

**SWAGRUHA**

**Infrastructure Limited**

Regd. Off : # 362, 2<sup>nd</sup> Floor, 11<sup>th</sup> Cross,  
4<sup>th</sup> Main, 2<sup>nd</sup> Block,  
(near BDA Shopping Complex),  
RT Nagar, Bengaluru - 560032,  
Karnataka, India  
E-mail: [info@swagruhainfra.com](mailto:info@swagruhainfra.com)  
Website: [www.swagruhainfra.com](http://www.swagruhainfra.com)  
Phone - +91- 080-8147635515

To,

Date: 29.09.2018

BSE Limited  
P. J. Towers, Dalal Street  
Mumbai-400001

Dear Sir / Madam,

Sub: Annual Report for the financial year 2017-2018 as per Regulation 34(1) of SEBI  
(LODR), Regulations, 2015

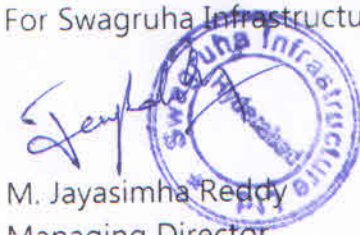
Unit: M/s. Swagruha Infrastructure Limited - (Scrip Code: 531909)

With reference to the subject cited, we hereby enclosed the Annual Report for the  
financial year 2017-2018 as per Regulation 34 (1) of SEBI (LODR), Regulations, 2015.

This is for the records of the exchange.

Thanking you.

Yours faithfully,  
For Swagruha Infrastructure Limited



M. Jayasimha Reddy  
Managing Director  
(DIN: 06490738)

Encl: as above

CIN: L24134KA1994PLC103470

# **SWAGRUHA INFRASTRUCTURE LIMITED**



**ANNUAL REPORT 2017-2018**



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## **SWAGRUHA INFRASTRUCTURE LIMITED**

### 24th ANNUAL REPORT

2017-2018

CIN: L24134KA1994PLC103470

SCRIP CODE: 531909

SCRIP ID: SWAGRUHA

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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

✿ Mr. Jayasimha Reddy	: Executive Director (DIN 06490738)
✿ Mr. Babu Sahebe Shaik	: Executive Director cum CFO (DIN 06716186)
✿ Mr. Gopal Gillela	: Non-Executive Independent Director (DIN: 06369221)
✿ Mr. Mathew Oommen	: Non-Executive Independent Director (DIN: 01940161)
✿ Mr. M. Sridhar	: Non-Executive Independent Director (DIN: 07911295)

### **COMPLIANCE OFFICER**

Mr. Jayasimha Reddy

### **REGISTERED OFFICE**

362, 2nd Floor, 11th cross,  
4th Main, 2nd Block  
(Near BDA Shopping Complex),  
RT Nagar Bengaluru, KA-560032

### **STATUTORY AUDITORS**

**M/s. M. M. Reddy & Co,**  
Chartered Accountants  
G-8, Amrutha Ville,  
Opp. Yashodha Hospital,  
Rajbhavan Road, Somajiguda,  
Hyderabad - 500 082

### **INTERNAL AUDITOR**

M/s. Chanamolu & Co.,  
Chartered Accountants  
Hyderabad

### **SECRETARIAL AUDITOR**

**S.S. Reddy & Associates**  
Practicing Company Secretaries  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
2nd Floor, HSR Summit,  
Banjara Hills, Road No. 10,  
Beside No. 1 News Channel office,  
Hyderabad - 500034

### **BANKERS**

IDBI Bank,  
RT Nagar Branch

### **AUDIT COMMITTEE:**

Mr. Gopal Gillela	: Chairman
Mr. Mathew Oommen	: Member
Mr. M. Sridhar	: Member



#### **NOMINATION & REMUNERATION COMMITTEE:**

Mr. Gopal Gillela	:	Chairman
Mr. M. Sridhar	:	Member
Mr. Mathew Oommen	:	Member

#### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

Mr. Gopal Gillela	:	Chairman
Mr. Mathew Oommen	:	Member
Mr. M. Sridhar	:	Member

#### **RISK MANAGEMENT COMMITTEE:**

Mr. Gopal Gillela	:	Chairman
Mr. Mathew Oommen	:	Member
Mr. M. Sridhar	:	Member

#### **REGISTRAR & SHARE TRANSFER AGENTS**

### **Venture Capital and Corporate Investments Private Limited**

Address : 12-10-167, Bharat Nagar, Hyderabad-500018

Contact No. : 040-23818475, 23818476

Email : [info@vccilindia.com](mailto:info@vccilindia.com) | Website : [www.vccipl.com](http://www.vccipl.com)

ISIN	:	INE587J01027
WEBSITE	:	<a href="http://www.swagruhainfra.com">www.swagruhainfra.com</a>
E-MAIL ID	:	<a href="mailto:info@swagruhainfra.com">info@swagruhainfra.com</a>



## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of Swagruha Infrastructure Limited will be held on Saturday, the 29th day of September, 2018 at 9.30 A.M. at the Registered Office of the Company at H. No. 362, 2nd Floor, 11th cross, 4th Main, 2nd Block (Near BDA Shopping Complex), RT Nagar, Bengaluru-560032 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2018, the Statement of Profit & Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of Auditors and Directors thereon.
2. To appoint a director in place of Mr. Jayasimha Reddy (DIN: 06490738) who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint M/s. M.M Reddy & Co., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

“RESOLVED THAT pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. M.M Reddy & Co., Chartered Accountants be and is hereby appointed as the Statutory Auditors of the Company to hold the office for a period of 3 years from the conclusion of this 24th Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company to be held in the year 2021 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

### **SPECIAL BUSINESS:**

4. **APPOINTMENT OF MR. JAYASIMHA REDDY (DIN 06490738) AS MANAGING DIRECTOR OF THE COMPANY:**

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force and Articles of Association of the Company, the consent of the members of the company be and is hereby accorded to appoint, Mr. Jayasimha Reddy (DIN 06490738) as Managing Director of the Company for a period of three years with effect from 13.08.2018 to 12.08.2021 and to pay such remuneration as per terms and conditions as recommended by the nomination and remuneration committee and as set out in the explanatory statement annexed to the notice.

RESOLVED FURTHER THAT in terms of Schedule V of the Companies Act, 2013, as amended from time to time, the Board of Directors be and is hereby authorized to vary or increase the remuneration, perquisites, and allowances etc. within such prescribed limits.



RESOLVED FURTHER THAT in the event of losses or inadequacy of profits in any financial year during his tenure the Company shall pay to Mr. Jayasimha Reddy, remuneration by way of salaries and allowances as specified above as minimum remuneration and in accordance with the limits specified under the Companies Act, 2013 read with Schedule V to the Companies Act 2013, or such other limit as may be prescribed by the Government from time to time.

RESOLVED FURTHER THAT the Board is here by authorized to take all necessary steps as may be necessary to give effect to the above resolution including filing of all such necessary documents as may be required in this regard.”

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)



## **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the registered office of the Company by not less than 48 hours before the commencement of the Meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2018 to 29.09.2018 (Both days Inclusive).
4. Attendance slip, proxy form and the route map of the venue of the meeting are annexed hereto.
5. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
6. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID Numbers for identification.
7. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
8. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
9. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) and Aadhar Number by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN and Aadhar Number details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form should submit their PAN and Aadhar Number details to the Company/ Registrar and Share Transfer Agents (M/s. Venture Capital and Corporate Investments Private Limited)
10. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
11. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Venture Capital and Corporate Investments Private Limited, Share Transfer Agents of the Company for their doing the needful.



12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
14. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Electronic copy of the Annual Report for 2017-2018 is being sent to all the members whose Email-IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2017-2018 is being sent in the permitted mode.
16. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2017-2018 will also be available on the Company's website [www.swagruhainfra.com](http://www.swagruhainfra.com) in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id [info@swagruhainfra.com](mailto:info@swagruhainfra.com).

17. Voting through electronic means

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise SEBI has decided that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form their right to vote by electronic means the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 22.09.2018, are entitled to vote on the Resolutions set forth in this Notice. The e-voting period will commence at 09.00 a.m. on 26.09.2018 and will end at 05.00 p.m. on 28.09.2018 .The Company has appointed Mr. S. Sarveswar Reddy, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

The instructions for e-voting are as under:

- (A) In case of members receiving e-mail:
  - (I) The voting period begins on 26.08.2018 and will end at 05.00 p.m. on 28.09.2018. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22.09.2018 may cast their vote electronically.



The 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.
- (iv) Now Enter your User ID
  - (i) For CDSL: 16 digits beneficiary ID,
  - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (iii) 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>
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"><li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number 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>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li></ul>



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for 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 “Swagruha Infrastructure Limited.”
- (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)
18. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
19. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 10.00 A.M. to 5.00 P.M. up to the date of Annual General Meeting.
20. SEBI has notified vide Notification No. SEBI/LAD-NRO/GN/2018/24 that securities of the listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
21. The Ministry of Corporate Affairs (vide circular nos. 17/2011 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company’s Registrar and Share Transfer Agents.

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)



**EXPLANATORY STATEMENT**  
**Pursuant to Section 102(1) of the Companies Act, 2013**

**Item No 4:**

The appointment of Mr. Jayasimha Reddy (DIN: 06490738) as Managing Director of the Company for a term of three years commencing from 13.08.2018 to 12.08.2021 was approved by the Board of Directors of the Company at their meeting held on 13.08.2018 based on the recommendations made by the Nomination and Remuneration Committee.

The Board of Directors recommends the passing of the above resolution as Special resolution set out in the item no. 4.

Save and except Mr. Jayasimha Reddy (DIN: 06490738), Director, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the Resolution set out in the notice.

**Information in accordance with Schedule V of Companies Act, 2013**

1	Nature of Industry : Infrastructure Development and Realty Activities.			
2	Date or expected date of commencement of commercial: The company's commenced its commercial from 1995.			
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: Not Applicable			
4.	Financial performance based on given indications			
	Particulars	2017-18 (Rs. in lakhs)	2016-17 (Rs. in lakhs)	2015-16 (Rs. in lakhs)
	Turnover	13.87	20.43	24.25
	Net profit/loss after Tax	0.77	3.45	3.56
5	Foreign investments or collaborations, if any: Not Applicable			

**II. INFORMATION ABOUT THE APPOINTEE:**

1. Background Details: Mr. Jayasimha Reddy, aged about 44 years is having 18 years of experience in the field of Infrastructure. He is an Engineer.
2. Past Remuneration: NIL
3. Recognition or awards : Not Applicable
4. Job Profile and his suitability: Mr. Jayasimha Reddy, aged about 44 years is having 18 years of experience in the field of Infrastructure. He is an Engineer. His experience would be help for the growth and expansion of the Company.
5. Remuneration proposed: As set out in the resolutions for the item No.4 the remuneration to Mr. Jayasimha Reddy, Director has the approval of the Nomination and Remuneration Committee and Board of Directors.
6. Comparative remuneration profile with respect to industry, size of the company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):



Taking into consideration of the size of the Company, the profile of Mr. Jayasimha Reddy and the responsibilities shouldered on him, the aforesaid remuneration package is commensurate with the remuneration package paid to managerial positions in other companies

7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

He is not having any Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel.

**III. OTHER INFORMATION:**

1. Reasons for inadequate profits: The Company is in the mode of expansion of the business which generally requires spending lot of money upfront leading to minimal profits. All this expenditure will result in to revenues over a period of next two to three years.
2. Steps taken or proposed to be taken for improvement: Necessary efforts are being made to increase the clientele who in turn contribute for the growth of the business as well as the profitability.
3. Expected increase in productivity and profit in measurable terms: The company is committed to build the business operations within budget and considering that the business operates on a going concern basis, it is believed that financial position of the company will improve considerably in the coming years.

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)



## DIRECTORS' REPORT

**Dear Members,**

The Directors have pleasure in presenting before you the Directors' Report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2018.

### **1. FINANCIAL SUMMARY/HIGHLIGHTS, STATE OF AFFAIRS:**

The financial results of the company during the period ended 31st March, 2018 has been as under:

(Rs. In Lakhs)

Particulars	2017-2018	2016-2017
Total Income	13.87	20.43
Total Expenditure	12.73	15.49
Profit Before Tax	1.14	4.95
Provision for Tax	0.37	1.50
Profit after Tax	0.77	3.45
Earnings per share	0.00	0.01

### **2. Review of Operations:**

The Directors wish to report that your company has achieved the turnover of Rs. 13.87 lakhs for the financial year ended 31.03.2018 as against Rs. 20.43 lakhs for the financial year ended 31.03.2017. The Profit after tax stood at Rs. 0.77 lakhs for the financial year ended 31.03.2018 as against Rs. 3.45 lakhs for the financial year ended 31.03.2017.

### **3. MATERIAL CHANGES AND COMMITMENTS:**

There were no material changes and commitments affecting financial position of the company between 31st March, 2018 and the date of Board's Report. (i.e. 13.08.2018)

### **4. CHANGE IN THE NATURE OF BUSINESS, IF ANY:**

During the period under review and the date of Boards' Report there was no change in the nature of business.

### **5. PUBLIC DEPOSITS:**

The Company has not accepted any deposits falling within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014, during the financial year under review.

### **6. TRANSFER TO RESERVES:**

During the year, no amount has been transferred to reserves.

### **7. DIVIDEND:**

Keeping the Company's expansion and growth plans in mind, the Directors have decided not to recommend dividend for the year.



## **8. CAPITAL OF THE COMPANY:**

The Authorised Share Capital of the Company is Rs. 7,50,00,000 (Rupees Seven Crore Fifty Lakhs only) divided into 7,50,00,000 equity shares (Seven Crore Fifty Lakhs only) of Rs. 1/- each only. The Paid –up capital of the company is Rs. 6,85,48,000 (Rupees Six Crore Eighty Five Lakhs Forty Eight Thousand only) divided into 6,85,48,000 equity shares (Six Crore Eighty Five Lakhs Forty Eight Thousand only) of Rs.1/- each.

## **9. REVISION OF FINANCIAL STATEMENTS:**

There was no revision of the financial statements for the year under review as per section 131 of the Companies Act, 2013.

## **10. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Company maintains appropriate system of internal control, including monitoring procedures, to ensure that all assets are safeguarded. Company policies, guidelines and procedures provide for adequate checks and balances, and are meant to ensure that all transactions are authorized, recorded and reported correctly.

## **11. DISCLOSURE OF ORDERS PASSED BY REGULATORS OR COURTS OR TRIBUNAL**

No orders have been passed by any Regulator or Court or Tribunal which can have impact on the going concern status and the Company's operations in future.

## **12. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

During the year, the Company has not entered into any contract/arrangement/transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at [www.swagruhainfra.com](http://www.swagruhainfra.com).

## **13. BOARD MEETINGS DURING THE YEAR:**

The Board of Directors duly met 7 (Seven) times on 29.05.2017, 29.07.2017, 29.08.2017, 11.09.2017, 17.11.2017, 12.12.2017 and 12.02.2018 in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

## **14. CORPORATE GOVERNANCE:**

Corporate Governance is not applicable to the company since the paid up equity share capital and net worth of the company does not exceed Rs. 10 crores and Rs. 25 crores respectively.

## **15. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

Management Discussion and Analysis Report for the year under review which forms part of Annual Report pursuant to the SEBI (LODR) Regulations, 2015 as **ANNEXURE I**

## **16. EXTRACT OF ANNUAL RETURN:**

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report – **ANNEXURE II**



## 17. RISK MANAGEMENT:

The Company has put in place a mechanism to identify, assess, monitor and mitigate various risk associated with the business. Major risk identified are systematically discussed at the meeting of the Audit committee and Board of Directors of the company, In line with the new regulatory requirement, the company has framed the Risk Management policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policies and procedures.

## 19. BOARD EVALUATION

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

**The evaluation procedure followed by the company is as mentioned below:**

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarizing the inputs received from the Directors as regards Board performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up.



During the year under report, the recommendations made in the previous year were satisfactorily implemented.

The peer rating on certain parameters, positive attributes and improvement areas for each Board member are also provided to them in a confidential manner. The feedback obtained from the interventions is discussed in detail and, where required, independent and collective action points for improvement are put in place.

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Mr. M. Sridhar was appointed as additional director on 29.08.2017 and was regularized as Director in the Annual General Meeting held on 28.09.2017.

Mrs. N. L. Kalyani resigned from the Board on 17.11.2017. The Board has placed on records its sincere appreciation for the valuable contribution made by him.

In accordance with Section 152 of the Act, Mr. Jayasimha Reddy Middivari, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment as Managing Director for a period of 3 years with effect from 13 Aug. 2018.

As required under regulation 36 (3) of the SEBI (LODR), Regulations, 2015, brief particulars of the Directors seeking appointment/re-appointment are given as under:-

Name of the Director	<b>Mr. Jayasimha Reddy</b>
Date of Birth	05.04.1971
Date of Appointment	23.03.2013
Qualification	Engineer
Expertise in specific functional areas in the field of Infrastructure	Experience in the field of Infrastructure
Directorships held in other companies (excluding private limited and foreign companies)	Nil
Membership/Chairmanship of committee of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil
No. of Shares held in the Company	Nil
Inter se relationship with any Director	N.A.

## 21. FAMILIARISATION PROGRAMMES:

The Company familiarizes its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarization programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarization programme for Independent Directors is disclosed on the Company's website [www.swagruhainfra.com](http://www.swagruhainfra.com).



## 22. COMPOSITION OF AUDIT COMMITTEE:

- I. The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013.
- II. The terms of reference of the Audit Committee include a review of the following:
  - \* Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - \* Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - \* Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - \* Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - \* Reviewing with management the annual financial statements before submission to the Board, focusing on:
    1. Any changes in accounting policies and practices;
    2. Qualification in draft audit report;
    3. Significant adjustments arising out of audit;
    4. The going concern concept;
    5. Compliance with accounting standards;
    6. Compliance with stock exchange and legal requirements concerning financial statements and
    7. Any related party transactions
  - \* Reviewing the company's financial and risk management's policies.
  - \* Disclosure of contingent liabilities.
  - \* Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - \* Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - \* Discussion with internal auditors of any significant findings and follow-up thereon.
  - \* Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - \* Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - \* Reviewing compliances as regards the Company's Whistle Blower Policy.
- III. The previous Annual General Meeting of the Company was held on 28.09.2017 and Chairman of the Audit Committee, attended previous AGM.



IV. The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

During the financial year 2017-18, (5) Five meetings of the Audit Committee were held on the 29.05.2017, 29.08.2017, 11.09.2017, 12.12.2017, 12.02.2018.

The details of the composition of the Committee and attendance of the members at the meetings are given below:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Gopal Gillela	Chairman	NED(I)	5	5
Mathew Oommen	Member	NED(I)	5	5
M. Sridhar	Member	NED(I)	5	2

NED (I): Non-Executive Independent Director

### 23. NOMINATION & REMUNERATION COMMITTEE

**Terms of reference:** The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

**Remuneration Policy:** The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

None of the Directors is drawing any Commission, Perquisites, Retirement benefits etc.,

During the year, the committee met on 29.08.2017.

The details of composition of the Committee are given below:

Name	Designation	Category	No. of Meetings held	No. of Meetings attended
Gopal Gillela	Chairman	NED(I)	1	1
Mathew Oommen	Member	NED(I)	1	1
M. Sridhar	Member	NED(I)	1	1

NED (I): Non-Executive Independent Director

## POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE



### 1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

### 2. Terms and References:

2.1 "Director" means a director appointed to the Board of a Company.

1.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and reg. 19 of SEBI (Listing Obligation and Disclosure Requirement), Regulations, 2015.

2.3 "Independent Director" means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

### 3. Policy: Qualifications and criteria

3.1.1 The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.

3.1.2 In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:

- \* General understanding of the company's business dynamics, global business and social perspective;
- \* Educational and professional background
- \* Standing in the profession;
- \* Personal and professional ethics, integrity and values;
- \* Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

3.1.3 The proposed appointee shall also fulfill the following requirements:

- \* shall possess a Director Identification Number;
- \* shall not be disqualified under the Companies Act, 2013;
- \* shall Endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- \* shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- \* shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- \* Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and other relevant laws.

3.1.4 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

### 3.2 Criteria of independence

3.2.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.

3.2.2 The criteria of independence shall be in accordance with guidelines as laid down in Companies Act, 2013 and reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

3.2.3 The Independent Director shall abide by the "Code for Independent Directors" as specified in Schedule IV to the companies Act, 2013.

#### a. Other Directorships/ Committee Memberships

3.3.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Director of the company. The NR Committee shall take into account the nature of, and the time involved in a Director Service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

3.3.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.

3.3.3 A Director shall not serve as independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.

3.3.4 A Director shall not be a member in more than 10 committee or act chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013 shall be excluded.

### Remuneration policy for Directors, key managerial personnel and other employees

#### 1. Scope:

1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

#### 2. Terms and Reference:

In this policy the following terms shall have the following meanings:

2.1 "Director" means a Director appointed to the Board of the company.

2.2 "Key Managerial Personnel" means

(i) The Chief Executive Office or the managing director or the manager;

- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Finance Officer; and
- (v) Such other office as may be prescribed under the companies Act, 2013

2.3 “Nomination and Remuneration Committee” means the committee constituted by Board in accordance with the provisions of section 178 of the companies Act, 2013 and reg. 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

### **3. Policy:**

#### **3.1 Remuneration to Executive Director and Key Managerial Personnel**

3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the company within the overall approved by the shareholders.

3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the company.

3.1.3 The Remuneration structure to the Executive Director and key managerial personnel shall include the following components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Commission (Applicable in case of Executive Directors)
- (iv) Retrial benefits
- (v) Annual performance Bonus

3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance Bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

#### **3.2 Remuneration to Non – Executive Directors**

3.2.1 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the shareholders as per provisions of the companies act.

3.2.2 Non – Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof.

#### **3.3. Remuneration to other employees**

3.3.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## 24. STAKEHOLDERS RELATIONSHIP COMMITTEE

### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Gopal Gillela	Chairman	NED(I)
Mathew Oommen	Member	NED(I)
M. Sridhar	Member	NED(I)

NED (I): Non Executive Independent Director

### B) Powers:

The Committee has been delegated with the following powers:

- \* To redress shareholder and investor complaints relating to transfer of shares, Dematerialization of Shares, non-receipt of Annual Reports, non-receipt of declared dividend and other allied complaints.
- \* To approve, transfer, transmission, and issue of duplicate / fresh share certificate(s)
- \* Consolidate and sub-division of share certificates etc.
- \* To redress, approve and dispose off any, other complaints, transactions and requests etc., received from any shareholder of the company and investor in general.

The Board has delegated the power to process the transfer and transmission of shares to the Registrar and Share Transfer Agents, who process share transfers within a week of lodgement in the case of shares held in physical form.

## 25. RISK MANAGEMENT COMMITTEE:

### A.) Composition:

The Details of composition of the Committee are given below:

Name	Designation	Category
Gopal Gillela	Chairman	NED(I)
Mathew Oommen	Member	NED(I)
M. Sridhar	Member	NED(I)

NED (I) : Non Executive Independent Director

### B) RISK MANAGEMENT POLICY:

The Company follows a comprehensive system of Risk Management. The Company has adopted a procedure for assessment and minimization of probable risks. It ensures that all the risks are timely defined and mitigated in accordance with the well-structured risk management process.

## 26. DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

The Company has received declarations from Mr. Gopal Gillela, Mr. M. Sridhar and Mr. Mathew



Oommen, Independent directors of the company to the effect that they are meeting the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.-

### **ANNEXURE-III**

**27. DIRECTORS' RESPONSIBILITY STATEMENT:** In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 and of the profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had 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) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**28. INFORMATION ABOUT THE FINANCIAL PERFORMANCE / FINANCIAL POSITION OF THE SUBSIDIARIES / ASSOCIATES:**

The company does not have any subsidiary, Joint venture or associate company which have become or ceased to be its subsidiaries, joint venture or associate company during the year.

**29. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO CENTRAL GOVERNMENT.**

There were no frauds reported by the auditors as per section 143 (12).

**30. STATUTORY AUDITORS:** M/s. M. M. Reddy & Co., Chartered Accountants, retire at the ensuing Annual general meeting and are eligible for re-appointment. As required under the provisions of Section 139 of the Companies Act, 2013, the Company has received a written consent from the auditors to their re-appointment and a certificate to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the rules framed there under and that they have satisfied the criteria provided in Section 141 of the Companies Act, 2013.

The Board recommends the re-appointment of M/s M.M. Reddy & Co, Chartered Accountants as the statutory auditors of the Company for a period of 3 years from the conclusion of this 24th Annual General Meeting till the conclusion of 27th Annual General Meeting of the Company to be held in the year 2021.

**31. INTERNAL AUDITORS:** Pursuant to the provisions of Section 138 of the Companies read with rules made there under, the Board has appointed M/s. Channamolu & Co., Chartered Accountants are the internal Auditors of the Company.

**34. SECRETARIAL AUDITOR:** The Board had appointed M/s. S. S. Reddy & Associates, Practicing



Company Secretaries, Hyderabad, having CP No.7478 to conduct Secretarial Audit for the financial year 2017-18, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report in Form MR – 3 for the financial year 2017- 18 is enclosed as **ANNEXURE IV** to this Report.

### 35. INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs vide its notification dated 16th February, 2015 has notified the Companies (Indian Accounting Standards) Rules, 2015. In pursuance of the said notification, the Company will adopted Indian Accounting Standards with effect from 01st April, 2017. The implementation of Indian Accounting Standards (IAS) is a major change process for which the Company has set up a dedicated team and is providing desired resources for its completion within the time frame. The impact of the change on adoption of said IAS is being assessed.

### 36. AUDIT REPORTS:

#### (a) Statutory Auditors Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges that may occur in the industry.

#### (b) Secretarial Audit Report:

The Board has duly reviewed the Secretarial Audit Report on the Compliances according to the provisions of section 204 of the Companies Act 2013 and the following are the qualifications, reservations or adverse remarks:

Observations by Secretarial Auditor	Reply by the Management
The Company has not appointed Company Secretary and Managing Director as required under section 203 of the Companies Act, 2013.	Management is in the process of identifying appropriate candidates for the post of Company Secretary and appointment of Managing Director.
The Company has not appointed women director as required under section 149 of the Companies Act, 2013.	Management is in the process of identifying appropriate candidate for appointment of women director.
The Company delayed in filing Un-audited Financial Results for the quarter ended 30.09.2017.	Management commits that hence forth information will be furnished to stock exchange promptly.
SEBI vide its Adjudication Order No. AO/SBM/EAD-3/69/2017 dated 25.09.2017 imposed a penalty of Rs 4,00,000/- against the company for violation of the provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.	The Management paid the penalty of Rs. 4,00,000/- to SEBI towards violation of the provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.

**37. CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Since the Company does not has the net worth of Rs. 500 Crores or more, or turnover of Rs. 1000 Crore or more, a net profit of Rs. 5 Crore or more during the financial year or, Section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy and also not required the composition of Corporate Social Responsibility Committee.

**38. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:**

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

**A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.

**B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

**C. Foreign Exchange Earnings and Out Go:**

Foreign Exchange Earnings: NIL

Foreign Exchange Outgo: NIL

**39. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The company has not given loans or Guarantees during the year under review.

**40. CREDIT & GUARANTEE FACILITIES:**

The Company has not availed facilities of Credit and Guarantee during the year.

**41. DISCLOSURE ABOUT COST AUDIT:**

Cost Audit is not applicable to your Company.

**42. RATIO OF REMUNERATION TO EACH DIRECTOR:**

No Remuneration is paid to the directors of the company.

**43. NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**44. MD / CFO CERTIFICATION:**

The Managing Director / CFO certification of the financial statements for the year 2017-18 is provided elsewhere in this Annual Report.

**45. INDUSTRY BASED DISCLOSURES AS MANDATED BY THE RESPECTIVE LAWS GOVERNING THE COMPANY:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**46. SECRETARIAL STANDARDS:**

The company is in compliance with SS 1 & SS 2.

**47. EVENT BASED DISCLOSURES:**

During the year under review, the Company has not taken up any of the following activities:

1. Issue of sweat equity share: The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. Issue of shares with differential rights: The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. Issue of shares under employee's stock option scheme: The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014
- 4 Non- Exercising of voting rights : During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. Disclosure on purchase by company or giving of loans by it for purchase of its shares: The company did not purchase or give any loans for purchase of its shares.
6. Preferential Allotment of Shares: The Company did not allot any shares on preferential basis during the period under review.

**48. PARTICULARS OF EMPLOYEES:**

Your Directors are pleased to record their sincere appreciation of the contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies(Appointment & Remuneration Of Managerial Personnel) Rules, 2014.

**49. NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR.**

During the year, no company has become or ceased to be its subsidiaries, joint ventures or associate company.

**50. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaint Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees are covered under this policy.



The following is the summary of sexual harassment complaints received and disposed during the calendar year.

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

#### **51. OPEN OFFER:**

During the period under review, Mr. Hemant Bahri, Mrs. Sangeet Bahri, Bahri Estates Private Limited, Mr. Sravan Veledandi Prabhakar and Mrs. Reshma Narain (acquirers) made the open offer to the existing shareholders of the Company pursuant to SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 for acquisition of 1,78,22,500 equity shares of face value of Rs. 1.00 each representing 26 % of Equity share Capital/Voting Capital of the Company at a price of Rs. 1.45 per Equity Share.

SEBI vide reference no. SEBI/HO/CFD/DCR-2/OW/P/2018/22420/1 dated 09.08.2018 approved/given comments for the open offer for acquisition of 1,78,22,500 equity shares of the face value of Rs. 1.00 each representing 26 % of Equity share Capital/Voting Capital of the Company at a price of Rs. 1.45 per Equity Share.

#### **52. ACKNOWLEDGEMENTS:**

Your Directors wish to place on record their appreciation of the contribution made by the employees at all levels, for the continued growth and prosperity of your Company.

Your Directors also wish to place on record their appreciation of business constituents, banks and other financial institutions, other statutory authorities like SEBI, ROC, Stock Exchanges, NSDL, CDSL etc and shareholders of the Company for their continued support for the growth of the Company.

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
(DIN: 06716186)

## ANNEXURE I

### MANAGEMENT'S DISCUSSION & ANALYSIS REPORT

**a) Industry Structure and Developments:**

The world economy is gradually recovering from economic slowdown. The economic performance by the Asian economies has improved. Even though the global economy is expanding and conditions have improved considerably, the economic activities remain far below the pre – crisis level and the pace and shape of recovery remains uncertain. With the government's economic stimulus package, the industry and service sector have recovered. With the Reserve Bank of India maintaining a prudent watch on the key policy issues, the liquidity situation in the country has become comfortable. However, high inflation rate seems to be a major dampener.

**b) Opportunities, Outlook and Threats:**

The Company is trading in infrastructure materials and foresee increase in the turnover. The Board is of the view that infrastructure sector in Telangana and Andhra Pradesh has tremendous scope and the future outlook seems bright. High inflation and changing government policies are threat to the Company, but the Company is confident that it can absorb such threats.

**c) Business performance**

During the year under review, the Company has achieved the turnover of Rs. 13.87 lakhs for the financial year ended 31.03.2018 as against Rs. 20.43 lakhs for the financial year ended 31.03.2017. The Profit after tax stood at Rs. 0.77 lakhs for the financial year ended 31.03.2018 as against Rs. 3.45 lakhs for the financial year ended 31.03.2017.

**d) Risks and Concerns:**

- i) The product is at once subjected to local, national and international competition.
- ii) Any adverse change in the policies of the Government, Recession etc may further adversely affect the profitability.

**e) Internal Control System and its adequacy**

The system of internal control has been established to provide reasonable assurance of safeguarding assets and maintenance of proper Accounting Records and its accuracy. The business risks and its control procedures are reviewed frequently. Systems audit is also conducted regularly to review the systems with respect to Security and its Adequacy. Reports are prepared and circulated to Senior Management and action taken to strengthen controls where necessary.

**f) Human resources and Industrial relations**

Your company continues to have cordial relations with its employees and other stakeholders.

**Annexure II****MGT 9  
Extract of Annual Return****As on the Financial Year 31.03.2018****[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]**

<b>I. REGISTRATION AND OTHER DETAILS:</b>			
I.	CIN	L24134KA1994PLC103470	
ii.	Registration Date	07.04.1994	
iii.	Name of the Company	Swagruha Infrastructure Limited	
iv.	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company	
v.	Address of the Registered office and contact details	362, 2nd Floor, 11th cross, 4th Main, 2nd Block (Near BDA Shopping Complex), RT Nagar Bengaluru, KA-560032. Ph.: 080-8147635515\16	
vi.	Whether listed company Yes / No	Yes	
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital & Corporate Investments Pvt. Ltd. 12-10-167, Bharat Nagar, Hyderabad, Telangana – 500018. Phone: 040-23818475, 23818476 Email: info@vccipl.com, info@vccilindia.com	
<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:</b> All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-			
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Construction Services	41001	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:--**

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate Held	% of shares	Applicable Section
	The Company does not have any subsidiaries.				

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****I) Category-wise Share Holding:-**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

**A. Promoters**

(1) Indian									
Individual/ HUF	31264000	--	31264000	45.61	31264000	--	31264000	45.61	--
Central Govt.	--	--	--	--	--	--	--	--	--
State Govt .(s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total									
(A) (1) :-	31264000	--	31264000	45.61	31264000	--	31264000	45.61	--
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--

Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) =(A)(1)+(A) (2)	31264000	--	31264000	45.61	31264000	--	31264000	45.61	--
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
I) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B)(1)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.	-	--	-	-	-	--	--	--	--
i) Indian	15942003	--	15942003	24.57	16245267	--	16245267	23.07	1.50
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
I) Individual shareholders holding nominal share capital up to Rs. 1 lakh	729891	61000	790891	1.15	821121	61000	882121	1.29	0.14

ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	15782753	3599000	19381753	28.27	15389201	3599000	18988201	27.70	0.57
c) Others (specify)									
1. Employee									
2.NRI's	1163516	—	1163516	1.70	1161271	—	1161271	1.69	0.01
3. Clearing Members	5837	—	5837	0.01	7140	—	7140	0.01	--
Sub-total (B)(2)	33624000	3660000	37284000	54.39	33624000	3660000	53226003	54.39	--
Total Public Share holding (B)=(B)(1)+(B)(2)	33624000	3660000	37284000	54.39	33624000	3660000	53226003	54.39	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	64888000	3660000	68548000	100	64888000	3660000	68548000	100	1.94

**(ii) Shareholding of Promoters**

Sl. No.	Share holder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	% of Total Shares of the Company	% of Shares Pledged/encumbered to total shares	% Change shares holding during the year	End of the year
1.	N.L. Kalyani	31264000	45.61	—	45.61	-	-	31264000

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.	Share holder's Name	Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year		
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	End of the year
1.	Nil	Nil	Nil	Nil	Nil	Nil

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Share holder's Name	No. of Shareholding at the beginning of the year		No. of Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	VENU KONDI	3048226	4.70	3248226	5.01
2	RBU ESTATES PRIVATE LIMITED	0	0	3153210	4.60
3	RRJ ADVISORY SERVICES PVT. LTD.	0	0	3070380	4.73
4	PRASTUTI MULTI MEDIA	2755000	4.02	3055000	4.46
5	VETRI CONSULTANT PVT. LTD.	633745	0.98	2383745	3.67
6.	ANISA ALNASIR GILANI	500000	0.77	1000000	1.54
7.	BAHRI ESTATES PVT. LTD.	895040	1.30	895040	1.54
8.	TIDEL SILK TECHNOLOGIES LTD.	7770380	11.34	0	0
9.	RAJESH HANDA	871860	1.34	871860	1.34
10.	LOHITH H A	693000	1.07	693000	1.07

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Jayasimha Reddy				
	At the beginning of the year	--	—	—	—
	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): NIL				
	At the End of the year				
2.	Mr. Babu Sahebe Shaik				
	At the beginning of the year	—	—		—
	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): NIL				
	At the End of the year				
3.	Mr. M. Sridhar				
	At the beginning of the year	—	—		—
	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): NIL				
	At the end of the year				

4.	Mr. Gopal Gillela				
	At the beginning of the year	–	–		–
	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): NIL				
	At the end of the year				–
6.	Mr. Mathew Oommen				
	At the beginning of the year	–	–	–	–
	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): NIL				
	At the end of the year	–	–	–	–

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount				
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due				
Total (i+ii+iii)	–	–	–	–
Change in Indebtedness during the financial year	–	–	–	–
Addition Reduction				
Net Change	–	–	–	–
Indebtedness at the end of the financial year	–	–	–	–
I)Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	–	–	–	–

#### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/MANAGER	Total Amount
1.	Gross salary: (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–

Sl. No.	Particulars of Remuneration	Name of MD/WTD/MANAGER				Total Amount
2.	Stock Option	—				—
3.	Sweat Equity	—				—
4.	Commission as % of profit Others, Specify...	—				—
5.	Others, please specify	—				—
6.	Total (A)	—				—
	Ceiling as per the Act	—				—
B. Remuneration to other directors:						
Sl. No.	Particulars of Remuneration	Name of Director				Total Amount
1.	Independent Directors <ul style="list-style-type: none"><li>• Fee for attending board / committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>	—	—	—	—	—
	Total (1)	—	—	—	—	—
2.	Other Non-Executive Directors <ul style="list-style-type: none"><li>• Fee for attending board / committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B) = (1+2)	—	—	—	—	—
	Total Managerial Remuneration	—	—	—	—	—
	Overall Ceiling as per the Act	—	—	—	—	—
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD						
Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary	CFO	Total	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—	—
2.	Stock Option	—	—	—	—	—
3.	Sweat Equity	—	—	—	—	—
4.	Commission as % of profit others, specify...	—	—	—	—	—
5.	Others, please Specify	—	—	—	—	—
6.	Total	—	—	—	—	—
VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give Details)	
A. COMPANY						
Penalty	—	—	—	—	—	—
Punishment	—	—	—	—	—	—
Compounding	—	—	—	—	—	—
B. DIRECTORS						
Penalty	—	—	—	—	—	—
Punishment	—	—	—	—	—	—
Compounding	—	—	—	—	—	—
C. OTHER OFFICERS IN DEFAULT						
Penalty	—	—	—	—	—	—
Punishment	—	—	—	—	—	—
Compounding	—	—	—	—	—	—



For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
(DIN: 06716186)



**ANNEXURE III**  
**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors

M/s Swagruha Infrastructure Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Bengaluru  
Date: 29.05.2018

Sd/-  
**Mathew Oommen**  
(Independent Director)



**ANNEXURE II**  
**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Swagruha Infrastructure Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that up to the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad  
Date: 29.05.2018

Sd/-  
**M. Sridhar**  
(Independent Director)



**ANNEXURE III**  
**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s Swagruha Infrastructure Limited

Dear Sir,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking you.

Yours Faithfully,

Place: Hyderabad  
Date: 29.05.2018

Sd/-  
**Gopal Gillela**  
(Independent Director)



**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

(Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018**

To

The Members of

M/s. Swagruha Infrastructure Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Swagruha Infrastructure Limited (hereinafter called “the Company”). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my 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 the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2017 and ended 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. Swagruha Infrastructure Limited (“The Company”) for the financial year ended on 31st March, 2018, according to the provisions of:
  - i. The Companies Act, 2013 (the Act) and the rules made there under for specified sections notified and came in to effect from 12th September, 2013 and sections and Rules notified and came in to effect from 1st April, 2014;
  - ii. The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the Rules made there under;
  - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
  - v. The Securities and Exchange Board of India Act, 1992 (‘SEBI Act’);
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) as under:
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Complied with yearly and event based disclosures.
  - ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable as the company has not issued any shares during the year under review.
  - iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable as the company has not delisted/ proposed to delist its equity shares during the year under review.

iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.

v. 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; Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review.

vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. Not Applicable as the Company has not issued any debt securities during the year under review.

vii. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not Applicable as the Company has not issued any Employee Stock Options during the year under review.

viii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 Insider Trading Regulations; The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. [www.swagruhainfra.com](http://www.swagruhainfra.com).

3. During the year the Company has conducted 7 Board meetings, 5 Audit committee meetings, 1 meeting of Nomination & Remuneration Committee, 4 Stakeholder Relationship Committee Meeting and 1 Independent Directors meeting. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.

4. During the financial year under report, the Company has complied with the provisions of the New Companies Act, 2013 to the extent applicable and the Rules, Regulations, Guidelines, Standards, etc.,

We further report that the compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

5. (a) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that

(i) The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of: Not applicable.

(ii) External Commercial Borrowings were not attracted to the Company under the financial year under report;

(iii) Foreign Direct Investment (FDI) was not attracted to the company under the financial year under report;

(iv) Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.

(v) As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

(b) We further report that:

- (i) The Company have CFO namely as Mr. Babu Sahebe Shaik.
- (ii) The Company has internal auditor namely as M/s. Channamolu & Co.
- (iii.) As per Section 203 of the Companies Act, 2013, the Company has not appointed Company Secretary and Managing Director/Whole-Time Director.
- (iv) As per Section 149 of the Companies Act, 2013, the Company has not appointed women director.
- (v) SEBI vide its Adjudication Order No. AO/SBM/EAD-3/69/2017 dated 25.09.2017 imposed a penalty of Rs 4,00,000/- against the company for violation of the provisions of Regulation 8(3) of the SAST Regulations, 1997 read with Regulation 35 of the SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011.
- (vi) The Company delayed in filing Un-audited Financial Results for the quarter ended 30.09.2017.

We further report that:-

- 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.
- Adequate notice of board meeting is given to all the directors along with agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting.
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.
- 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.
- We further report that during the year under report, the Company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Place: Hyderabad  
Date: 13.08.2018

For S.S. Reddy & Associates  
Sd/-

S. Sarveswar Reddy  
Proprietor  
C. P. No: 7478



### **Annexure A**

To

The Members of  
M/s. Swagruha Infrastructure Limited

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 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 relied on the reports given by the concerned professionals in verifying 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 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 future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Hyderabad  
Date: 13.08.2018

**For S.S. Reddy & Associates**

Sd/-  
**S. Sarveswar Reddy**  
Proprietor  
C.P.No: 7478



## CODE OF CONDUCT

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Certificate of Code of Conduct for the year 2017-18 as per Regulation 17(5) read with Regulation 34(3) Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Swagruha Infrastructure Limited is committed for conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a “Code of Ethics and Business Conduct” which is applicable to all director, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Ethics and Business Conduct, under a certificate of Code of Conduct for the year 2017-18.

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)



## CERTIFICATE BY THE MANAGING DIRECTOR & CFO OF THE COMPANY

To

The Board of Directors  
Swagruha Infrastructure Limited

As required under Regulation 17(8) read with Part B, Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we state that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2018 and to the best of our knowledge and belief;
  - a. These statements do not contain any materially untrue statement nor omit any material fact nor contain statements that might be misleading, and
  - b. These statements present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls, I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the audit committee, deficiencies in the design or the operation of internal controls, if any, of which we was aware and the steps that we have taken or propose to take and rectify the identified deficiencies and,
4. That we have informed the auditors and the audit committee of:
  - a) Significant changes in the internal control during the year;
  - b) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement of any employee having a significant role in the company's internal control system.

For and on behalf of the Board  
Swagruha Infrastructure Limited

Place: Bengaluru  
Date: 13.08.2018

Sd/-  
**Jayasimha Reddy**  
Managing Director  
(DIN: 06490738)

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
(DIN: 06716186)



#### **DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

As per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company hereby discloses the details of unpaid/unclaimed dividend and the respective share thereof as follows:

\*\*

Aggregate No. of Shareholders and the outstanding shares in the suspense account at the beginning of the year.	No. of shareholders who approached the company for transfer of shares from suspense account during the year.	No. of shareholders to whom shares were transferred from suspense account during the year.	Aggregate No. of Shareholders and the outstanding shares in the suspense account at the end of the year.
Nil	Nil	Nil	Nil

\*\* Voting Right on these shares shall remain frozen till the rightful owner of such shares claims the shares.

## INDEPENDENT AUDITOR'S REPORT

TO,  
THE MEMBERS,  
SWAGRUHA INFRASTRUCTURE LIMITED

### Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of M/S. SWAGRUHA INFRASTRUCTURES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (Including other comprehensive income), the Statement of cash flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein referred to as 'Ind AS financial statements').

#### 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure –A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations 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, the statement of Cash flows and the changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, relevant rules issued there under.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For M M REDDY & Co.,

Chartered Accountants

Firm Regd No. 010371S

SD/-

M MADHUSUDHANA REDDY

Membership No. 213077

Place: BENGALURU

Date: 29/05/2018

**Annexure – A to the Independent Auditor’s Report:**

**The Annexure referred to the Independent auditor’s report to the members of the company on the Ind AS financial statements for the year ended 31 March 2018, we report that**

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
 (b) A major portion of fixed assets have been physically verified by the management during the year at reasonable intervals; no material discrepancies were noticed on such verification.  
 © According to the information and explanations given to us, the company does not have any immovable property hence paragraph 3 (i)(c) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- ii. According to the information and explanations given to us, the company does not have any inventory hence paragraph 3 (ii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- iii. The Company has Not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any tribunal.
- vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 is not applicable to the company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and no undisputed amounts payable were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.  
 (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of Income Tax or Sales Tax or Service Tax or duty of customs or duty of excise or value added tax or cess as at 31st March, 2018 which have not been deposited on account of a dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3 (viii) of the Companies (Auditor's Report) Order, 2016 is not applicable.



- ix. 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. Accordingly, paragraph 3 (ix) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The company has not paid or provided any managerial remuneration during the year. Accordingly, paragraph 3 (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of equity share converted in to equal number equity shares of the company. The requirement of Section 42 and all the other applicable provisions of the Companies Act, 2013 and SEBI Regulations were complied with.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For M M REDDY & Co.,  
Chartered Accountants  
Firm Regd No. 010371S  
SD/-

M MADHUSUDHANA REDDY  
Membership No. 213077

Place: BENGALURU

Date: 29/05/2018

**Annexure - B to the Independent Auditor's Report:**  
**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the**  
**Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of M/S SWAGRUHA INFRASTRUCTURES LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the Ind AS 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 ('ICAI'). 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 31st March 2018, 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.

For M M REDDY & Co.,  
Chartered Accountants  
Firm Regd No. 010371S

SD/-

M Madhusudhana Reddy  
Membership No. 213077

Place: BENGALURU

Date: 29/05/2018.

# BALANCE SHEET AS AT 31ST MARCH, 2018

(Rupees in Amount)

Particulars	Note No's	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
<b>ASSETS:</b>				
Non-current assets				
(a) Property, Plant and Equipment	2	-	25,570	25,570
(b) Capital work-in-progress		-	-	-
(c) Goodwill		-	-	-
(d) Other Intangible Assets		-	-	-
(e) Intangible Assets under development		-	-	-
(f) Biological Assets		-		
(g) Financial assets				
(i) Investments	3	-	-	-
(ii) Other Financial Assets	4	62,500,000	62,500,000	62,500,000
(h) Deferred tax assets (net)		-	-	-
(l) Other non-current assets	5	-	-	-
Current assets				
(a) Inventories	6	-	-	-
(b) Financial assets				
(i) Investments		-	-	-
(ii) Trade receivables	7	9,055,575	8,668,050	8,271,641
(iii) Cash and cash equivalents	8	6,280	24,273	16,425
(iv) Bank Balances other than (iii) above		-	-	-
(v) Loans and advances	9	-	-	-
(vi) Investments held for Sale		-	-	-
(c) Other current assets	10	581,050	581,050	490,720
<b>TOTAL ASSETS</b>		<b>72,142,905</b>	<b>71,798,943</b>	<b>71,304,356</b>
<b>EQUITY AND LIABILITIES:</b>				
Equity				
(a) Equity Share Capital	11	68,548,000	68,548,000	68,548,000
(b) Other Equity				
(i) Preference Share Warrant			62,500,000	62,500,000
(ii) Reserves and Surplus	12	1,713,933	(60,863,782)	(61,208,369)
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	13	-	-	-
(b) Deferred tax liabilities (Net)	14	-	-	-
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	-	-
(ii) Trade Payables	16	562,250	-	-
(iii) Other financial liabilities		-	-	-
(b) Other current liabilities	17	582,902	314,725	314,725
(c) Provisions	18	735,820	1,300,000	1,150,000
(d) Current tax liabilities(Net)		-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>72,142,905</b>	<b>71,798,943</b>	<b>71,304,356</b>
Significant accounting policies and notes to accounts	1 to 23			



The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet This is the Balance Sheet referred to in our report of even date.

For MM REDDY & Co.,  
Firm Registration Number: 0103716  
Chartered Accountants

For and on behalf of the Board of Directors  
SWAGRUHA INFRASTRUCTURE LIMITED

Sd/-  
**M. Madhusudhana Reddy**  
Partner  
Membership No. 213077

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
DIN: 06716186

Sd/-  
**Jayasimha Reddy**  
Managing Director  
DIN: 06490738

Place: Bengaluru  
Date: 29th May, 2018



## **STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018**

(Rupees in Amount)

Particulars	Note No's	As at March 31, 2018	As at March 31, 2017
Revenue from operations		1,387,525	2,043,250
Other Income	19		
Total Income (I+II)		1,387,525	2,043,250.00
Expenses:			
Operating Expenses	20	-	-
Employee Benefits Expense	21	569,090	889,250
Depreciation and amortization expense	2	25,570	-
Finance Cost	22	6,250	-
Other expenses	23	673,080	659,413
Total Expenses		1,273,990	1,548,663
Profit before exceptional and extraordinary items and tax (III - IV)		113,535	494,587
-Exceptional Items		-	-
-Prior period expenses		-	-
Profit before tax		113,535	494,587
Tax Expense			
Current tax		35,820	150,000
Deferred tax		-	-
Profit for the period (V-VI)		77,715	344,587
Other Comprehensive Income (OCI)			
i) Items that will not be reclassified to profit & loss			
ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
Other comprehensive income for the year (net of tax)		-	-
Total Comprehensive Income (VII+VIII)		77,715	344,587
Earnings per equity share: (Equity shares of par value of Rs.10/-each)			
- Basic		0.00	0.02
- Diluted		0.00	0.02
Significant accounting policies and notes to accounts	2 to 23		

The Notes referred to above and the notes to accounts form an integral part of the Balance Sheet This is the Balance Sheet referred to in our report of even date.

For MM REDDY & Co.,  
Firm Registration Number: 0103716  
Chartered Accountants

For and on behalf of the Board of Directors  
SWAGRUHA INFRASTRUCTURE LIMITED

Sd/-  
**M. Madhusudhana Reddy**  
**Partner**  
Membership No. 213077

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
DIN: 06716186

Sd/-  
**Jayasimha Reddy**  
Managing Director  
DIN: 06490738

Place: Bengaluru  
Date: 29th May, 2018

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018



(Rupees in Amount)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	113,535	494,587
<b>Adjustment for:</b>		
Depreciation and Amortisation	25,570	-
Preliminary Expenses Written off	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	<b>139,105</b>	<b>494,587</b>
<b>Movements in Working Capital:</b>		
(Increase)/ Decrease in trade receivables	(387,525)	(396,409)
(Increase)/Decrease in other Current Assets	-	(90,330)
(Increase) / Decrease in Inventories	-	-
(Increase) / Decrease in Loans and Advances	-	-
(Increase) / Decrease in Trade Payables	562,250	-
(Increase) / Decrease in Short Term Provision	-	-
Increase/(Decrease) in Other current liabilities	268,177	-
<b>Change in Working Capital</b>	<b>442,902</b>	<b>(486,739)</b>
Changes in non current assets and liabilities	-	-
Decrease/(Increase) in loans & advances	-	-
Decrease/(Increase) in Long Term Provisions	-	-
Decrease/(Increase) in Other non Current Assets	-	-
<b>Changes in non current assets and liabilities</b>	<b>582,007</b>	<b>7,848</b>
Cash Generated From Operations	600,000	-
Less: Taxes paid		
<b>Net Cash from operating activities(A)</b>	<b>(17,993)</b>	<b>7,848</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	-	-
(Increase) / Decrease in Fixed assets and Capital Work In progress	-	-
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
<b>Net cash used in Investing activities (B)</b>	-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	-	-
Increase / (Decrease) in Share Capital	-	-
Increase / (Decrease) in Borrowings	-	-
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	-	-
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>(17,993)</b>	<b>7,848</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	24,273	16,425
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>6,280</b>	<b>24,273</b>

As per our report of even date  
For MM REDDY & Co.,  
Firm Registration Number: 0103716  
Chartered Accountants

For and on behalf of the Board of Directors  
SWAGRUHA INFRASTRUCTURE LIMITED

Sd/-  
**M. Madhusudhana Reddy**  
**Partner**  
Membership No. 213077

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
DIN: 06716186

Sd/-  
**Jayasimha Reddy**  
Managing Director  
DIN: 06490738

Place: Bengaluru  
Date: 29th May, 2018



## Swagruha Infrastructure Limited

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

#### 1.1. Basis for preparation of financial statements:

##### a) **Compliance with Indian Accounting Standards (Ind As)**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind As) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013. Up to the year ended March 31, 2017, the Company prepared financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind As financial statements. The date of transition to Ind As is April 1, 2017.

##### b) **First time adoption**

In accordance with Ind As 101 on First- time adoption of Indian Accounting Standards, the Company has prepared its first Ind As financial statements which include:

- (i) Three Balance sheets namely, the opening Balance Sheet as at 1st April, 2016 (The transition date) by recognizing all assets and liabilities whose recognition is required by Ind As, not recognizing assets or liabilities which are not permitted by Ind As, by reclassifying assets and liabilities from previous GAAP as required by Ind As and applying Ind As in measurement of recognized assets and liabilities; and Balance Sheets as at March 31, 2018 and 2017; and
- (ii) Two Statements each of profit and loss; cash flows and changes in equity for the years ended March 31, 2018 and 2017 together with related notes.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

### c) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### 1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

#### 1.3 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets

that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

#### 1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

#### 1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

#### 1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

#### 1.7 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (other than employee benefits) 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.

## 1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

### Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

## 1.9 Dividend Income

Dividends will be recognised when the company's right to receive has been established

## 1.10 Employee benefits

### 1.10.1 Short term employee benefits

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

### 1.10.2 Defined benefit plans

#### a) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

#### b) Employee State Insurance Fund

Eligible employees (whose gross salary is less than Rs.15,000 per month) are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. Monthly contributions are charges to income in the year it is incurred.

## 1.11 Tax Expenses

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

### Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount

of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### **1.12 Leases**

Leases are classified as finance lease whenever the terms of the lease, transfers substantially all the risks and rewards of ownership to the lessee. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease.

#### **1.13 Borrowing costs**

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

#### **1.14 Earnings per equity share**

##### **(i) Basic earnings per share**

Basic earnings per share are calculated by dividing:

- The profit attributable to owner of the company.
- By the weighted number of equity shares outstanding during the financial year

##### **(ii) Diluted earnings per share**

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 share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

#### **1.15 Financial Instruments**

##### **i. Financial assets**

**A. Initial recognition and measurement**

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

## a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

## c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**B. Investments in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

## ii. Financial Liabilities

**A. Initial recognition**

All financial liabilities are recognized at fair value.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

## 1.16 First time adoption of Ind As

**Transition to Ind As**

The Company has adopted Ind As with effect from 1st April 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening reserves as at 1st April, 2016. The figures for the previous period have been restated, regrouped and reclassified wherever required to comply with the requirement of Ind As and Schedule III.

**SWA GRUHA INFRASTRUCTURE LIMITED**

Notes to accounts

**NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:**

(Amount in Rs.)

	Computers	Furniture and Fixtures	Plant & Machinery	Vehicles	Office Equipment	Total
<b>Deemed cost (gross carrying amount)</b>						
Balance at 1 April 2016	-	105,294	-	-	288,399	393,693
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	-	<b>105,294</b>	-	-	<b>288,399</b>	<b>393,693</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance at 31 March 2018</b>	-	<b>105,294</b>	-	-	<b>288,399</b>	<b>393,693</b>
<b>Accumulated depreciation at 1 April 2016</b>	-	102,120	-	-	266,003	368,123
Depreciation for the year	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	-	<b>102,120</b>	-	-	<b>266,003</b>	<b>368,123</b>
Depreciation for the year	-	3,174	-	-	22,396	25,570
<b>Balance at 31 March 2018</b>	-	<b>105,294</b>	-	-	<b>288,399</b>	<b>393,693</b>
<b>Carrying amounts (net)</b>						
At 1 April 2016	-	3,174	-	-	22,396	25,570
At 31 March 2017	-	3,174	-	-	22,396	25,570
At 31 March 2018	-	-	-	-	-	-



# **SWAGRUHA INFRASTRUCTURE LIMITED**

## **Notes to accounts**

### **NOTE NO: 3 NON CURRENT INVESTMENTS:**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
<b>(A) Investment In Subsidiary Company carried at Cost</b>			
Investments in Equity instruments -Sriven Multitech Limited-1250000 shares of Rs.10/- each-	-	-	-
Investments in Equity instruments -Unquoted Satya Kamal Agros-46635 shares of Rs.10/-each	-	-	-
Advance for investment -MSL	-	-	-
<b>(B) Investment In Other Companies carried at Cost</b>	-	-	-
	-	-	-

### **NOTE NO: 4 other Non Current Financial Assets**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
<b>Capital Advances</b>	-	-	-
Long term Loans & Advance	62,500,000	62,500,000	62,500,000
	62,500,000	62,500,000	62,500,000

### **NOTE NO: 5 Other non current assets**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
<b>MISCELLANEOUS EXPENDITURE</b>			
Prel & Preoperative Expenses	-	-	-
Less : Written off	-	-	-
	-	-	-

### **NOTE NO: 6 INVENTORIES:**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Stocks	-	-	-
	-	-	-

### **NOTE NO: 7 Trade receivables**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	7,668,050	6,624,800	-
(b) Outstanding for a period not exceeding six months Unsecured, considered good	1,387,525	2,043,250	8,271,641
	9,055,575	8,668,050	8,271,641

**NOTE NO: 8 CASH AND CASH EQUIVALENTS:**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Balance with banks	5,030	9,745	2,342
(b) Cheques in Hand	-	-	-
(c) Cash on Hand	1,250	14,528	14,083
	<b>6,280</b>	<b>24,273</b>	<b>16,425</b>

**NOTE NO: 9 Short Term Loans and advances**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Advance to Supplies	-	-	-
Other Loans & Advances	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>

**NOTE NO: 10 OTHER CURRENT ASSETS:**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Debit balances in Indirect Tax payables Accounts	-	-	-
Advance Tax & TDS	490,720	490,720	490,720
Others	90,330	90,330.00	-
	<b>581,050</b>	<b>581,050</b>	<b>490,720</b>

**NOTE NO: 11: EQUITY SHARE CAPITAL:**

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	Number	Amount in Rs.	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Equity Shares of Rs. 1/- each	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000	75,000,000
Issued, Subscribed and Paid up	-	-	-	-	-	-
Equity Shares of Rs. 1/- each fully paid up (Refer foot note (a) to (d) below)	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000
Total	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000

Foot note:

**(a) Reconciliation of the number of shares outstanding as at March 31, 2018, March 31, 2017 and April 1, 2016:**

PARTICULARS	As At March 31, 2018		As At March 31, 2017		As At April 1st, 2016	
	Number	Amount in Rs.	Number	Rs. In lakhs	Number	Rs. In lakhs
Equity Shares outstanding at the beginning of the year	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000
Addition due to sub-division of 1 Equity share having face value of Rs. 10/- into 5 equity shares of Rs. 2/- each fully paid up.	-	-	-	-	-	-
Equity Shares outstanding at the end of the year	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000	68,548,000

\*48 70,606 shares of Rs. 10 each allotted as fully paid up pursuant to contract without payment being received in cash.

(b) Details of Shareholders holding more than 5 % shares:

PARTICULARS	As At March 31,2018		As At March 31,2017		As At April 1st,2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
1 N L Kalyani	31,264,000	45.61%	31,264,000	45.61%	31,264,000	45.61%
2 TIDEL SILK TECHNOLOGIES LIMITED			7,770,380	11.34%	950,380	1.46%
3 BANSI PRASHAD KAYAST			7,957	0.00%	6,827,957	10.52%
4						
5						
6						

(c) Terms and rights attached to the equity shares:

The Company has only one class of equity shares having par value of Rs. 1/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

**NOTE NO: 12 Reserves and Surplus**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
(a) Securities Premium:	-	-	-
(b) General Reserve:	-	-	-
(c) Capital Reserve - Forfeiture of shares	62,500,000	-	-
(d) Retained earnings:			
Opening balance	(60,863,782)	(61,208,369)	(61,564,529)
(+) Net profit during the year	77,715	344,587	356,160
Closing balance	(60,786,067)	(60,863,782)	(61,208,369)
(e) Other Comprehensive income:	-	-	-
<b>Total (a+b+c)</b>	<b>1,713,933</b>	<b>(60,863,782)</b>	<b>(61,208,369)</b>

**NOTE NO: 13 Long Term Borrowings**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	7,668,050	Amount in Rs.	Amount in Rs.
Secured Term Loans form Banks (secured by fixed assets and guaranteed by directors and others)	-	-	-
Unsecured	-	-	-
From Directors	-	-	-
	-	-	-



**NOTE NO: 14 Deferred tax liabilities (Net)**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Opening Balance	-	-	-
Provision for Deferred Tax Liabilities	-	-	-
	-	-	-

**NOTE NO: 15 Short Term Borrowings**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	-	Amount in Rs.	Amount in Rs.
Loans repayable on demand			
Cash Credit from State Bank of India	-	-	-
(secured by inventories & receivables and guaranteed by directors and others)			
Unsecured Loan Sriram Finance	-	-	-
	-	-	-

**NOTE NO: 16 Trade Payables**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises			
Dues to others	562,250	-	-
	562,250	-	-

**NOTE NO: 17 OTHER CURRENT LIABILITIES:**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	Amount in Rs.	Amount in Rs.	Amount in Rs.
Advances from customers	-	-	-
Other amounts payable	582,902	314,725	314,725
TDS Payable	-	-	-
	582,902	314,725	314,725

**NOTE NO: 18 Short Term Provisions**

PARTICULARS	As at March 31, 2018	As at March 31, 2017	As at April 1st, 2016
	As at March 31, 2018	Amount in Rs.	Amount in Rs.
Provision for Expenses	-	-	-
Provision for Income Tax	735,820	1,300,000	1,150,000
	735,820	1,300,000	1,150,000

**SWAGRUHA INFRASTRUCTURE LIMITED****Notes to accounts****NOTE NO: 19 Other Income**

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Finance Income on		
Deposits with bank	-	-
Others	-	-
	-	-

**NOTE NO: 20 Operating Expenses**

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Opening Cost	-	-
Add: Material Purchases	-	-
Less: Closing Stock	-	-
Material Consumed	-	-
Development expenses	-	-
Agri Expenses	-	-
Labour Charges	-	-
Contract Expenses	-	-
Dairy Lease Charges	-	-
Consumables	-	-
Repairs & Maintenance	-	-
Transport and Delivery Charges	-	-
Packing Charges	-	-
	-	-

**NOTE NO: 21 EMPLOYEE BENEFITS EXPENSE:**

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
(a) Salaries & Wages	526,450	889,250
(b) Contribution to provident and other funds	-	-
(c) Gratuity and Leave Encashment	-	-
(d) Staff welfare expenses	42,640	-
	<b>569,090</b>	<b>889,250</b>

**NOTE NO: 22 Finance Cost**

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	As at March 31, 2018	Amount in Rs.
Finance Charges	6,250	-
Interest on Term Loans	-	-
Interest on Vehicle Loans	-	-
	<b>6,250</b>	<b>-</b>

**NOTE NO: 23 OTHER EXPENSES:**

PARTICULARS	Year ended March 31, 2018	Year ended March 31, 2017
	Amount in Rs.	Amount in Rs.
Conveyance	-	-
Rates & taxes	-	18,540
Computer maintenance	8,240	13,250
Electricity charges	11,540	13,350
Miscellaneous expenses	105,781	73,800
Office maintenance	22,640	13,658
Postage & courier	6,454	2,540
Printing & stationery	15,450	10,320
Professional & consultancy	25,000	25,000
Rent	84,000	84,000
Telephone expenses	12,645	25,410
Travelling Expenses	18,645	22,540
Vehicle Maintenance	12,640	9,265
Advertisement	12,545	10,240
Audit fees	50,000	50,000
Listing Fee	287,500	287,500
	<b>673,080</b>	<b>659,413</b>

**24. Auditors remuneration:**

PARTICULARS	2017-18 (Rupees)	2016-17 (Rupees)
Audit Fee	50,000	50,000
<b>Total</b>	<b>50,000</b>	<b>50,000</b>

25. The Board of Directors assesses the financial performance of the Company and make strategic Decisions. The Company has only one reportable segment i.e. 'Infrastructure Development and Realty Activities' and hence no separate disclosures are required under Ind AS 108.

## 26. Earnings per share (EPS):

The details of number of Equity shares used in calculating Basic and Diluted earnings per share are set out below:

Particulars	Year ended 31-03-2018	Year ended 31-03-2017
Weighted average Equity shares for computing Basic EPS	6,85,48,000	6,85,48,000
Dilutive impact of Share Warrants	-	-
Weighted average Equity shares for computing Diluted EPS	6,85,48,000	6,85,48,000
Profit After Tax	77,715	3,44,587
Earnings per Share	0.00	0.02

27. The Company has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2018 was Rs. Nil

28. Balances in respect of trade payables, various advances and trade receivables are subject to confirmation from the respective parties.

## 29. Financial assets

Financial Assets Valuation	Year ended 31-03-2018	Year ended 31-03-2017	Year ended 31-03-2016
Non-Current Investments			
Investment in equity instruments of subsidiaries (cost)	-	-	-
Total Investment in subsidiaries (a)	-	-	-
Investment in equity instruments of other companies (cost) Unquoted: (b) Details to be mentioned	-	-	-
TOTAL (a+b)	-	-	-
Aggregate book value of quoted investments	-	-	-
Aggregate market value of quoted investments -	-	-	-
Other Financial Assets ( Non-Current) Security Deposits at (at amortised cost)	6,25,00,000	6,25,00,000	6,25,00,000
Total non-current Financial assets	6,25,00,000	6,25,00,000	6,25,00,000

### 31.1 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

### 31.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

### 31.3 Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's exposure to liquidity risk is minimal.

### 32. First Time Ind As adoption Reconciliations

Effect of Ind As adoption on the balance sheet as at 31<sup>st</sup> March, 2018 and 1<sup>st</sup> April, 2017:

Assets & Liabilities	As at 31 <sup>st</sup> March, 2018			As at 1 <sup>st</sup> April, 2017		
	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet	Previous GAAP	Effect of transition to Ind As	As per Ind As Balance sheet
<b>Non Current assets</b>						
(a) Property, plant & equipment	-	-	-	25,570	-	25,570
(b) Intangible assets under development	-	-	-	-	-	-
(c) Financial assets						
Investments	-	-	-	-	-	-
Other Financial Assets	6,25,00,000		6,25,00,000	6,25,00,000	-	6,25,00,000
(d) Deferred tax assets	-	-	-	-	-	-
Other Non Current Assets	-	-	-	-	-	-
<b>Current assets</b>						
(a) Inventories	-	-	-	-	-	-
(b) Financial assets						
(i) Trade receivables	90,55,575	-	90,55,575	86,68,050	-	86,68,050
(i) Cash and cash equivalents	6,280	-	6,280	24,273	-	24,273
(c) Other current assets	5,81,050	-	5,81,050	5,81,050	-	5,81,050
<b>TOTAL ASSETS</b>	<b>7,21,42,905</b>	<b>-</b>	<b>7,21,42,905</b>	<b>7,17,98,943</b>	<b>-</b>	<b>7,17,98,943</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
(a) Equity share capital	6,85,48,000	-	6,85,48,000	6,85,48,000	-	6,85,48,000
(b) Other Equity	17,13,933	-	17,13,933	16,36,218	-	16,36,218
<b>LIABILITIES</b>						
<b>Non Current Liabilities</b>						
Long Term Borrowings	-	-	-	-	-	-
Provisions	-	-	-	-	-	-
Deferred tax liabilities (Net)	-	-	-	-	-	-
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Trade Payables	5,62,250	-	5,62,250	-	-	-
(b) Other current liabilities	5,82,902	-	5,82,902	3,14,725	-	3,14,725
(c) Provisions	7,35,820	-	7,35,820	13,00,000	-	13,00,000
(d) Current tax liabilities (Net)	-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,21,42,905</b>	<b>-</b>	<b>7,21,42,905</b>	<b>7,17,98,943</b>	<b>-</b>	<b>7,17,98,943</b>

Effect of Ind as adoption on the Statement of Profit and loss:

Particulars	Year ended 31 <sup>st</sup> March, 2018		
	Previous GAAP	Effect of transition to Ind As	As per Ind As
I. Revenue from operations	13,87,525	-	13,87,525
II. Other Income	-	-	-
III. Total Income (I+II)	13,87,525	-	13,87,525
<b>EXPENSES</b>			
Cost of raw material and components consumed	-	-	-
Employee benefit expense	5,69,090	-	5,69,090
Depreciation and amortization Expense	25,570	-	25,570
Finance cost	6,250	-	6,250
Other expenses	6,73,080	-	6,73,080
<b>Total expenses (IV)</b>	<b>12,73,990</b>	<b>-</b>	<b>12,73,990</b>
Profit/(loss) before tax (III-IV)	1,13,535	-	1,13,535
Tax expense:			
(1) Current tax	35,820	-	35,820
(2) Deferred tax	-	-	-
Net profit for the period	77,715	-	77,715

For MM REDDY & Co.,  
Firm Registration Number: 0103716  
Chartered Accountants

For and on behalf of the Board of Directors  
SWAGRUHA INFRASTRUCTURE LIMITED

Sd/-  
**M. Madhusudhana Reddy**  
**Partner**  
Membership No. 213077

Sd/-  
**Babu Sahebe Shaik**  
Director cum CFO  
DIN: 06716186

Sd/-  
**Jayasimha Reddy**  
Managing Director  
DIN: 06490738

Place: Bengaluru  
Date: 29th May, 2018



**Form No. MGT-11**

**Proxy form**

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

CIN : L24134KA1994PLC0103470  
Name of the company : Swagruha Infrastructure Limited  
Registered office : 362, 2nd Floor, 11th cross, 4th Main, 2nd Block (Near BDA Shopping Complex), RT Nagar Bengaluru, KA-560032

Name of the member(s) :  
Registered Address:  
E-mail 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 : .....  
E-mail Id : .....  
Signature: ....., or failing him
2. Name : .....  
Address : .....  
E-mail Id : .....  
Signature: ....., or failing him
3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature: .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Saturday, the 29th day of September, 2018 at 9.30 A.M. at the Registered Office of the Company at H. No. 362, 2nd Floor, 11th cross, 4th Main, 2nd Block (near BDA Shopping Complex), RT Nagar, Bengaluru-560032 and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolutions:

1. Approval of financial statements for the year ended 31.03.2018
2. Appointment of Mr. Jayasimha Reddy as a director of the company who retires by rotation.
3. Appointment of statutory auditors and fixation of their remuneration.
4. Appointment of Mr. Jayasimha Reddy as Managing Director of the company.

Signed this ..... day of ..... 2018

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**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 Meeting.



## Swagruha Infrastructure Limited

362, 2nd Floor, 11th cross, 4th Main, 2nd Block (Near BDA Shopping Complex),

RT Nagar Bengaluru, KA-560032

### ATTENDANCE SLIP

(Please present this slip at the Meeting venue)

I hereby record my presence for the 24th Annual General Meeting of the Company, to be held on Saturday, the 29th day of September, 2018 at 9.30 A.M. at the Registered Office of the Company at H. No. 362, 2nd Floor, 11th cross, 4th Main, 2nd Block (near BDA Shopping Complex), RT Nagar, Bengaluru-560032 and at any adjourned meeting thereof.

Shareholders/Proxy's Signature.....

Shareholders/Proxy's full name.....  
(In block letters)

Folio No./ Client ID.....

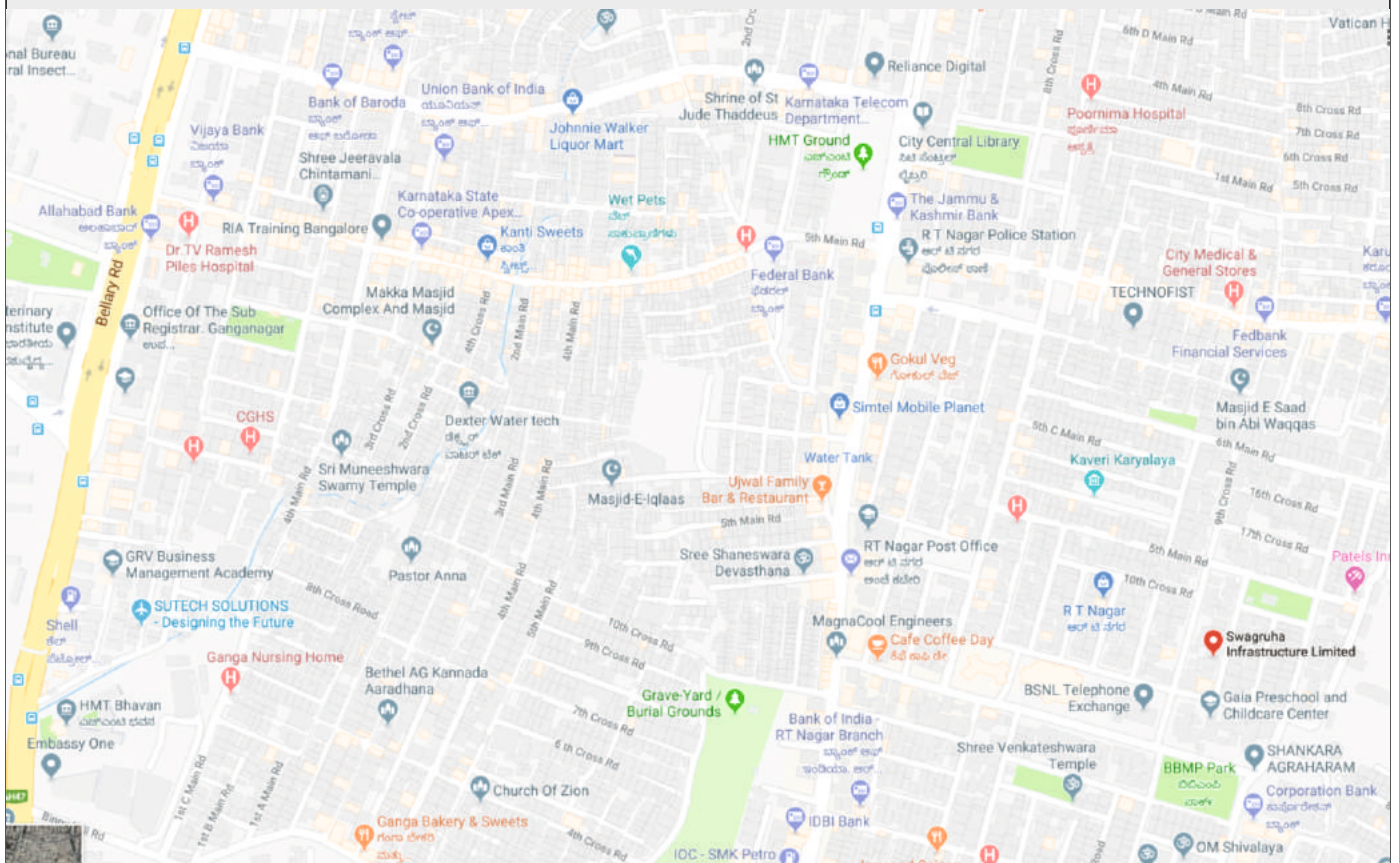
No. of shares held.....

#### Note:

**Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.**



## ROUTE MAP FOR AGM VENUE



## BOOK - POST

If Undelivered Please Return To:  
**SWAGRUHA INFRASTRUCTURE LIMITED**  
362, 2nd Floor, 11th cross,  
4th Main, 2nd Block  
(Near BDA Shopping Complex),  
RT Nagar Bengaluru, KA-560032  
Phone: 080-81476355\16  
E-Mail : [info@swagruhainfra.com](mailto:info@swagruhainfra.com)