

**Regd. Office :**

45, Chinubhai Towers, Opp. Handloom House,  
Ashram Road, Ahmedabad - 380 009.

**Tel. :** 079 - 2658 7363, 2658 3309 **Fax :** 079-2658 9101

**Email :** sawaca.business@ yahoo.com CIN : L65910GJ1994PLC023926

Website : www.sawacabusiness.com

**SAWACA**

**BUSINESS MACHINES LTD.**

Ref. No.: SBML/Sec./2016-17/AGM /008

13<sup>th</sup> October, 2016

To,  
The Manager/ Secretary,  
Department of Corporate Services,  
**BSE Limited**  
P.J. Towers, Dalal Street,  
Mumbai- 400001, MH  
**BSE SCRIP CODE: 531893**  
Dear Sir/Madam,

**Sub.: Submission of 22<sup>nd</sup> Annual General Meeting ("AGM")**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to submit the Annual Report within 21 working days of it being approved and adopted in annual general meeting as per the provisions of the Companies Act, 2013. Please note that all resolutions as mentioned in the notice, placed before AGM, were approved by the members of the Company with requisite majority.

We hereby submitting 22nd Annual Report 2015-16 approved and adopted in our 22<sup>nd</sup> Annual General Meeting held on 30th September, 2016 at 12.00 Noon, at Shree Balaji Agora Mall, 200 Ft. S.P. Ring Road, Between Tapovan and Bhat Circle, Motera, Ahmedabad-382424, Gujarat. Kindly find the same as enclosure.

We request you to take of the above.

Thanking you,

Yours truly,  
For, SAWACA BUSINESS MACHINES LIMITED



[SHETAL SHAH]

DIN: 02148909

MANAGING DIRECTOR

Encl.: A/a.

**22<sup>nd</sup>**  
**Annual Report**  

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**SAWACA BUSINESS MACHINES LIMITED**

[CIN: L65910GJ1994PLC023926]

## CORPORATE INFORMATION

### BOARD OF DIRECTORS :

**Mr. Shetal S. Shah**

Chairman & Managing Director

**Mr. Vishal S. Shah** (w.e.f. 26.02.2016)

Non-Executive Director

**Mr. Vijay Shah** (w.e.f. 26.02.2016)

Non-Executive Independent Director

**Mrs. Leelaben K. Agaja**

Non-Executive Independent Director

**Mr. Kalpesh Trivedi** (up to 26.02.2016)

Non-Executive Independent Director

**Mr. Kishor Agaja** (up to 10.02.2016)

Non-Executive Independent Director

**Mr. Satish Shah**

Chief Financial Officer

### COMPANY SECRETARY :

**Mr. Parag B. Patel**

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. Vijay Shah**, Member

**Mr. Leelaben K. Agaja**, Member

### STATUTORY AUDITORS :

**M/s. Marmik G. Shah & Associates,**

Chartered Accountants, Ahmedabad

### INTERNAL AUDITORS :

**M/s. Vineet Shah & Associates,**

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: 079-26587363

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

### INVESTOR SERVICES E-MAIL ID :

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)-26587363 Website: www.sawacabusiness.com

CIN: L65910GJ1994PLC023926

**NOTICE**

Notice is hereby given that the Twenty Second Annual General Meeting ("AGM") of the Members of SAWACA BUSINESS MACHINES LIMITED will be held on Friday, September 30, 2016 at 12:00 Noon at Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424, Gujarat 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, 2016 comprising of the Balance Sheet as at March 31, 2016, 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.
3. To ratify the appointment of Statutory Auditors, M/s. Marmik G. Shah & 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 section 139(9), 142(1) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the appointment of M/s. Marmik G. Shah & Associates, Chartered Accountants of Ahmedabad [Firm Registration No. 135024W], approved in the 21st Annual General Meeting (AGM) until the conclusion of 26th Annual General Meeting (AGM), which was subject to ratification at every Annual General Meeting, be and is hereby ratified to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual general Meeting at such remuneration as may be decided by the Board of Directors."

**SPECIAL BUSINESS:**

4. To Appoint Mr. Vishal Shah (DIN: 02148899) as a Director on the Board 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 Sections 152, 160 and 161 and other applicable provisions, if any, of the Companies Act,2013 ("the Act") and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Vishal Shah (DIN: 02148899), who was appointed as an Additional Non-Executive Director of the Company with effect from February 26, 2016 on the Board of the Company and who holds office up to the date of the Annual General Meeting, and in respect of whom a notice has been received under Section 160 of the Act from a member in writing along with requisite deposit proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

**"RESOLVED FURTHER THAT** Mr. Shetal Shah, Managing Director of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution."

5. To Appoint Mr. Vijay C. Shah (DIN: 07445515) as an Independent Director on the Board 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 Sections 152, 160 and 161 and other applicable provisions, if any, of the Companies Act,2013 ("the Act") and rules made there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Vijay C. Shah (DIN: 07445515), who was appointed as an Additional Non-Executive and Independent Director of the Company with effect from February 26, 2016 on

the Board of the Company and who holds office up to the date of the Annual General Meeting, and in respect of whom a notice has been received under Section 160 of the Act from a member in writing along with requisite deposit proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company.”

“**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Mr. Vijay C. Shah (DIN: 07445515), who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act, and who is eligible for appointment as an Independent Director, be and is hereby appointed as an Independent Director not liable to retire by rotation and to hold office for 5 [five] consecutive years for a term upto 27<sup>th</sup> Annual General Meeting.

“**RESOLVED FURTHER THAT** Mr. Shetal Shah, Managing Director of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this resolution.”

6. 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.”

7. To maintaining and keeping the Company’s registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company’s Registered Office.

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 provisions of Section 94(1) and other applicable provisions of the Companies Act, 2013 read with Rule 5(2) of the Companies (Management and Administration) Rules, 2014, consent of the members of the Company be and is hereby accorded to maintain and keep the Company’s registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at the office of the Company’s Registrar and Share Transfer Agent viz., **M/s. Bigshare Services Private Limited** having its office at A-802 Samudra Complex, Near Klassic Gold Hotel, Off. C G Road, Ahmedabad–380009, or at such other place as the Board may from time to time decide instead of and/ or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company.”

“**RESOLVED FURTHER THAT** Mr. Shetal Shah, Managing Director of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

PLACE : AHMEDABAD.

DATE : 12.08.2016

By Order of the Board  
For, SAWACA BUSINESS MACHINES LIMITED

[SHETAL SHAH]  
DIN: 02148909  
Managing Director

Regd. Office :- 45, CHINUBHAI TOWER,  
OPP. HANDLOOM HOUSE,  
ASHRAM ROAD,  
AHMEDABAD-380009, GUJARAT,  
INDIA.  
Tel:- (079)-26587363  
Website: www.sawacabusiness.com  
CIN: L65910GJ1994PLC023926

**NOTES:**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. MEMBERS/ PROXIES SHOULD BRING THEIR DULY FILLED ATTENDANCE SLIP ATTACHED HEREWITH TO ATTEND THE MEETING.  

A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate certified copy of the Board resolution/authority, as applicable.
3. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in aggregate not more than 10 (ten) percent of the total share capital of the Company. Provided that a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
4. A Member registered under Section 8 of the Companies Act, 2013 shall not be entitled to appoint any other person as his/her proxy unless such other person is also a member of the Company.
5. Members are requested to kindly bring their copy of the Annual Report with them at the AGM, as no extra copy of the Annual Report would be made available at the AGM.
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. The Register of Members and the Share Transfer Register of the Company will remain closed from 26.09.2016 to 30.09.2016(both days inclusive).
8. 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.
9. The shares of the Company are at present listed with BSE Limited. The listing fee for the financial year 2016-2017 has been paid to BSE Limited before the due date.
10. 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.
11. The Notice of Twenty Second AGM along with the Annual Report for the financial year 2015-16 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 Second AGM along with the Annual Report for the financial year 2015-16 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 evoting.  

The Members will be entitled to receive physical copy of the Annual Report for the financial year ended on March 31, 2016, 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.
12. 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.
13. 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.
14. 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.

#### 15. Voting through electronic means (EVSN 160906047) :

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 Second 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 Tuesday, September 27, 2016 (09:00 AM) and ends on Thursday, September 29, 2016 (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. Friday, September 23, 2016, 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	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <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 DOB	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. <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](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.
- (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:****Mr. Wenceslaus Furtado, Deputy Manager, CDSL****17th Floor, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001****Email: [wenceslausf@cdslindia.com](mailto:wenceslausf@cdslindia.com) / Tel: 022-22723333/ 8588**

16. 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. Friday, September 23, 2016.
17. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e Friday, September 23, 2016, may obtain the login ID and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
18. 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 ballot paper.
19. A Member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.



20. 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 Ballot Paper and remote e-voting process in a fair and transparent manner.
21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote evoting facility.
22. 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.
23. 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.
24. The route map showing directions to reach the venue of the Twenty Second AGM is attached at the end of the Annual Report.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:**

##### **ITEM NO. 4 :**

The Board of Directors at their meeting held on February 26, 2016 has appointed Mr. Vishal Shah as an Additional Non-Executive and Non- Independent Director of the Company w.e.f February 26, 2016. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and rules thereunder, he holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member pursuant to Section 160 of the Act proposing his candidature for the office of Director of the Company along with the deposit of requisite amount.

The Brief Profile of Mr. Vishal Shah is as under:

Mr. Vishal Shah, aged about 39 years, holds Master of Business Administration (Marketing) from Gujarat University, Ahmedabad. He has 17 years of experience in Industry, He has handled various functions during his tenure including International and India Sales, Business Development, Supply Chain Management, among others. 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.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, brief profile and other details of Mr. Vishal Shah proposed to be appointed as a Director of the Company is given in the Section "Report on Corporate Governance" forming part of this Annual Report.

The Board considers that the appointment of Mr. Vishal Shah as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office will be liable to retire by rotation.

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 Board of Directors at their meeting held on February 26, 2016 has appointed Mr. Vijay Shah as an Additional Non-Executive & Independent Director of the Company w.e.f February 26, 2016. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") and rules thereunder, he holds office only up to the date of this Annual General Meeting of the Company. A notice has been received from a member pursuant to Section 160 of the Act proposing his candidature for the office of Director of the Company along with the deposit of requisite amount.

The Brief Profile of Mr. Vijay Shah is as under:

Mr. Vijay Shah, aged about 50 years, holds Bachelor of Commerce from Gujarat University, Ahmedabad. He has 27 years of experience in Industry, He has handled various functions during his tenure including International and India Sales,

Business Development, Supply Chain Management, among others. 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.

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, brief profile and other details of Mr. Vijay Shah proposed to be appointed as a Director of the Company is given in the Section "Report on Corporate Governance" forming part of this Annual Report.

The Board considers that the appointment of Mr. Vijay Shah as a Director of the Company would be of immense benefit to the Company. Accordingly, the Board of Directors recommends his appointment as a Director of the Company whose period of office will not liable to retire by rotation.

Except Mr. Vijay Shah to whom the resolution relates and his relatives (to the extent of their shareholding interest in the Company), none of the Directors, Key Managerial Personnel and their relatives are concerned or interested financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

No Director or Key Managerial Personnel of the Company and/or their relatives are concerned or interested financially or otherwise in this item of business.

#### ITEM NO. 6 :

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

Name of Related Party	Veedee Enterprise	Mr. Satish Shah
Nature of relationship	Director	Chief Financial Officer
Nature of transaction	Purchase of Goods	Rent
Amount of Transaction during the year (Rupees in Lacs)	72.85	Rs. 2.25 (including Rs. 0.45 advance)
Are the transactions in the ordinary course of business	Yes	Yes
Are the transactions on an arm's length basis	Yes	Yes
Related parties interested, if any	Mr. Vishal S. Shah, Director	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. 6 of the Notice except as mentioned above.

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

#### ITEM NO. 7 :

As per Section 88 of the Companies Act, 2013 ('Act') the following registers are required to be kept and maintained by a company:

- (i) Register of Members;
- (ii) Register of debenture holders; and
- (iii) Register of any other security holders.

As per provisions of Section 94(1) and other applicable provisions of the Act, the aforementioned registers maintained by the Company under Section 88 of the Act and copies of the annual returns filed under Section 92 of the Act, are required to be kept and maintained at the Registered Office of the Company. However, such registers or copies of returns may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the Company and the Registrar has been given a copy of the proposed special resolution in advance.

Company's Registrar and Share Transfer Agent M/s. Bigshare Services Pvt. Ltd., having its office at A-802 Samudra Complex, Near Klassic Gold Hotel, Off. C. G. Road, Ahmedabad-380009, Gujarat, INDIA is providing services for the shares held in electronic mode and also acting as the Share Transfer Agent for the shares held in physical mode.

Hence, the approval of the members is sought in terms of Section 94(1) of the Act for keeping all or any of the aforementioned registers and returns at the office of M/s. Bigshare Services Pvt. Ltd., having its office at A-802 Samudra Complex, Near Klassic Gold Hotel, Off. C. G. Road, Ahmedabad-380009, Gujarat or at such other place as the Board may from time to time decide instead of and/or in addition to the said registers or copy of returns being kept and maintained at the Registered Office of the Company. The Company affirms that more than one-tenth of its members reside in and around Ahmedabad i.e. the place at which the registers and returns are proposed to be kept and maintained.

A copy of the proposed special resolution set out at Item No. 7 will be delivered to the concerned Registrar of Companies in advance.

The Board of Directors recommends the said resolution for your approval as Special Resolution.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in this resolution.

**PLACE : AHMEDABAD.**

**DATE : 12.08.2016**

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

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

Regd. Office :- 45, CHINUBHAI TOWER,  
OPP. HANDLOOM HOUSE,  
ASHRAM ROAD,  
AHMEDABAD-380009, GUJARAT,  
INDIA.  
Tel:- (079)-26587363  
Website: [www.sawacabusiness.com](http://www.sawacabusiness.com)  
**CIN: L65910GJ1994PLC023926**

**DIRECTORS' REPORT**

Dear Members,

Your Directors are pleased to present the Twenty Second 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, 2016.

**FINANCIAL SUMMARY :**

The financial highlights of the Company during the period ended March 31, 2016 are as below:

(Amount in Rupees)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Revenue from operations (Gross)	26002637	99962163
Less: Excise duty	0.00	0.00
Revenue from operations (Net)	26002637	99962163
Other income	8447211	6944265
<b>Total Revenue</b>	<b>34449848</b>	<b>106906428</b>
Less : Expenses		
(a) Cost of materials consumed	25137314	97801423
(b) Purchases of stock-in-trade	Nil	Nil
(c) Changes in inventories of FG, WIP & Stock-in-Trade	Nil	Nil
(d) Employee benefits expense	993095	1321748
(e) Finance costs	3718	61784
(f) Depreciation expense	17783	84034
(g) Other expenses	5715351	3839752
<b>Total Expenses</b>	<b>31867261</b>	<b>103108741</b>
<b>Profit/ (Loss) before tax</b>	<b>2582587</b>	<b>3797687</b>
Less: Tax expense:		
(a) Current tax expense	802105	1135000
(b) Deferred tax	-202	-14923
(c) Prior Period Adjustment	Nil	Nil
<b>Profit / (Loss) for the year</b>	<b>1780684</b>	<b>2677610</b>
<b>Earnings per share (face value Rs.10/-) Basic &amp; Diluted</b>	<b>0.17</b>	<b>0.26</b>

**OPERATIONS :****OPERATIONS REVIEW:**

The Company's total revenue from operations during the financial year ended 31<sup>st</sup> March, 2016 were Rs. 344.50 Lacs as against Rs.1069.06 Lacs of the previous year representing decrease of approximately about 67.78 % over the corresponding period of the previous year with total expenses of Rs.318.67 lacs (previous year of Rs. 1031.09 lacs). The Company has made Net Profit of Rs. 17.81 Lacs as against Rs. 26.78 Lacs of the previous year after considering Depreciation and Provision for Tax and other adjustments representing a decrease of approximately about 33.50 % over the corresponding period of the previous year.

The EPS of the Company for the year 2015-16 is Rs. 0.17. The Company is looking forward to infuse additional working capital in the business of the Company in order to carry out the operation of the Company smoothly.

**DIVIDEND:**

No dividend has been recommended in respect of the financial year ended 31<sup>st</sup> March, 2016 and the entire surplus be ploughed back to the business to meet the needs for additional finance for capital expenditure.

**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, 2016 is Rs. 10,40,09,000.

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

During the year under review, the search operations under Section 132 of the Income-tax Act, 1961 ('the Act') were carried out by the income-tax authorities at the premises of the Company in the month of February 2016. The search proceedings have been completed and the Company has extended full co-operation to the income-tax authorities. Assessment proceedings are under progress and provision for any tax liability, if required, shall be made on completion of assessment.

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Directors' Report.

There is no change in the nature of business of the Company during the year under review.

**LISTING WITH STOCK EXCHANGE:**

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 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 there under.

**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, retire by rotation at the conclusion of this Annual General Meeting and being eligible offer himself for re-appointment. A brief resume of Mr. Shetal Shah, being the Director retiring by rotation and seeking appointment/re-appointment at the ensuing Annual General Meeting, 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.

The Board of Directors appointed Mr. Vishal Shah as an Additional Non-Executive Director of the Company w.e.f. February 26, 2016.

Mr. Vishal Shah holds office as an Additional Non-Executive Director until this Annual General Meeting of the Company, and is eligible for appointment as a Director who is liable for retirement by rotation. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member with requisite deposit signifying his intention to propose the candidature of Mr. Vishal Shah for the office of a Non-Executive Director. A brief resume of Mr. Vishal Shah being an Additional Director seeking appointment/reappointment at the ensuing Annual General Meeting, is given in the section on "Report on Corporate Governance" forming part of this Annual Report.

Mr. Vijay Shah holds office as an Additional Non-Executive and Independent Director until this Annual General Meeting 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. The Company has received a notice under Section 160 of the Companies Act, 2013 from a member with requisite deposit signifying his intention to propose the candidature of Mr. Vijay Shah for the office of a Non-Executive and Independent Director. A brief resume of Mr. Vijay Shah being an Additional Director seeking appointment/reappointment at the ensuing Annual General Meeting, 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 Mr. Parag Patel, 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 Additional Non-Executive and Non-Independent Director, Two Director Non-Executive and Independent Directors (including one Additional Director) and One 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 state that:

- (a) In the preparation of the annual accounts for the financial year ended on March 31, 2016, 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, 2016 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 6 (Six) Board Meetings were convened and held on 30.05.2015, 08.08.2015, 07.11.2015, 28.12.2015, 10.02.2016 and 26.02.2016. 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.

**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, 2016 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 individual 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. During the financial year under review, the Independent Directors met on 26<sup>th</sup> February, 2016 inter-alia, to discuss:

- √ Performance evaluation of Non Independent Directors and Board of Directors as a whole;
- √ Performance evaluation of the Chairman of the Company;
- √ Evaluation of the quality of flow of information between the Management and Board for effective performance by the Board.

The Board of Directors expressed their satisfaction with the evaluation process.

**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 :**

Pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, M/s. Marmik G. Shah & Associates (Firm Registration Number: 135024W), Statutory Auditors, Chartered Accountants, Ahmedabad were appointed as a Statutory Auditors of the Company at the Twenty one Annual General Meeting held on September 30, 2015 for five years i.e. Financial Year 2015-16 to Financial Year 2019-2020 from conclusion of Twenty one Annual General Meeting till the conclusion of Twenty six Annual General Meeting subject to ratification at every Annual General Meeting. Accordingly, the members are requested to ratify the appointment of M/s. Marmik G. Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number: 135024W) as Statutory Auditors for the financial year March 31, 2017.

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

The Standalone Auditors' Report for the financial year ended on March 31, 2016 have been provided in "Financial Statements" forming part of this Annual Report.

**INTERNAL AUDITORS :**

M/s. Vineet Shah & Associates, Chartered Accountants, Ahmedabad has been appointed as Internal Auditors of the Company. 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, 2016. The Secretarial Audit Report for the financial year ended on March 31, 2016 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 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 Report.

**Board's Reply:** The Company would like to inform that certain accounts of the parties were in reconciliation with them and confirmation statements waited on that time. It does not have any effect on the financials of the company.

2. The Secretarial Auditor has mentioned their Secretarial Audit report that the Company has given loan, made Investment in excess of limit prescribed U/s. 186 of the Companies Act, 2013.

**Board's Reply:** The Company has given Loan/Advance for new business and charged interest on the Loan/ Advance given to the parties. The Board has initiated the process to get the approval of the share holders of the company for Increase in limits u/s 186 through postal ballot as per Companies Act, 2013.

**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.

**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. Marmik G. Shah & 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.

#### 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 (Rs.)
		FY 2015-16 (Rs.)	FY 2014-15 (Rs.)	
Shetal Shah	CMD	240000	120000	120000
Satish Shah	CFO	240000	240000	Nil
Parag Patel	CS	24000	Nil	Nil

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 : 08 (Eight)

Employed for part of the year : 01 (One)

The number of permanent employees on the rolls of Company as on 31 March, 2016 : 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, 2016.

**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 : 12.08.2016**

## ANNEXURE I

## SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2016

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016, 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:

We have examined the books, papers, minute books, forms and returns filed and maintained by the Company for the financial year ended on 31st March, 2016 and made available to us according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made there under as applicable; except following:
  - The Company has given loan, made Investment in excess of limit prescribed U/s. 186 of the Companies Act, 2013.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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; (Not applicable to the Company during the audit period);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and 2015, as amended from time to time; (Not applicable to the Company during the audit period);
  - (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 thereunder;
  - (b) The Negotiable Instruments Act, 1881

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (effective from 01st July, 2015);
- (ii) The Listing Agreement clauses till 30th November, 2015 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 01st December, 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.

**We 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 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 at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- d) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**[MUKESH H. SHAH]**  
PROPRIETOR  
CP. NO. 2213

**Place : Ahmedabad**  
**Date : 12.08.2016**

**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.

**ANNEXURE- A**

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

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

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

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

**[MUKESH H. SHAH]**  
**PROPRIETOR**  
**CP. NO. 2213**

**Place : Ahmedabad**  
**Date : 12.08.2016**

## ANNEXURE II

## FORM NO. MGT 9

EXTRACT OF THE ANNUAL RETURN  
AS ON THE FINANCIAL YEAR ENDED ON 31.03.2016Pursuant 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. 079-26587363, 26583309 E-MAIL ID : sawacabusiness@yahoo.com
vi	Whether listed company	YES
vii	Name, Address & contact details of the Registrar & Transfer Agent.	SHAREPRO SERVICES (INDIA) PVT. LTD (UP TO 30.06.2016) 13 AB, 2ND FLOOR, SAMHITA WAREHOUSING COMPLEX, SAKINAKA TELEPHONE EXCHANGE LANE, OFF ANDHERI KURLA ROAD, SAKINAKA, ANDHERI (EAST), MUMBAI - 400 072 PH. 67720386 / 67720354 Note: BIGSHARE SERVICES PVT.LTD.( W.E.F 01/07/2016)

## 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.	COPPER SCRAP	72288010	35.42%
2.	SS COLD ROLLED PATTI PATTIES	72288010	26.57%
3.	ALUMINIUM SCRAP	72288010	21.53%
4.	SS PATTI / PATTI	72288010	12.85%

## 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 (01-04-2015)				No. of Shares held at the end of the year (31-03-2016)				% 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/FI 0	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	0	0	0	0	0
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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	268338	0	268338	2.58	339371	0	339371	3.26	0.68
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	990245	24850	1015095	9.76	894608	22850	917458	8.82	-0.94

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

Category of Shareholders	No. of Shares held at the beginning of the year (01-04-2015)				No. of Shares held at the end of the year (31-03-2016)				% 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. 2 lakhs	5128632	0	5128632	49.31	5615593	0	5615593	53.99	4.68
c) Others (specify)									
i) Clearing Member	431363	0	431363	4.15	94529	0	94529	0.91	-3.24
ii) HUF	166375	0	166375	1.60	32964	0	32864	0.32	-1.28
iii) Foreign Individuals or NRI	0	0	0	0	9988	0	9988	0.10	0.10
<b>SUB TOTAL (B)(2):</b>	<b>6984953</b>	<b>24850</b>	<b>7009803</b>	<b>67.40</b>	<b>6986953</b>	<b>22850</b>	<b>7009803</b>	<b>67.40</b>	<b>0</b>
<b>Total Public shareholding (B) = (B)(1)+(B)(2)</b>	<b>6984953</b>	<b>24850</b>	<b>7009803</b>	<b>67.40</b>	<b>6986953</b>	<b>22850</b>	<b>7009803</b>	<b>67.40</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>Grand Total (A+B+C)</b>	<b>10376050</b>	<b>24850</b>	<b>10400900</b>	<b>100</b>	<b>10378050</b>	<b>22850</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. S. R. Shah	1593189	15.32	0	1593189	15.32	0	0
2.	Mr. S. S. Shah	860600	8.27	0	860600	8.27	0	0
3.	Mr. V. S. Shah	650000	6.25	0	650000	6.25	0	0
4.	Mrs. J. 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	RAJESH RAJPUT	375499	3.61	140922	1.36	516421	4.97
2	PARASNATH VERMA	329541	3.17	179549	1.72	509090	4.89
3	V.R. SHAH	351052	3.38	157336	1.51	508388	4.89
4	RAXA SHAH	207907	2.00	299866	2.88	507773	4.88
5	UMESHBHAI VERMA	0	0.00	502118	4.83	502118	4.83
6	SANJAY PRAJAPATI	474078	4.56	26053	0.25	500131	4.81
7	VIJAY PARMAR	464930	4.47	34251	0.33	499181	4.80
8	JIGNESH SHAH	242021	2.33	254387	2.44	496408	4.77
9	BABUBHAI PARMAR	0	0.00	496331	4.77	496331	4.77
10	SANDHYA SHAH	412416	3.97	45757	0.44	458173	4.41
11	KANAN SHAH	364247	3.50	-49147	-0.47	315100	3.03
12	ANANGBHAI	134000	1.29	-134000	-1.29	0	0.00
13	BHANUPRASAD TRIVEDI	146738	1.41	0	0	146738	1.41
14	ASE CAPITAL MARKETS LIMITED	199467	1.92	-199461	-1.92	6	0.00
15	INNOVATE SECURITIES PVT. LTD.	150500	1.45	-150500	-1.45	0	0.00

## 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 - MD	860600	8.27	0	0.00	860600	8.27
3.	Mr. Vishal Shah–Director (w.e.f 26.02.2016)	650000	6.25	0	0.00	650000	6.25
4.	Mr. Vijaybhai Shah- Director (w.e.f 26.02.2016)	0	0.00	0	0.00	0	0.00
5.	Mrs. Lilaben agaja	0	0.00	0	0.00	0	0.00
6.	Mr. Kishore Agaja- Director (upto 10.02.2016)	0	0.00	0	0.00	0	0.00
7.	Mr. Kalpesh Trivedi-Director (upto 26.02.2016)	0	0.00	0	0.00	0	0.00
8.	Mr. Parag Patel 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 Tushar Patel	Total Amount
1	Gross salary	Mr. Shetal Shah	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	Rs. 240000.00	Rs. 240000.00
	(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. 240000.00</b>	<b>Rs. 240000.00</b>
	<b>Ceiling as per the Act</b>	<b>Rs. 600000.00</b>	<b>Rs. 600000.00</b>

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Kalpesh	Mr. Kishor	Mrs. Lilaben	Mr. Vijay	
<b>1.</b>	<b>Independent Directors</b>					
	• Fee for attending board committee meetings					
	• Commission					
	• Others, please specify	0	0	0	0	0
	<b>Total(1)</b>	<b>0</b>	<b>0</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 SECRETARY	COMPANY	CFO	
1.	Gross Salary	Mr. Shetal Shah*	Mr. Parag Patel	Mr. Satish Shah	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	24000	240000	264000
	(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>24000</b>	<b>240000</b>	<b>264000</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. Company</b>					
Penalty	Clause 31	Late Submission of Annual Report for 2014-15	Rs. 10260/-	The Bombay Stock Exchange Ltd.	-
Punishment	-	-	0	-	-
Compounding	-	-	0	-	-
<b>B. Directors</b>					
Penalty	-	-	0	-	-
Punishment	-	-	0	-	-
Compounding	-	-	0	-	-
<b>C. 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	Details
a)	Name (s) of the related party & nature of relationship	M/s. Veedee Enterprise. Proprietor is Director and Promoter	Mr. Satish Shah Promoter and CFO
b)	Nature of contracts/arrangements/transaction	Purchase of Goods	Rent
c)	Duration of the contracts/arrangements/transaction	1 year	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 72,85,000/-	Rs. 2,25,000/-
e)	Date of approval by the Board	30-05-2015.	30-05-2015.
f)	Amount paid as advances, if any	Rs. 14,00,037/-	Rs. 45,000/-

Place : Ahmedabad  
Date : 12/08/2016

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 Fours Directors as on March 31, 2016, 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 (w.e.f 26.02.2016)
Mrs. Leela K. Agaja	Non-Executive and Independent Director	Director
Mr. Vijay Shah	Non-Executive and Independent Director	Director (w.e.f 26.02.2016)
Mr. Kalpesh Trivedi	Non-Executive and Independent Director	Director (upto 26.02.2016)
Mr. Kishor Agaja	Non-Executive and Independent Director	Director (upto 10.02.2016)

**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	-	-	-	-
Mr. Leela K. Agaja	Non-Executive and Independent Director	-	-	-	-
Mr. Vijay Shah	Non-Executive and Independent Director	-	-	-	-
Mr. Kalpesh Trivedi	Non-Executive and Independent Director	1	0	3	2
Mr. Kishor Agaja	Non-Executive and Independent Director	-	-	-	-

**Notes :**

1. 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.
2. 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, 2016 have been made by the Directors.
3. 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 six meetings of the Board of Directors held during the financial year ended on March 31, 2016, i.e., on May 30, 2015, August 08, 2015, November 07, 2015, December 28, 2015, February 10, 2016 and February 26, 2016. 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, 2016 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	6	6	YES
Mr. Vishal Shah	Non-Executive and Non-Independent Director	6	1	YES
Mr. Leela K. Agaja	Non-Executive and Independent Director	6	6	YES
Mr. Vijay Shah	Non-Executive and Independent Director	6	1	NO
Mr. Kalpesh Trivedi	Non-Executive and Independent Director	6	6	YES
Mr. Kishor Agaja	Non-Executive and Independent Director	6	5	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 40 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. Shetal's 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 huge experience in various leadership roles across functions including Service Delivery, Presales, 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, 2016.

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

Mr. Satish Shah, aged about 60 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 30 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 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 1593189 equity shares of the Company in his individual capacity as on March 31, 2016.

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

Mr. Vishal Shah is appointed as Additional Non-Executive and Non-Independent Director of the Company by the Board of Directors at its meeting held on February 26, 2016 subject to his appointment being confirmed by the shareholders at the Annual General Meeting. Mr. Vishal Shah, aged about 39 years, holds Masters in Business Administration from Gujarat University, Ahmedabad. He has 10 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, 2016.

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

There are no convertible instruments outstanding as at March 31, 2016. The details regarding the number of shares held directly by the Non-Executive Directors as on March 31, 2016 is given below:

Name of the Directors	Designation	No. of Equity Shares held as on March 31, 2016
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 February 26, 2016. Pursuant to Regulation 46(2) of the Listing Regulations, the above details are also available on the [www.sawacabusiness.com](http://www.sawacabusiness.com).

**2. 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.

The Board of Directors at its meeting held on February 26, 2016 has re-constituted its Audit Committee w.e.f. December 1, 2015, pursuant to section 177 of the Act and rules thereunder and Regulation 18 of the Listing Regulations coming into effect from December 1, 2015.

**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 not present at the last Annual General Meeting of the Company.

During the year the Audit Committee met 4 times on 30.05.2015, 08.08.2015, 07.11.2015, 10.02.2016 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	0
Mrs. Leela K. Agaja	Member	Non-Executive & Independent Director	4	4
Mr. Vishal S. Shah	Member	Non-Executive & Non- Independent Director	4	0
Mr. Kalpesh Trivedi	Member	Non-Executive & Independent Director	4	4
Mr. Kishore Agaja	Chairman	Non-Executive & Independent Director	4	4

**Note : Mr. Kishor G. Agaja Chairman of the Audit Committee upto 10.02.2016 and after Mr. Vijay Shah Appointed as Chairman of the Audit Committee as on 26.02.2016.**

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.

**(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.

The Board of Directors at its meeting held on February 26, 2016 has re-constituted its Nomination & Remuneration committee w.e.f. December 1, 2015, pursuant to section 178 of the Act and rules thereunder and Regulation 19(4) of the Listing Regulations coming into effect from December 1, 2015.

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

During the financial year, 2 (two) Nomination and Remuneration Committee Meetings were held as on 30.05.2015 and 26.02.2015. 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	2	1
Mrs. Leela K. Agaja	Member	Non-Executive & Independent Director	2	2
Mr. Vishal S. Shah	Member	Non-Executive & Non- Independent Director	2	1
Mr. Kalpesh Trivedi	Member	Non-Executive & Independent Director	2	2
Mr. Kishore Agaja	Member	Non-Executive & Independent Director	2	1

**Note :** Mr. Kishor G. Agaja Chairman of the Audit Committee upto 10.02.2016 and after Mr. Vijay Shah Appointed as Chairman of the Audit Committee as on 26.02.2016.

**Performance evaluation criteria for Independent Directors :**

In the Nomination and Remuneration Committee Meetings held on 26.02.2015, 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 2015-2016 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	-	-	-	-	-	2.40	2.40
Vishal Shah	NED	-	-	-	-	-	-	-
Vijay Shah	NED & ID	-	-	-	-	-	-	-
Lela K. Agaja	NED & ID	-	-	-	-	-	-	-
	<b>TOTAL</b>	-	-	-	-	-	<b>2.40</b>	<b>2.40</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.

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

The Board of Directors at its meeting held on February 26, 2016 has re-constituted its Stakeholders Relationship Committee w.e.f. December 1, 2015, pursuant to section 178(5) of the Act and rules thereunder and Regulation 20 of the Listing Regulations coming into effect from December 1, 2015.

The Stakeholders Relationship Committee met four times during the financial year ended on March 31, 2016, i.e. May 30, 2015, August 08, 2015, November 07, 2015 and February 10, 2016.

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	0
Leela K. Agaja	Non-Executive & Independent Director	Member	4	4
Vishal S. Shah	Non-Executive & Non- Independent Director	Member	4	0
Mr. Kalpesh Trivedi	Non-Executive & Independent Director	Member	4	4
Mr. Kishore Agaja	Non-Executive & Independent Director	Member	4	4

**Note :** Mr. Kishor G. Agaja Chairman of the Audit Committee upto 10.02.2016 and after Mr. Vijay Shah Appointed as Chairman of the Audit Committee as on 26.02.2016.

**Compliance Officer :**

Mr. Parag B. Patel, Company Secretary & Compliance Officer.

**Details of Complaints for the During the year 2015-16.**

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>

**(a) SHARE TRANSFER COMMITTEE :**

Share Transfer Committee comprises of three members, namely Mr. Vijay Shah, Mr. Leela Agaja and Mr. Vishal shah. The Committee looks after transfer of shares of the Company in physical form. Further, it also approve transmission of shares, issue of duplicate or new share certificates consequent upon any forfeiture, buy-back, reduction, sub-division, consolidation or cancellation of shares, issue of sweat equity shares, transmission of shares, shares issued under any scheme of arrangements, mergers, reconstitution or employees stock option scheme or any of such scheme provided under the Act. Further, it is closed and dissolved w.e.f July 1, 2016.

**(b) 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, a separate meeting of the Independent Directors was held on February 26, 2016, inter alia, to discuss:

- Evaluation of the performance of Non Independent Directors and the Board as a whole.
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary to effectively and reasonably perform their duties.

All the Independent Directors were present at the Meeting.

#### 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
2014-15	September 30, 2015 11.00 A.M	45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-3800009.	1. Appointment of Mr. Shetal S. Shah as Managing Director for a period of five years. 2. Alteration and adoption of new set of Articles of Association of the Company.
2013-14	September 27, 2014 10.00 A.M	45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-3800009.	During the financial year under review the company had not transacted any business special resolution in Annual General Meeting.
2012-13	September 27, 2013 10.00 A.M	45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-3800009.	During the financial year under review the company had not transacted any business special resolution in Annual General Meeting.

**Special Resolutions passed during the financial year ended on March 31, 2016, through Postal Ballot:**

During the financial year under review the Company had not transacted any business special resolution through Postal Ballot.

#### 6. MEANS OF COMMUNICATION :

##### Results :

The quarterly, half-yearly and yearly unaudited/ audited financial results of the Company were published as per Clause 41 of the Listing Agreement up to November 30, 2015 and 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, 2015 to March 31, 2016
Day, date and time of AGM	Friday, 30 <sup>th</sup> September, 2016 at 12.00 Noon
Venue of Annual General Meeting	Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424, Gujarat
Cut-off date of AGM	Friday, 23 <sup>rd</sup> September, 2016
Dates of Book Closure	26.09.2016 to 30.09.2016 (both days inclusive)

**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 2016-17 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 2015-16 :**

Month	High Price (Rs)	Low Price (Rs)
April, 2015	204.4	117
May, 2015	209	192.3
June, 2015	205	94.9
July, 2015	108.9	90.25
August, 2015	132	97.2
September, 2015	125	76.5
October, 2015	150	91.5
November, 2015	120.4	88.7
December, 2015	79.85	62.1
January, 2016	62.2	48.4
February, 2016	46	27.6
March, 2016	26.25	14.95

Total Equity Share Capital of the Company as on March 31, 2016 was 1,04,00,900 equity shares of Rs. 10/- each.

**Registrar and Transfer Agents :**

The Company has changed RTA from M/s. Sharepro Services (I) Pvt. Ltd. to M/s. Bigshare Services Private Limited w.e.f. 01.07.2016; hence Members are requested to correspond with the Company's new 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](mailto:bssahd@bigshareonline.com)  
Website: [www.bigshareonline.com](http://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, 2016 :**

No. of Equity Shares	No. of members	% of total members	No. of shares	% to total capital
Less than 500	2443	86.57	323856	3.11
501-1000	198	7.02	167239	1.61
1001-2000	82	2.91	132174	1.27
2001-3000	24	0.85	63066	0.61
3001-4000	16	0.57	60365	0.58
4001-5000	10	0.35	47487	0.46
5001-10000	10	0.35	78842	0.76
10,000 and above	39	1.38	9527871	91.60
<b>Total</b>	<b>2822</b>	<b>100.00</b>	<b>10400900</b>	<b>100.00</b>

**Shareholding Pattern as on March 31, 2016 :**

Category	No. of shares held	% of shareholding
Company Promoter / Promoter Group	3391097	32.60%
Financial Institutions / Banks	0	0
Foreign Portfolio Investors	0	0
Bodies Corporate	339371	3.26%
Individuals	6533051	62.81%
Non-Resident Indians (Repat)	9988	0.10%
Non Resident Indians (Non- Repat)	0	0
Clearing Members	94529	0.91%
Mutual Funds	0	0
Trusts	0	0
Hindu Undivided Family	32864	0.32%
<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 there under. 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 a penalty of Rs. 10,260/- imposed on the company for late submission of Annual Reports to Bombay Stock Exchange for the year 2014-15.

**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.

**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.

**Non-Mandatory Requirements:**

**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 a qualification of Disclaimer of Opinion in the Auditor's Report on the Financial Statements to the shareholders of the Company.

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

CIN: L65910GJ1994PLC023926

For any other queries: Email: [investor.grievance.sawaca@gmail.com](mailto:investor.grievance.sawaca@gmail.com)

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

[SHETAL S. SHAH]

DIN: 02148909

MANAGING DIRECTOR

PLACE : AHMEDABAD

DATE : 12.08.2016

**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, 2016, as stipulated in clause 49 of the Listing Agreement entered into with Stock Exchange for the period from 1st April, 2015 to 30th November, 2015 and 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 December, 2015 to 31st March, 2016 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 : 12/08/2016**

**For, Marmik G. Shah & Associates**  
**(Chartered Accountants)**  
**F.R.N.: 135024W**

**Marmik G. shah**  
**(Partner)**  
**M.No.: 133926**

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**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, 2016.

**For, SAWACA BUSINESS MACHINES LIMITED**

**PLACE : AHMEDABAD**  
**DATE : 12.08.2016**

**[SHETAL S. SHAH]**  
**DIN: 02148909**  
**MANAGING DIRECTOR**



**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, 2016 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 violative 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 : 12/08/2016**

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

Your Directors have pleasure in presenting the management discussion and analysis report for the year ended on March 31, 2016.

**1. INDUSTRY STRUCTURE, DEVELOPMENT:**

During the period under the review, the Company had been operating in the Business of Trading and Exports. The main products for Trading include Various Metal scraps and Cotton bales. The company also indulged into Exports of Machinery.

The performance of company is positive during the entire FY 2015-16. The year gone by saw high interest rates, 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 7.56% during the year 2015-16.

**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 Various Metal Scrap. The company also deals in SS patta / patti.

**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 ADEQUEACY:**

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 M/s. Vineet Shah & Associates, Chartered Accountants as the Internal Auditors of the Company for the FY 16-17.

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

During the year, the Company has recorded a turnover of Rs. 344.50 Lacs as compared to Rs. 1069.06 Lacs in the previous year. The Company has made net profit of Rs. 17.81 Lacs as compared to Rs. 26.78 Lacs of the previous year after providing depreciation, tax, etc. for the year ended 31st March, 2016.

**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.

PLACE : AHMEDABAD.

DATE : 12.08.2016

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

[SHETAL SHAH]  
DIN: 02148909  
Managing Director

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**INDEPENDENT AUDITOR'S REPORT**

**TO,  
THE MEMBERS OF SAWACA BUSINESS MACHINES LIMITED**

**Report on the Financial Statements :**

We have audited the accompanying financial statements of SAWACA BUSINESS MACHINES LIMITED ("the Company"), which comprise the Balance Sheet as at 31/03/2016, the Statement of Profit and Loss and Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility :**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Qualified Opinion :**

We would like to draw attention to the fact that, balance confirmations and transaction confirmations were not made available to us in some cases in absence of which we are not in position to comment on deviation in the balances or execution of transactions.

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

1. As required by the Companies (Auditor's Report) Order, 2016, issued by the central government in terms of section 143(11) of the Act, we give in an Annexure a statement on the matter specified in paragraph 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 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, and dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on **31/03/2016** taken on record by the Board of Directors, none of the directors is disqualified as **31/03/2016** from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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. The Company regarding pending litigation has been incorporated under CARO, 2016.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**Date : 27/05/2016**  
**Place : Ahmedabad**

**FOR Marmik G. Shah & Associates**  
**(Chartered Accountants)**  
**FRN: 135024W**

**Marmik Shah**  
**(Partner)**  
**M.No. : 133926**

**“Annexure A” to the Independent Auditors’ Report of even date on the  
Standalone Financial Statements of SAWACA BUSINESS MACHINES LIMITED,  
Reports under The Companies (Auditor’s Report) Order, 2016 (CARO 2016)  
for the year ended on 31st March 2016**

To,  
**The Members of SAWACA BUSINESS MACHINES LIMITED**

**(1) In Respect of Fixed Assets :**

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. However the situation of Fixed Asset were not identify as they are mostly Misc. Assets.
- (b) As informed to us Fixed assets have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.
- (c) N.A

**(2) In Respect of Inventories :**

As informed to us Inventories have been physically verified by the management at reasonable intervals; No material discrepancies were noticed on such verification.

**(3) Compliance under section 189 of The Companies Act, 2013 :**

As represented to us the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the companies Act-2013.

- (a) NA
- (b) NA.
- (c) NA.

**(4) Compliance under section 185 and 186 of The Companies Act , 2013 :**

While doing transaction for loans, investments, guarantees, and security provisions of section 185 have been complied with however threshold limit specified under 186 of the Companies Act, 2013 has been crossed during the year.

**(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits :**

The company has not accepted any Deposits.

**(6) 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.

**(7) Deposit of Statutory Dues :**

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Investor education protection fund, Employees’ state insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Cess and other material statutory dues applicable to it except for the cases shown in Annexure A.
- (b) There is no dispute with the revenue authorities regarding any duty or tax payable.

**(8) Repayment of Loans and Borrowings**

The company has not defaulted in repayment of dues to financial institution, bank or debenture holders.

**(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised**

The company has not raised any money by way of initial public offer or further public offer {including debt instruments) and term loans during the year. Hence this clause is not applicable.

**(10) Reporting of Fraud During the Year :**

Based on our audit procedures and the information and explanation made available to us no such fraud noticed or reported during the year.

- (11) **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.
- (12) **Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio :**  
As per information and records available with us The company is not Nidhi Company.
- (13) **Related party compliance with Section 177 and 188 of companies Act - 2013 :**  
Yes , All 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 Financial Statements etc., as required by the applicable accounting standards.
- (14) **Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures :**  
The Company has not issued any debenture and therefore this clause is not applicable.
- (15) **Compliance under section 192 of Companies Act – 2013 :**  
The company has not entered into any non-cash transactions with directors or persons connected with him.
- (16) **Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934 :**  
The company is not required to be registered under section 45-IA of the Reserve Bank of India Act.

**Annexure detail of (7)(a) :**

Related To	Authority	Financial Year	Amount	Remarks
Income Tax Act	Income Tax Act	2008-09	250,000.00	
Income Tax Act	Income Tax Act	2009-10	238,000.00	
Income Tax Act	Income Tax Act	2010-11	780,000.00	
Income Tax Act	Income Tax Act	2011-12	615,000.00	

Date : 27/05/2016  
Place : Ahmedabad

FOR Marmik G. Shah & Associates  
(Chartered Accountants)  
FRN: 135024W

Marmik Shah  
(Partner)  
M.No. : 133926

**“Annexure B” to the Independent Auditor’s Report of even date on the  
Financial Statements of SAWACA BUSINESS MACHINES LIMITED**

**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, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls :**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility :**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that 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 amount the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and operating effectiveness of internal control based on the assessed risk. The procedures selected depend upon 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 Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting :**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, 2016, 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 issues by the Institute of Chartered Accountants of India.

Date : 27/05/2016  
Place : Ahmedabad

FOR Marmik G. Shah & Associates  
(Chartered Accountants)  
FRN: 135024W

Marmik Shah  
(Partner)  
M.No. : 133926

## BALANCE SHEET AS AT 31st MARCH , 2016

(Amount in Rs.)

Particulars	Note	As at 31 March, 2016	As at 31 March, 2015
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' funds :</b>			
Share capital	3	104,009,000	104,009,000
Reserves and surplus	4	10,782,368	9,001,684
		<b>114,791,368</b>	<b>113,010,684</b>
<b>Non-current liabilities :</b>			
Deferred tax liabilities	5	--	202
<b>Current liabilities :</b>			
Trade payables	6	9,643,954	36,235,656
Other current liabilities	7	119,270	781,110
Short-term provisions	8	1,768,928	2,470,980
		<b>11,532,152</b>	<b>39,487,746</b>
<b>Total</b>		<b>126,323,520</b>	<b>152,498,632</b>
<b>ASSETS :</b>			
<b>Non-current assets :</b>			
Fixed assets			
Tangible assets	9	12,363	30,146
Long-term loans and advances	10	96,580,411	93,028,250
Non-current investments	11	--	12,477,303
Other non-current assets	12	--	47,176
		<b>96,592,774</b>	<b>105,582,875</b>
<b>Current assets :</b>			
Trade receivables	13	23,316,601	42,480,278
Cash and bank balances	14	2,775,840	1,471,308
Inventory	15	1,947,548	
Short-term loans and advances	16	1,690,757	2,964,171
		<b>29,730,746</b>	<b>46,915,757</b>
<b>Total</b>		<b>126,323,520</b>	<b>152,498,632</b>
Summary of significant accounting policies	1, 2		

As per our report of even date

**For Marmik G. Shah & Associates**  
Chartered Accountants  
Firm Registration Number : 135024W

**Marmik G. Shah**  
Partner  
Membership Number 133926

Place : Ahmedabad  
Date : May 27, 2016

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

**Shetal Shah**  
**Chairman &**  
**Managing Director**

Place : Ahmedabad  
Date : May 27, 2016

**Satish Shah**  
CFO

**Vishal Shah**  
Director



## Statement of Profit and Loss for the year ending 31 March 2016

(Amount in Rs.)

Particulars	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>INCOME :</b>			
Revenue from operation	17	26,002,637	99,962,163
Other income	18	8,447,211	6,944,265
<b>Total revenue</b>		<b>34,449,848</b>	<b>106,906,428</b>
<b>EXPENSES :</b>			
Cost of material consumed	19	25,137,314	97,801,423
Employee benefit expenses	20	993,095	1,321,748
Depreciation	9	17,783	84,034
Other expenses	21	5,719,069	3,901,536
<b>Total expenses</b>		<b>31,867,261</b>	<b>103,108,741</b>
<b>Profit before tax</b>		<b>2,582,587</b>	<b>3,797,687</b>
<b>Tax expenses :</b>			
- Current tax		802,105	1,135,000
- Deferred tax	5	(202)	(14,923)
<b>Total tax expenses</b>		<b>801,903</b>	<b>1,120,077</b>
<b>Profit for the year</b>		<b>1,780,684</b>	<b>2,677,610</b>
<b>Earning per equity share (nominal value of share Rs.10)</b>			
<b>Basic and Diluted</b>	31	0.17	0.26
Summary of significant accounting policies	1, 2		

As per our report of even date

**For Marmik G. Shah & Associates**  
Chartered Accountants  
Firm Registration Number : 135024W

**Marmik G. Shah**  
Partner  
Membership Number 133926

Place : Ahmedabad  
Date : May 27, 2016

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

**Shetal Shah**  
**Chairman &**  
**Managing Director**

**Satish Shah**  
CFO

**Vishal Shah**  
Director

Place : Ahmedabad  
Date : May 27, 2016

## Cash flow statement for the year ended 31 March 2016

(Amount in Rs.)

Particular	As at 31 March 2016	As at 31 March 2015
<b>A. Cash Flow From Operating Activities</b>		
Net profit before tax and extra ordinary item	2,582,587	3,797,687
Add :		
(A) Depreciation	17,783	84,034
(B) Preliminary Exp. W/off	47176	155,322
(C) Deficit on sale of fixed asset	—	—
<b>Operating profit before working Capital Changes</b>	<b>2,647,546</b>	<b>4,037,043</b>
<b>Adjustment for working capital changes</b>		
Increasing/Decreasing In Current Assets	18489543	-27,412,087
Increasing/Decreasing In Current Liability	-27253542	22,914,167
<b>Cash Flow From Operation</b>	<b>-8763999</b>	<b>-460,877</b>
Less: Direct Tax Paid	1504157	910,131
Cash Inflow before extraordinary items & prior year adjustment	-10268156	-1,371,008
Extraordinary items and prior year adjustment	—	—
<b>Net cash from Operating activities</b>	<b>-10,268,156</b>	<b>-1,371,008</b>
<b>B. Cash Flow From Investing Activities :</b>		
Increase in Loan Given	-3552161	-26,784,726
Purchase of Fixed Assets	—	—
Sale of fixed asset	—	—
Reduction in Investment in Firm	12477303	27,450,000
Decrease in Margin Money	—	586,263
<b>Net cash from Investing activities</b>	<b>8925142</b>	<b>1,251,537</b>
<b>Net increase in cash and Bank equivalents during the year</b>	<b>1304533</b>	<b>-119,471</b>
Add: Cash and Bank equivalents at the beginning of the year	1471308	1,590,778
<b>Cash and Bank equivalents at the end of the year (Refer note no 14)</b>	<b>2775840</b>	<b>1,471,307</b>

**Notes :**

- 1) The above Cash flow statement has been prepared under the 'Indirect method' set out in Accounting Standard 3 - Cash flow statements referred to in the Company's Accounting Standards Rules 2006.
- 2) Cash flow in bracket indicates cash out flow.

As per our report of even date

**For Marmik G. Shah & Associates**  
Chartered Accountants  
Firm Registration Number : 135024W

**Marmik G. Shah**  
Partner  
Membership Number 133926

Place : Ahmedabad  
Date : May 27, 2016

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

**Shetal Shah**  
**Chairman &**  
**Managing Director**

Place : Ahmedabad  
Date : May 27, 2016

**Satish Shah**  
CFO

**Vishal Shah**  
Director

**ACCOUNTING POLICIES :****1) Basis of Preparation:**

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2014, and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

**2) Statement of Significant Accounting Policies:****a) Use of Estimates :**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**b) Revenue recognition :**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods :**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The company collects sales taxes and value added taxes (VAT), wherever applicable, on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

**c) Valuation of Inventory :**

Stock in trade is valued at lower of cost and net realizable value. Cost of stock in trade is determined on a first in first out basis.

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

**d) Fixed Assets and Depreciation :****Cost :**

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**Depreciation :**

Company provides depreciation over its useful life basis as per the life prescribed in Schedule II of Companies Act 2013.

**e) Income Taxes :**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available 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 MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" 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.

**g) Impairment of Assets :**

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**h) Cash and Cash Equivalents :**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**i) Segment Reporting :**

The company operates in single category of product therefore separate segment reporting is not done.

**j) Earning per share :**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**k) Contingent Liability :**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**l) Provisions and Contingencies :**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**m) Investment :**

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>3. SHARE CAPITAL :</b>		
<b>Authorised shares :</b>		
1,10,00,000 (Previous year 1,10,00,000) Shares of Rs. 10/- each	110,000,000	110,000,000
<b>Issued, Subscribed and fully paid-up shares :</b>		
1,04,00,900 (Previous year 1,04,00,900) Equity shares of Rs. 10/- each fully paid	104,009,000	104,009,000
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>104,009,000</b>	<b>104,009,000</b>

**a. Terms/rights attached to equity shares :**

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

**b. Details of shareholders holding more than 5% shares in the company :**

	As at 31st March 2016		As at 31st March 2015	
	Numbers	Holding	Numbers	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%

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>4. RESERVES AND SURPLUS :</b>		
<b>Surplus in statement of profit and loss :</b>		
Balance as per last financial statements	9,001,684	6,324,074
Profit for the year	1,780,684	2,677,610
<b>Balance as at the end of the year</b>	<b>10,782,368</b>	<b>9,001,684</b>

**5. DEFERRED TAX LIABILITIES :****Deferred tax liability :**

Difference in written down value of fixed assets as per tax books and accounting books#

	–	202
<b>Total</b>	<b>–</b>	<b>202</b>

#There being resultant Deferred Tax Assets on account of difference in written down value of assets as per books and as per tax books, the same has been recognised only to the extent of standing deferred tax liability in the books. The same has been done in terms of Para..... Of AS 22

**6. TRADE PAYABLES AND OTHER CURRENT LIABILITIES :**

Trade payables#	9,643,954	36,235,656
<b>Total</b>	<b>9,643,954</b>	<b>36,235,656</b>

#The company has not received any intimation from the suppliers regarding status under the Micro, small and medium enterprises development Act, 2006 ('the act') and hence disclosures regarding a) Amount due and outstanding to suppliers as at end of the accounting year, b) interest paid during the year, c) interest payable at the end of the accounting year and d) interest accrued and unpaid at the end of the accounting year, has not been disclosed or provided. The company is making efforts to get the confirmations from the suppliers as regard their status under the act.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
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**7. OTHER CURRENT LIABILITIES :**

Creditors for expences	119,270	91,110
Other liabilities		690,000
<b>Total</b>	<b>119,270</b>	<b>781,110</b>

**8. SHORT TERM PROVISIONS :**

Provision for Income Tax	1,768,928	2,470,980
<b>Total</b>	<b>1,768,928</b>	<b>2,470,980</b>

**9. FIXED ASSETS :**

Particulars	Gross block				Accumulated depreciation				Net block	
	As at April 1,2016	Addi- tion	Sale/ Adjust- ment	As at March 31,2016	As at April 1,2016	For the Year	Sale/ Adjust- ment	As at March 31,2016	As at March 31,2016	As at March 31,2015
<b>Tangible Assets</b>										
Computers	144,200	-	-	144,200	120,437	16,553	-	136,990	7,210	23,763
Office equipment	8,165	-	-	8,165	1,782	1,230	-	3,012	5,153	6,383
<b>TOTAL-A</b>	<b>152,365</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122,219</b>	<b>17,783</b>	<b>-</b>	<b>140,002</b>	<b>12,363</b>	<b>30,146</b>

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
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**10. LONG TERM LOANS & ADVANCES :****Unsecured, Considered Goods :**

Loans & Advances	96,580,411	93,028,250
<b>Total</b>	<b>96,580,411</b>	<b>93,028,250</b>

**11. INVESTMENTS :**

Investments in Partnership firm	--	1,477,303
Other Investment	--	11,000,000
<b>Total</b>	<b>--</b>	<b>12,477,303</b>

**12. Other Non-Current Assets :****Others :**

Preliminary Expenses	47,176	202,498
Less: Written off during the year	(47,176)	(155,322)
<b>Total</b>	<b>-</b>	<b>47,176</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(Amount in Rs.)

Particulars	As at 31 March, 2016	As at 31 March, 2015
<b>13. TRADE RECEIVABLES :</b>		
<b>Secured, considered good :</b>		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment	23,316,598	18,721,853
Other receivables	--	23,758,425
<b>Total</b>	<b>23,316,598</b>	<b>42,480,278</b>

**14. CASH AND CASH EQUIVALENTS :****Cash and cash equivalent :**

Cash on hand 2,223,220 1,469,838

**Balances with banks :**

Current account 552,620 1,470

**Total 2,775,840 1,471,308****15. INVENTORY :**

Stock &amp; trading material 1,947,548 --

**Total 1,947,548 --****16. SHORT-TERM LOANS AND ADVANCES :****Un-secured, considered good :**

Balance with government authorities 177,312 127,981

Security Deposit 65,000 20,000

Other -- 673,723

Advances to Creditors 1,448,445 2,142,467

**Total 1,690,757 2,964,171**

(Amount in Rs.)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>17. REVENUE FROM OPERATIONS :</b>		
<b>Revenue from operations - Gross :</b>		
<b>Sale of products</b>		
Trading goods	26,002,637	99,962,163
<b>Total Revenue from operations</b>	<b>26,002,637</b>	<b>99,962,163</b>

**18. OTHER INCOME :**

Foreign Exchange Rate Fluctuation Difference 362,707 290,229

Interest Income 8,084,504 5,943,425

Other income -- 673,723

Provision written off -- 36,888

**Total 8,447,211 6,944,265**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(Amount in Rs.)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
<b>19. COST OF MATERIAL CONSUMED :</b>		
<b>Material consumed #</b>		
Purchase of trading goods	25,137,314	97,801,423
<b>Total</b>	<b>25,137,314</b>	<b>97,801,423</b>
<b># Material consumed :</b>		
Opening stock of trading material	-	-
Purchase of trading goods	27,084,862	97,801,423
Closing stock of trading goods	1,947,548	-
Cost of goods consumed	25,137,314	97,801,423
<b>20. EMPLOYEE COST :</b>		
Salaries	978,500	1,294,000
Staff Welfare	14,595	27,748
<b>Total</b>	<b>993,095</b>	<b>1,321,748</b>
<b>21. OTHER EXPENSES :</b>		
Advertisement	26,096	0
Bank Charges	3,718	61,784
Bad Debts	4,414,487	2,329,073
Business Promotion Exp	59,695	66,228
Travelling and conveyance	93,154	137,951
Power and Fuel	36,240	31,793
Selling & Distribution Expenses	-	70,940
Rent	181,860	225,000
Interest On Tax	-	100,893
Internal audit fees	15,000	30,000
Loss on sale of licences ( DEPB)	47,176	-
Office Expenses	181,672	189,111
Office Repairing	--	1,250
Printing and Stationery	36,462	36,125
Postage and telephone	59,840	81,782
Payments to the auditors		
- For Audit Fees	28,750	20,520
Miscellaneous exp	700	496
Freight and transport	10,250	
Kasar & Vatav	62,798	664
Legal and Professional charges	433,671	349,311
Preliminary Exp W/off	-	155,322
Website Related expenses	27,500	13,293
<b>Total</b>	<b>5,719,069</b>	<b>3,901,536</b>

**21. RELATED PARTIES\*****i Relative of Key Managerial Personnel :**

Name of Related Party	Relationship
Shetal Shah	MD
Vishal Shah	Director
Satish shah	CFO - Father of MD
Jyotsnaben	Mother of MD
Veedee Enterprise	Proproetor:Vishal Shah-Director



## 21. RELATED PARTIES\* (CONTD.....)

## Information in respect of Related Parties :

No.	Name	2015-16	2014-15
1.	<b>Salary and Remuneration :</b>		
	Satish Shah	240,000.00	240,000.00
	Shetal Shah	240,000.00	120,000.00
	Vishal Shah	0.00	300,000.00
	Jyotsnaben	0.00	300,000.00
2	<b>Rent Paid :</b>		
	Satish Shah	180,000.00	180,000.00
	Vishal Shah	0.00	45,000.00
3	<b>Rent Deposit :</b>		
	Satish Shah	45,000.00	
4	<b>Payment for Purchase of goods</b>		
	Veedee Enterprise (Proproetor : Mr. Vishal Shah)	7,285,000.00	609,500.00

\*Related party relationship is as identified by the Company on the basis of information available with them and relied upon by the Auditors.

## 22. C.I.F. value of imports, earning and expenditure in foreign currency :

(Amount in Rs.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
a) <b>Earnings in foreign currency :</b>		
Exports at F.O.B. Value	--	3,997,110
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
		<b>3,997,110</b>

## 24. Earnings per Share :

(Amount in Rs.)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Profit for the year attributable to equity shareholder	1,780,684	2,677,610
Weighted average number of equity shares considered in calculation of basic and diluted earning per share (In Numbers)	10,400,900	10,400,900
Nominal value of equity share	Rs. 10/-	Rs. 10/-
Basic and diluted earning per share (In Rupees)	0.17	0.26

25 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

**For Marmik G. Shah & Associates**  
Chartered Accountants  
Firm Registration Number : 135024W

**Marmik G. Shah**  
Partner  
Membership Number 133926

Place : Ahmedabad  
Date : May 27, 2016

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

**Shetal Shah**  
**Chairman &**  
**Managing Director**

**Satish Shah**  
CFO

**Vishal Shah**  
Director

Place : Ahmedabad  
Date : May 27, 2016

## ATTENDANCE SLIP

Only Members or the Proxies will be allowed to attend the meeting

### SAWACA BUSINESS MACHINES LIMITED

Registered Office: 45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-380009, India.

Tel : +91-79-26587363 Website : www.sawacabusiness.com Email: sawacabusiness@yahoo.com

CIN : L65910GJ1994PLC023926

Regd. Folio		DP ID*	
No. of Shares held		Client ID*	
Name and Address of the Member			
Name of the Proxy			

\*Applicable for Members holding shares in dematerialized form.

I/We hereby record my/our presence at the Twenty Second Annual General Meeting of SAWACA BUSINESS MACHINES LIMITED ("the Company") held on Friday, September 30, 2016 at 12:00 Noon at Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424, Gujarat and/or any adjournment thereof.

\_\_\_\_\_  
Signature of Member(s)/ Proxy

#### Note:

1. Member(s) attending the meeting in person or through proxy are requested to complete the Attendance Slip and hand it over at the attendance verification counter at the entrance of Meeting hall.
2. Bodies Corporate, whether a company or not, who are members, may attend through their authorized representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorization should be deposited with the Company.
3. Member(s)/Proxy should bring his/her copy of the Annual Report for reference at the meeting.

#### Remote E-Voting Information

The electronic voting particulars are set out below:

EVSN (E-Voting Sequence Number)	* Default Sequence Number
160906047	

\* 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

Commencement of e-voting	End of E-voting
Tuesday, September 27, 2016 (09:00 AM)	Thursday, September 29, 2016 (05:00 PM)

## PROXY FORM

### FORM NO. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

### SAWACA BUSINESS MACHINES LIMITED

Registered Office: 45, Chinubhai Tower, Opp. Handloom House, Ashram Road, Ahmedabad-380009, India.  
Tel : +91-79-26587363 Website : www.sawacabusiness.com Email: sawacabusiness@yahoo.com

**CIN : L65910GJ1994PLC023926**

Name of the Member(s)	
Registered Address	
Email ID	
Folio No. / Client ID	
DP ID.	

I/We, being the Member(s) of \_\_\_\_\_, shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_

Email ID: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of SAWACA BUSINESS MACHINES LIMITED ("the Company"), to be held on Friday, September 30, 2016 at 12:00 Noon at Shree Balaji Agora mall, 200 ft S. P. Ring Road, Between Tapovan & Bhat Circle, Motera, Ahmedabad-382424, Gujarat and/ or any adjournment thereof in respect of such resolutions as are indicated below:

#### Resolution Nos.:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2016 comprising of the Balance Sheet as at March 31, 2016, 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.
- To appoint a Director in place of Mr. Shetal Shah [DIN: 02148909] who retires by rotation and being eligible, offers himself for re- appointment.
- To ratify the appointment of Statutory Auditors, M/s. Marmik G. Shah & Associates (Firm registration No.135024W), Chartered Accountants, Ahmedabad and to fix their remuneration.
- To Appoint Mr. Vishal Shah (DIN: 02148899) as a Director on the Board of the Company.
- To Appoint Mr. Vijay C. Shah (DIN: 07445515) as a Independent Director on the Board of the Company.
- To ratify / approve the material related party transactions of the Company.
- To maintaining and keeping the Company's registers required to be maintained under Section 88 of the Companies Act, 2013 and copies of annual returns filed under Section 92 of the Companies Act, 2013 or any one or more of them, at a place other than Company's Registered Office.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp  
Signature  
of  
Member

#### Note:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Twenty First Annual General Meeting.
- For the detailed Resolutions and Explanatory Statement, please refer to the Notice of the Twenty Second Annual General Meeting.

# ROUTE MAP TO THE VENUE OF THE AGM

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**Book Post**

To

*If Undelivered please return to :*

**SAWACA BUSINESS MACHINES LIMITED**

45, Chirubhai Tower, Opp. Handloom House,

Ashram Road, Ahmedabad-380009, Gujarat, INDIA.