecured, Considered Goods :</b>		
Loans given at Amortised cost	120,889,739	114,698,410
<b>Total</b>	<b>120,889,739</b>	<b>114,698,410</b>

<b>3. INVENTORIES</b>		
<b>(at cost or net relisable value, whichever is lower)</b>		
Trading Goods	8,179,800	4,790,000
<b>Total</b>	<b>8,179,800</b>	<b>4,790,000</b>

<b>4. TRADE RECEIVABLES</b>		
<b>Unsecured, considered good</b>		
More than Six Month Due from due for payment	229,840	4,020,972
Less than Six Month Due from due for payment	12,935	-
	<b>242,775</b>	<b>4,020,972</b>
Doubtful #		
Less: Allowances for expected credit loss	-	-
<b>Total</b>	<b>242,775</b>	<b>4,020,972</b>

# there are some cases in which the company has been in communication with the debtors for quick collection as the same are long pending. However company expects the same to be recovered in due course with all necessary efforts.

(Amount in Rs.)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>5. CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	784,971	737,324
<b>Total</b>	<b>784,971</b>	<b>737,324</b>

<b>6. BANK BALANCE</b>		
Balances with Banks		
- In current accounts	323,411	25,207
- In deposit accounts	-	-
<b>Total</b>	<b>323,411</b>	<b>25,207</b>

<b>7. OTHER CURRENT ASSETS</b>		
<b>Unsecured considered good</b>		
Security Deposit	65,000	65,000
Balance with government authorities	2,439,237	2,132,602
Other Current Mis. Asset	-	-
<b>Total</b>	<b>2,504,237</b>	<b>2,197,602</b>

## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

**8. EQUITY SHARE CAPITAL :**

Particulars	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	No. of shares	Amt in Rs.	No. of shares	Amt in Rs.
<b>Authorised</b>				
Equity shares of Rs. 10/- each	11,000,000	110,000,000	11,000,000	110,000,000
<b>Total</b>	<b>11,000,000</b>	<b>110,000,000</b>	<b>11,000,000</b>	<b>110,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs. 10/- each	10,400,900	104,009,000	10,400,900	104,009,000
<b>Total</b>	<b>10,400,900</b>	<b>104,009,000</b>	<b>10,400,900</b>	<b>104,009,000</b>

**(a) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	<u>As at 31 March, 2020</u>	<u>As at 31 March, 2019</u>
	Number of shares	Number of shares
Shares at the beginning of the year	10,400,900	10,400,900
Movement during the year	--	--
Shares outstanding at the end of the year	10,400,900	10,400,900

**(b) Rights, preferences and restrictions attached to equity shares :**

The company has one class of equity shares having a par value of 10/- each. Each holder of equity shares is entitled liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(c) Detail of shareholders holding more than 5% shares in the Company**

Particulars	<u>As at March 31, 2020</u>		<u>As at March 31, 2019</u>	
	Number	% holding	Number	% holding
<b>Equity shares of Rs. 10 each fully paid</b>				
Satish R Shah	1,593,189	15.32%	1,593,189	15.32%
Shetal S Shah	860,600	8.27%	860,600	8.27%
Vishal S Shah	650,000	6.25%	650,000	6.25%

## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

**9. OTHER EQUITY**

Particulars			Other Comprehensive Income		Total
	Securities Premium	Retained Earnings	Equity Instruments through OCI	Re-measurement of the net defined benefit plans	
<b>Balance as at March 31, 2019</b>	-	15,481,995	-	-	13,484,837
Profit for the year	-	2,009,281	-	-	2,009,281
Deferred tax due to Implementation of IND AS	-	-	-	-	-
Other comprehensive income (expense) (net of tax)	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	-	17,491,277	-	-	15,494,118

As per our report of even date

**For M A A K & Associates**

Chartered Accountants

FRN : 135024W

**Marmik Shah****Partner****M. N.: 133926****Place : Ahmedabad****Date : 04/07/2020****For and on behalf of Board of Directors of****SAWACA BUSINESS MACHINES LIMITED****Shetal Shah****Chairman &****Managing Director****DIN:02148909****Satish Shah****CFO****PAN -****ACBPS8940G****Vishal Shah****Director****DIN -****02148899****Shikha Bajaj****Company Secretary****PAN-CHTPB5365B****Place : Ahmedabad****Date : 04/07/2020**



## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

Particulars	As at 31 March, 2020	As at 31 March, 2019
<b>10. TRADE PAYABLES</b>		
(i) Due to micro and small enterprises	396,800	-
(ii) Due to others #	10,013,720	5,673,038
<b>Total</b>	<b>10,410,520</b>	<b>5,673,038</b>
<b>11. OTHER CURRENT FINANCIAL LIABILITIES</b>		
(i) Dues to Statutory Authorities	83,132	58,467
(ii) Other financial liabilities	193,368	84,206
(iii) Provision for Audit Fees	40,000	50,000
(iv) Other Provision	-	395,172
<b>Total</b>	<b>316,500</b>	<b>587,845</b>
<b>12. CURRENT TAX LIABILITIES (NET)</b>		
Provision for tax for current year	710,000	730,000
<b>Total</b>	<b>710,000</b>	<b>730,000</b>

(Amount in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>13. REVENUE FROM OPERATIONS</b>		
Sales	7,586,700	14,377,357
<b>Total revenue from operations</b>	<b>7,586,700</b>	<b>14,377,357</b>
<b>14. OTHER INCOME</b>		
(i) Interest Income Comprises of		
(a) Interest received on Loans given at amortised cost	9,656,094	10,111,450
(b) Interest on Income Tax Refund	25,809	13,610
(ii) Miscellaneous Income	386,063	115,360
<b>Total other income</b>	<b>10,067,966</b>	<b>10,240,420</b>
<b>15. COST OF MATERIAL CONSUMED</b>		
Purchase of trading material	10,651,302	7,452,401
Changes in Inventories of Stock-In-Trade		
- Opening Stock of Stock-in-Trade	4,790,000	11,451,760
- Less-Closing Stock of Stock-in-Trade	8,179,800	4,790,000
- Changes In Inventories of Stock-In-Trade	-3,389,800	6,661,760
<b>Total cost of material consumed</b>	<b>7,261,502</b>	<b>14,114,161</b>

## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>16. EMPLOYEE BENEFITS EXPENSE</b>		
Salaries & wages including bonus	1,968,847	1,611,371
<b>Total employee benefit expenses</b>	<b>1,968,847</b>	<b>1,611,371</b>
<b>17. BAD DEBT</b>		
Bad Debt Expense	4,020,972	4,578,305
<b>Total Bad cost</b>	<b>4,020,972</b>	<b>4,578,305</b>
<b>18. OTHER EXPENSES</b>		
Advertisement expenses	66,102	132,904
Auditors remuneration	30,000	30,000
Interest On Tax	-	-
Legal and professional expenses	874,768	593,394
Office expenses	183,013	173,856
Other expenses	56,061	106,640
Postage & telephone expenses	55,094	60,759
Printing & stationery expenses	48,659	51,150
Rent expenses	244,620	201,978
Travelling & conveyance expenses	107,247	218,101
Website expenses	18,500	18,000
<b>Total other expenses</b>	<b>1,684,063</b>	<b>1,586,782</b>
<b>18 A. DETAILS OF PAYMENT TO AUDITORS (excluding applicable taxes)</b>		
<b>(i) Auditors' remuneration</b>		
a) Audit fee	20,000	20,000
b) Tax audit fee	10,000	10,000
<b>(ii) Cost audit fee</b>	<b>-</b>	<b>-</b>
<b>Total payment to auditors</b>	<b>30,000</b>	<b>30,000</b>

## Notes forming part of financial statements for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>19. A) INCOME TAX EXPENSE</b>		
Current tax	750,000	730,000
Deferred tax	--	--
MAT credit entitlement	--	--
<b>Total tax expenses</b>	<b>750,000</b>	<b>730,000</b>
<b>19. B) RECONCILIATION OF ESTIMATED INCOME TAX TO INCOME TAX EXPENSE</b>		
A reconciliation of income tax expense applicable to accounting profit / (loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:		
Accounting profit before tax (A)	2,719,281	2,727,158
Enacted tax rate in India (B)	25.00%	25.00%
Expected income tax expense at statutory tax rate (A*B)	750,000	730,000
<b>Tax effect of the amount not deductible for computing taxable income</b>		
Expenses not deductible in determining taxable profits	--	--
Earlier Year Adjustments	--	--
MAT Credit utilised	--	--
OTHERS	--	--
Deferred tax	--	--
<b>Tax expense reported</b>	<b>750,000</b>	<b>730,000</b>

**20. EARNINGS PER SHARE**

The calculation of Earning Per Share (EPS) as disclosed in the statement of profit and loss has been made in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning Per Share" given as under: -

Profit/(Loss) attributable to equity shareholders (Rs.) (A)	2,009,281	1,997,158
Weighted average number of outstanding equity shares (B)	10,400,900	10,400,900
Nominal value per equity share (Rs.)		
Basic EPS (in Rs.) (A/B)	0.19	0.19
Diluted EPS (in Rs.) (A/B)	0.19	0.19

## Notes forming part of financial statements for the year ended March 31, 2020

**21. RELATED PARTY DISCLOSURES**

The related party disclosures in accordance with the requirements of Ind AS - 24 "Related Party Disclosures" has been given below :-

**(a) Name and nature of related party relationships****(i) Key Managerial Personnel (KMP)**

1. Mr. Satish Shah
2. Mr. Shetal Shah
3. Mr. Vishal Shah

**(ii) Proprietorship Firm of Director**

Veedee Enterprise - (Mr. Vishal Shah)

**(b) Description of the nature of transactions with the related parties****(Amt in Rs.)**

Particulars	Enterprises over which KMP is able to exercise significant influence	
	Financial Year 2019-20	Financial Year 2018-19
<b>1) Salary and Remuneration Paid</b>		
Satish Shah	660,000	480,000
Shetal Shah	660,000	480,000
<b>2) Rent Paid</b>		
Satish Shah	240,000	180,000
<b>3) Payment for purchase of goods</b>		
Veedee Enterprise - Proprietorship firm of Vishal Shah	--	--
<b>4) Purchase</b>		
Veedee Enterprise - Proprietorship firm of Vishal Shah	--	--
<b>5) Sales</b>		
Veedee Enterprise - Proprietorship firm of Vishal Shah	--	--
<b>6) Payment received for sale of good</b>		
Veedee Enterprise - Proprietorship firm of Vishal Shah	--	--

## Notes forming part of financial statements for the year ended March 31, 2020

## 22-A. FAIR VALUE MEASUREMENT

(Amount in Rs.)

Particulars	As at March 31, 2020		As at April 1, 2019	
	Amortised Cost	Carrying value	Amortised Cost	Carrying value
<b>(A) FINANCIAL ASSETS</b>				
<b>(i) Measured at amortised cost</b>				
Trade receivables	242,775	242,775	4,020,972	4,020,972
Cash and cash equivalents	784,971	784,971	737,324	737,324
Bank balances other than cash and cash equivalents	323,411	323,411	25,207	25,207
Other financial assets	-	-	-	-
Non-current Aset	120,902,102	120,902,102	114,710,773	114,710,773
<b>Total financial assets at amortised costs (A)</b>	<b>122,253,260</b>	<b>122,253,260</b>	<b>119,494,276</b>	<b>119,494,276</b>
<b>(ii) Measured at fair value through other comprehensive income</b>				
Non-current Investments	-	-	-	-
<b>Total financial assets at fair value through other comprehensive income (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total financial assets</b>	<b>122,253,260</b>	<b>122,253,260</b>	<b>119,494,276</b>	<b>119,494,276</b>
<b>(B) FINANCIAL LIABILITIES</b>				
<b>(i) Measured at amortised cost</b>				
Long term borrowings #	-	-	-	-
Short term Borrowings	-	-	-	-
Trade payables	10,410,520	10,410,520	5,673,038	5,673,038
Other financial liabilities	316,500	316,500	587,845	587,845
<b>Total financial liabilities</b>	<b>10,727,020</b>	<b>10,727,020</b>	<b>6,260,883</b>	<b>6,260,883</b>

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties in an orderly market transaction, other than in a forced or liquidation sale.

As per our report of even date  
**For M A A K & Associates**  
Chartered Accountants  
FRN : 135024W

**Marmik Shah**  
Partner  
M. N.: 133926

Place : Ahmedabad  
Date : 04/07/2020

**For and on behalf of Board of Directors of**  
**SAWACA BUSINESS MACHINES LIMITED**

**Shetal Shah**  
Chairman &  
Managing Director  
DIN:02148909

**Satish Shah**  
CFO  
PAN -  
ACBPS8940G

**Vishal Shah**  
Director  
DIN -  
02148899

**Shikha Bajaj**  
Company Secretary  
PAN-CHTPB5365B

Place : Ahmedabad  
Date : 04/07/2020

**Remote E-Voting Information**

The electronic voting particulars are set out below:

<b>EVSN (E-Voting Sequence Number)</b>	<b>* Default Sequence Number</b>
200828026	

\* Members who have not updated their PAN with the Company/ Depository Participant shall use Default Sequence Number in the PAN Field.

Other Members should use their PAN.

Please refer Notice for instructions on remote e-voting.

Remote e-voting facility is available during the following voting period.

<b>Commencement of e-voting</b>	<b>End of e-voting</b>
<b>Sunday, September 27, 2020 (09:00 AM)</b>	<b>Tuesday, September 29, 2020 (05:00 PM)</b>

**Book Post**

To

*If Undelivered please return to :*

**SAWACA BUSINESS MACHINES LIMITED**

45, Chinubhai Tower, Opp. Handloom House,  
Ashram Road, Ahmedabad-380009, Gujarat, INDIA.