

SWASTIK PIPE LIMITED

47TH Annual Report 2019-20

To
The Members,

Your Directors have pleasure in presenting 47th Report of the Board of Directors of your Company along with the Balance Sheet, Profit and Loss Account and Cash Flow Statement for the financial year ended 31st March, 2020. Further, in compliance with the Companies Act, 2013 the company has made all requisite disclosures in the Board Report with the objective of accountability and transparency in its operations and to make you aware about its performance and future perspective.

FINANCIAL PERFORMANCE:

The Key highlights of financial performance for the financial year 2019-2020 are as under:


	Current Year Ended 31.03.2020 (Rs. In Lacs)	Previous Year Ended 31.03.2019 (Rs. In Lacs)
Sales & Service Charges	65561.30	72289.45
Profit before Interest, Depreciation and Taxation	1211.92	3465.15
Less: Interest	2879.89	2451.79
Profit before Dep. & Tax	(1667.97)	1013.36
Depreciation	414.41	374.85
Provision for Taxation	64.18	173.17
Profit After Tax	(2146.56)	465.33
Profit brought forward	2.86	2.52
Payment / (Refund) of Income Tax for earlier year		
Amt available for appropriation	(2143.71)	467.86
APPROPRIATIONS :		
General Reserve		465.00
Balance carried forward	(2143.71)	2.86

During the year ended 31st March, 2020 the company has produced 72837 M.T. (Previous Year 71951M.T) of Steel Pipes & Tubes and achieved the production of 49061 M.T. (Previous Year 49384 M.T) of Cold Rolled Strips/ Coils/ HRPO Sheet Coil.

For SWASTIK PIPE LIMITED


Sandeep Bansal
Director
DIN 00165391

For SWASTIK PIPE LIMITED


Dinesh Kumar Bhande
Director
DIN : 02421177.

CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the company during the Financial Year ending 31st March, 2020 under review.

DIVIDEND

Your Directors have considered it financially prudent in the long-term interests of the Company to reinvest the profits into the business of the Company to build a strong reserve base and for future expansion plans and grow the business of the Company. No final dividend has therefore been recommended for the year ended March 31st, 2020.

DEPOSITS

During the year, the Company has not accepted any public deposits as well as not renewed any existing deposits. However the company has accepted unsecured loans from the promoter's group / director under the bank stipulation.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

However, Augmenting the fund for working capital requirement and for reducing the debt burden of the Company, the management decided and the members of the Company has approved and granted consent to the Board of Directors to sell and transfer the fixed assets including land, Building, Plant & Machinery & other assets situated at 41 K.M, Delhi – Rohtak Road, Asaudah, Bahadurgarh, Distt.Jhajjar (Haryana) of the Company, at a fair value and in such manner as may decide by the Board in its Extra Ordinary General Meeting held on 13/01/2020, thereby to reduce the interest cost and improve the financials and valuation of the company.

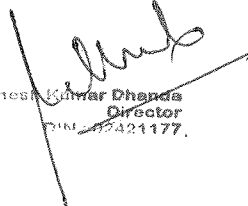
During the lockdown period from 23/03/2020 to 31/03/2020 (period falling under this reporting year), there were no sales/ purchase / production as the item is not under the essential commodity list in terms of the Covid protocols declared by the Govt. of India. Since then, the working of the company is significantly affected due to fall in demand, shortage of Labour and unremunerative prices of finished products. This resulted in under-utilisation of the available capacity of the plant. However the management assessed that there is no doubt on the entity's ability to combat with the impact of the COVID-19 pandemic and to continue as GOING CONCERN.

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director
DIN 00165391

For SWASTIK PIPE LIMITED



Dinesh Kumar Dhanda
Director
DIN 00421177

STATUTORY AUDITORS

M/s. O. Aggarwal & Co having FRN 005755N, Chartered Accountants, was appointed as the Statutory Auditor of the Company to hold office for 4 years in the Annual General Meeting held on 29th September, 2018.

The Auditors Report for the financial year 2019-2020 does not contain any qualification, reservation or adverse marks.

COST AUDITORS

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act 2014, the audit of the cost accounts pertaining to both units located at Asaudah & Kosi Kalan is carried out every year. Your Board has, on the recommendation of the Audit Committee, appointed M/s N N & Associates, Cost Accountants as Cost Auditors to conduct cost audit of the accounts maintained by the company in respect of both units located at Asaudah & Kosi kalan for the year ended 31/03/2021. The Board recommends ratification of their remuneration by members at the ensuing Annual General Meeting.

SECRETARIAL AUDIT REPORT

Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 *inter-alia* requires every public company having a turnover of two hundred fifty crore rupees or more to annex with its Board's report, a Secretarial Audit Report in Form No.MR.3 given by a Company Secretary in practice.

The Board of Directors of the Company has appointed M/s Neha Gupta & Associates, (Proprietor Ms. Neha Mishra, Membership No. 10345& CP No. 9211), Company Secretaries, to conduct the Secretarial Audit and his Report on Company's Secretarial Audit is appended to this Report as **Annexure I**.

In connection, with the auditors' observation in the report, it is clarified that the delay in filing of Form MGT-14 in respect of board resolutions are technical lapses that occurred inadvertently. And certain delays in filing the other e-forms in question was also due to technical snag at the time of filing the documents.

It is further clarified that inadvertently despite of the best effort for the utilization of eligible amount towards CSR, the Company could not spend due to the lack of appropriate opportunities and inadequate proposals received by the company.

The company is in process of dematerialization of its physical shares and has already obtained ISIN bearing no. INE0DGC01017 for it's fully paid up equity shares.

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director
DIN 00165391

For SWASTIK PIPE LIMITED



Dinesh Kumar Dhanra
Director
DIN 02421177

COMMENTS ON AUDITORS' REPORT

The comments made by M/s. O. Aggarwal & Co, Chartered Accountants, Statutory Auditors, in their audit report read with the notes forming part of the Financial Statements are self-explanatory and as such do not require any clarification by the directors.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

SHARE CAPITAL: INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP EQUITY SHARE CAPITAL

The Company's Capital Structure remains unchanged during the year ended 31st March, 2020. The issued, subscribed and paid-up capital of the Company is 9,20,095 equity shares of Re. 100/- each.

DIRECTORS

The Board of Directors with profound grief inform that the company lost Promoter cum Chairman Cum Managing Director Sh. D. N. Bansal on 22/02/2020. The company was running under his guidance and flagship. Hope his blessing will continue to help the business to come out of instability and from the covid pandemic crisis.

Sh. Sandeep Bansal (DIN: 00165391), Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment by the members.

The Board appointed Sh. Dinesh Kumar Dhanda (DIN: 02421177) as Whole Time Director on 19/03/2020 for a period of one year from 20/05/2020 to 19/05/2021 as per the recommendation by Nomination and Remuneration Committee.

Sh. Naresh Kumar Bansal was re-appointment as Non-Executive Independent Directors for a second term of three consecutive years from 30th September, 2019, without being liable to retirement by rotation at the Annual General Meeting held on 30/09/2019.

Sh. Rajinder Kumar Anand (DIN: 08132362) was appointment as a Non - Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee to hold office for five consecutive years with effect from 01st February, 2020 up to 31st January, 2025 not liable to retire by rotation in EGM held on 13/01/2020.

Smt. Anupama Bansal (DIN: 00137094), Director resigned from the directorship of the Company w.e.f 10/02/2020 due to personal reasons. The Board places on

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director
DIN 00165391

For SWASTIK PIPE LIMITED



Dinesh Kumar Dhanda
Director
DIN 02421177

record its appreciation for the assistance and guidance provided by Smt. Anupama Bansal during her tenure as Director of the Company.

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

The Board met nine times during financial year 2019-2020. The intervening gap between any two meetings was within the time prescribed under Companies Act, 2013.

DIRECTOR RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state 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; and

(e) 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.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The current policy is to have an appropriate mix of executive and non-executive directors to maintain the independence of the Board, and separate its functions of governance and management. As on March 31, 2020, the Board consists of 4 members, two of whom are executive or whole-time directors and two are non-executive directors.

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, adopted by the Board is appended as **Annexure II** to this Report.

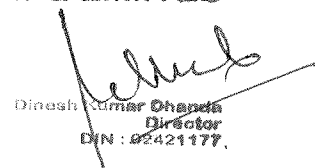
We affirm that the remuneration paid to the directors is as per the terms laid out in the nomination and remuneration policy of the Company.

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director
DIN 00165381

For SWASTIK PIPE LIMITED



Dinesh Kumar Chandra
Director
DIN : 02421177

DECLARATION BY INDEPENDENT DIRECTOR

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the regulators/courts which would impact the going concern status of the Company and its future operations.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board constituted some of its Committees and also formed a Corporate Social Responsibility Committee. There are currently three Committees of the Board, as follows:

Audit Committee

Corporate Social Responsibility Committee

Nomination and Remuneration Committee

Audit Committee

The Audit Committee consists of Sh. Sandeep Bansal, Executive Director, Sh. Rajinder Kumar Anand & Sh. Naresh Kumar Bansal, both Independent Director of the Company. During the year 2019-2020, the meetings were held on 18/04/2019, 13/07/2019, 31/10/2019 and 05/03/2020 and all the members of the audit committee attended the meetings. The Board has accepted all recommendations made by the Audit Committee during the year.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of Shri. Dinesh Kumar Dhanda and Sh. Sandeep Bansal, Executive Directors & Sh. Naresh Kumar Bansal, Independent Director of the Company.

During the year 2019-2020, the meetings were held on 18/04/2019 and 17/10/2019 and all the members of the committee attended the meetings.


Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of Sh. Sandeep Bansal, Executive Director, Sh. Rajinder Kumar Anand & Sh. Naresh Kumar Bansal, Independent Directors of the Company.

For SWASTIK PIPE LIMITED


Sandeep Bansal
Director
DIN: 00165391

For SWASTIK PIPE LIMITED


Dinesh Kumar Dhanda
Director
DIN: 02421177

During the year 2019-2020, the meetings were held on 18/04/2019, 17/10/2019 and 05/03/2020 and all the members of the committee attended the meetings.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement (Please refer to Note 11, 12 & 34 to the financial statement).

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business. All related party transactions are negotiated an arm's length basis and are intended to further the Company's interests.

There are no materially significant related party transactions made by the Company which may have a potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required. Your Directors draw attention of the members to Note 35 to the financial statement which sets out related party disclosures.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information pursuant to section 134(3)(m) of the companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are set out in an attachment to this report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company. Further your directors are of the view that the elements of risk threatening the Company's existence are very minimal as the company is being managed and closely supervised by its directors. The Company has not identified any element of risk which may threaten the existence of the Company.


The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations. These are routinely tested and certified by Internal Auditors. Significant audit observations and follow up actions thereon are reported to the Audit Committee.

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director
DIN: 00165391

For SWASTIK PIPE LIMITED



Dinesh Kumar Bhanda
Director
DIN: 02421177

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. During the reporting year Sh. Dinesh Kumar Dhanda, Sh. Sandeep Bansal & Sh. Naresh Kumar Bansal, Directors of the Company were members for planning, implementing and monitoring of CSR activities of the Company. The quorum is two persons including chairman of committee. Half yearly report is submitted to the Board.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are appended as **Annexure III** to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The policy is available on the website of the Company.

EXTRACT OF THE ANNUAL RETURN

Extract of Annual Return of the Company is annexed herewith as **Annexure IV** to this Report and also posted in company's website address: www.swastikpipes.com.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is not required to adopt a policy for prevention of Sexual Harassment of Women at workplace as the Company having less than 10 women Employees at its workplace.

VIGILMECHANISM

Your Company has adopted a Vigil Mechanism Policy. The purpose of the policy is to enable employees to raise concerns about unacceptable improper practices and/or any unethical practices being carried out in the organisation without the knowledge of management. All employees shall be protected from any adverse action for reporting any acceptable /improper practice and/or any unethical practice, fraud or violation of any law, rule, or regulation. This Whistle Blower policy will also be applicable to the Directors of the Company. The Audit Committee reviews the same from time to time. No concerns or irregularities have been reported till date.

ANNUAL EVALUATION BY THE BOARD

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations

For SWASTIK PIPE LIMITED



Sandeep Bansal
Director

DIN 00165391

For SWASTIK PIPE LIMITED



Dinesh Kumar Dhanda
Director
DIN : 02421177

- iii. Strategic perspectives or inputs regarding future growth of Company and its performance
- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation.

DETAILS OF SUBSIDIARY COMPANIES / JOINT VENTURE


The company does not have any subsidiary company nor any Joint Venture.

ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company. Your Directors thank and express their gratitude for the support and co-operation received from the Central and State Governments and other stakeholders including customers, vendors, financial institutions, banks, investors and service providers.

**For and on behalf of the Board
For SWASTIK PIPE LIMITED**


(Dinesh Kumar Dhanda)
DIN: 02421177


(SANDEEP BANSAL)
DIN: 00165391

**PLACE: NEW DELH
DATED: 03/09/2020**

ATTACHMENT TO THE DIRECTORS' REPORT

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

Information as per section 134(3)(m) of the companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 and forming part of the Director's Report for the year ended 31st March, 2020.

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken.

The company gives priority on energy conservation. To give the effect energy efficient equipment's have been installed at the plant. Additional investments and proposals are being implemented for reduction of consumption of energy. Study for installation of new energy conservation measures are also being under taken by the company. This results in reduction of energy consumption and its consequent impact on the cost of production of goods.

- b) Steps taken by the Company for utilizing alternate source of energy:

Company is exploring various options to use Solar Based Energy as an alternate source of energy in future.

- c) The Capital Investment on energy conservation equipment's:

No investment on energy conservation equipment's are made by the company during the year under review.


II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption:

1. RESEARCH AND DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the company.
Research & Development has been continuously carried on for improvement in quality of product and material efficiency.
2. Benefits derived as result of the above R & D.
Improvement in quality and efficiency in production.
3. Future plan of action.
The Company plans to strengthen the R & D department to achieve cost saving.
4. Expenditure on R & D.

For SWASTIK PIPE LIMITED


Sandeep Bansal
Director
DIN: 00165391

For SWASTIK PIPE LIMITED


Divyesh Kumar Dhanda
Director
DIN: 02421177

No separate account is kept.

2. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION

1. Efforts, in brief, made towards technology absorption, adoption and innovation.

The Company has been successfully using in house technology. Major initiatives are being taken to upgrade the various processes by making use of latest and better techniques. Efforts are constantly being made to make the maximum use of the available infrastructure; at the same time innovating new techniques to bring about efficiency as well as economy in different areas. Employees are given appropriate training of and on the job, to enable them to achieve the planned performance.

2. Benefits derived as result of the above efforts i.e. product improvement, cost reduction, product development, import substitution etc.

There were various benefits derived as a result of the efforts listed above, some of them included better utilization of the available resources, product improvement and development, cost reduction, better overall efficiency. Improved quality of product is achieved resulting in greater satisfaction of customers.

3. In case of imported technology.
No technology has been imported.

III. FOREIGN EXCHANGE EARNING AND OUTGO

A. Export activities & Export plans

The Company has shown a satisfactory performance in spite of stiff competition in the market in this segment of marketing and company has been awarded the status of STAR EXPORT HOUSE from the EEPIC New Delhi on the basis of performance of last three years export. During the current financial year company has made exports of Rs. 9,48,12,439/- (FOB).


B. Foreign Exchange earning and outgo (Fig in Rs.)

Earning (Exports on F.O.B. Value)	9,48,12,439/-	10,80,34,069
Out go		1,24,491/- 2,05,915/-

PLACE: NEW DELH
DATED: 03/09/2020
Board


(Dinesh Kumar Dhanda)
DIN: 02421477

For and on behalf of the
For SWASTIK PIPE LIMITED


(SANDEEP BANSAL)
DIN: 00165391



NEHA GUPTA & ASSOCIATES

Company Secretaries
(A Peer Reviewed Firm)

E-1302, Express Zenith Society,
Sector - 77, Noida, U.P. - 201301
Ph. + 91 - 9891602327
E-mail : guptaneha1405@gmail.com
nguptaassociate@gmail.com

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended on 31st March, 2020

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

SECRETARIAL AUDIT REPORT

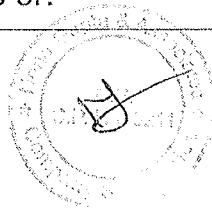
For the Financial Year ended on 31st March, 2020

To,
The Members,
SWASTIK PIPE LIMITED
4, Central Market
Punjabi Bagh (W)
New Delhi-110026

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SWASTIK PIPE LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SWASTIK PIPE LIMITED** for the financial year ended on 31st March, 2020 according to the provisions of:



- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (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.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable as the Company is Unlisted Public Company.**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable as the Company is Unlisted Public Company.**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the Company is Unlisted Public Company.**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. **Not Applicable as the Company is Unlisted Public Company.**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company is Unlisted Public Company.**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable as the Company is Unlisted Public Company.**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company is Unlisted Public Company;** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,

