



SWAN ENERGY LIMITED

6, Feltham House, 2nd Floor, 10, J. N. Heredia Marg, Ballard Estate, Mumbai – 400 001
Tel.:022-40587300; Fax:+91-22-40587360; Email: swan@swan.co.in
CIN:L17100MH1909PLC000294

ADDENDUM TO THE 110TH ANNUAL REPORT FOR THE YEAR ENDED 31.03.2018

Dear Members,

Sub: Addendum to the 110th Annual Report

This has reference to the 110th Annual Report for the year ended 31-03-2018, sent to all the shareholders and subsequently 110th Annual General Meeting of the members of Swan Energy Limited (“**Company**”) held on Tuesday, 11th September, 2018, at 10.30 A.M., at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, Maharashtra Chamber of Commerce Lane, Kala Ghoda, Fort, Mumbai- 400 001.

In this regard, please find enclosed following Policy and Report, which were not included in the 110th Annual Report of the Company.

- i- Dividend Distribution Policy (DDP);
- ii- Business Responsibility Report (BRR)

The Board of Directors of the Company has approved the above DDP and BRR, at its meeting held on Wednesday, 14th November, 2018.

As per instructions received from National Stock Exchange of India Limited (NSE), this addendum has been sent to all the shareholders of the Company and NSE Limited. The addendum is also placed on the website of the Company (www.swan.co.in).

By order of the Board of Directors
For Swan Energy Limited

s/d

Arun S. Agarwal
Company Secretary
M. No. ACS6572

Mumbai, November 14, 2018



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DIVIDEND DISTRIBUTION POLICY

1. Background and applicability

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”), requires the Company to formulate and disclose a Dividend Distribution Policy in the annual report and on its website. The Board of Directors (“Board”) of **SWAN ENERGY Limited** (“Company”) has adopted this Dividend Distribution Policy to comply with these requirements.

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

2. Dividend distribution philosophy

The Company is deeply committed to driving superior value creation for all its stakeholders. The focus will continue to be future growth and long term interests of the Company as well as its shareholders. Accordingly, the Board would continue to adopt a progressive dividend policy, ensuring the immediate as well as long term needs of the business.

3. Statutory and Regulatory Parameters

The Company shall declare dividend only after ensuring compliance with the requisite Regulations and directions as stipulated under the provisions of the Companies Act, 2013 (‘ACT’) and Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, other SEBI regulations and any other regulations as may be applicable from time to time.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the ACT. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. The Circumstances under which the Shareholders may or may not expect Dividend;

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth.

The Board will assess the Company’s financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors,

- In the event of inadequacy of profits or whenever the Company has incurred losses;
- Significant cash flow requirements towards higher working capital requirements / tax demands / or others, adversely impacting free cash flows;
- An impending / ongoing capital expenditure program or any acquisitions or investment in joint ventures requiring significant allocation of capital;
- Allocation of cash required for buy-back of securities;
- Any of the internal or external factors restraining the Company from considering dividend.

5. Financial parameters and other internal and external factors that would be considered for declaration of Dividend:

The dividend pay-out decision of the Board will depend upon the various financial parameters and internal & external factors, including following -

Financial parameters and Internal Factors:

- Operating cash flow of the Company
- Profit earned during the year
- Profit available for distribution
- Earnings Per Share (EPS)
- Working capital requirements

- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystallization of contingent liabilities, if any
- Additional investment in subsidiaries and associates of the company
- Upgradation of technology and physical infrastructure
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowing
- Past dividend payout ratio / trends

External Factors:

- Economic environment
- Capital markets
- Global conditions
- Statutory provisions and guidelines
- Dividend payout ratio of competitors

6. Utilization of Retained Earnings

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan
- Product expansion plan
- Increase in production capacity
- Modernization plan
- Diversification of business
- Long term strategic plans
- Replacement of capital assets
- Where the cost of debt is expensive
- Dividend payment
- Such other criteria's as the Board may deem fit from time to time.

7. Multiple Classes of Shares

Currently, the Company has only one class of shares, i.e., Equity shares. In the future, if the company issues multiple classes of shares, the parameters of the dividend distribution policy will be appropriately addressed.

8. Modification of the Policy

This Policy would be subject to modification in accordance with the guidelines / clarifications as may be issued from time to time by relevant statutory and regulatory authority. The Board may modify, add, delete or amend any of the provisions of this Policy. Any exceptions to the Dividend Distribution Policy must be consistent with the Regulations and must be approved in the manner as may be decided by the Board of Directors.

9. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company.



SWAN ENERGY LIMITED

(formerly Swan Mills Limited)

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BUSINESS RESPONSIBILITY (BR) REPORT:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr No.	Particulars									
1.	Corporate Identity Number (CIN) of the Company	L17100MH1909PLC000294								
2.	Name of the Company	Swan Energy Limited								
3.	Registered address	6, Feltham House, 2nd Floor, J N Herdia Marg, Ballard Estate Mumbai MH 400001								
4.	Website	www.swan.co.in								
5.	E-mail id	invgrv@swan.co.in								
6.	Financial Year Reported	2017-18								
7.	Sector(s) that the Company is engaged in (industrial activitycode-wise):	Finishing of textiles: NIC Code - 1313 [as per 2008]								
8.	List three key products/services that the Company manufactures/provides (as in balancesheet):	(a) 13131 Finishing of cotton and blended cotton textiles. (b) 13136 Activity related to screen printing (c) 13139 Other activities relating to finishing of textile								
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations: NIL (b) 1 manufacturing location, 2 offices, including registered office								
10.	Markets served by the Company	<table border="1"> <thead> <tr> <th>Local</th> <th>State</th> <th>National</th> <th>International</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>Yes</td> <td>Yes</td> <td>Yes</td> </tr> </tbody> </table>	Local	State	National	International	Yes	Yes	Yes	Yes
Local	State	National	International							
Yes	Yes	Yes	Yes							

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR): Rs. 24,42,57,000
2. Total Turnover (INR in Lakhs): 21,636.18
3. Total profit after taxes (INR in Lakhs): 7,274.61
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%): Rs. 12,00,000/-
5. List of activities in which expenditure in 4 above has been incurred:-

Please refer Annexure E (page no. 34) to Directors' Report for CSR Policy.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/Companies?
The Company has four Subsidiaries.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)
No
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 00660027
2. Name: Mr. Paresh V. Merchant
3. Designation: Executive Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Mr. Tamal Sinha
3	Designation	Vice – President
4	Telephone number	+91 7096104112
5	e-mail id	tamal.sinha@swan.co.in

2. Principle-wise, (as per NVGs) BRPolicy/Policies:

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic responsibilities of Business released by the Ministry of Corporate Affairs has adopted 9 (nine) areas of Business Responsibility. These briefly are as follows.

P1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3: Businesses should promote the wellbeing of all employees

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5: Businesses should respect and promote human rights

P6: Business should respect, protect and make efforts to restore the environment

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8: Businesses should support inclusive growth and equitable development

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y								
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y								
3	Does the policy conform to anynational / international standards? If yes, specify? (50 words)	Y								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y								
6	Indicate the link for the policy to be viewed online?	Y*	Y*	Y**	Y***	Y**	Y***	Y****	Y*	Y****
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y								
8	Does the company have in-house structure to implement the policy/ policies.	Y								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y								

* Code of conduct: <http://www.swan.co.in/pdf/swan%20-%20code%20of%20conduct.pdf>

** Whistle Blower Policy: http://www.swan.co.in/pdf/Whistle%20blower%20policy_SWAN.pdf

*** CSR Policy: <http://www.swan.co.in/pdf/Corporate%20Social%20Responsibility%20Policy.pdf>

**** Quality Policy: <http://www.swan.co.in/pdf/swan%20quality%20policy.pdf>

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NOT APPLICABLE								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The assessment of BR performance is done annually by the MD, ED and senior management of the Company.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company had started publishing BR report from financial year 2017-18 on a yearly basis. The BR report is/shall be available on www.swan.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the reporting year, 5 investor complaints were received from the shareholders, all of which were resolved as on 31st March, 2018.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and opportunities.

- (a) Suiting
- (b) Shirting
- (c) Dress materials

Your company is committed to offer quality standards for all range of its textile products, which are safe and environment friendly. The company is having well equipped test lab at its Ahmedabad production location to verify the products on a regular basis to ensure no deviation.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
The company is having process house, where grey is purchased as a raw material. The raw materials are sourced locally on the best possible trade terms. The production costs are continuously monitored. Automation is extensively used through latest machines, which results in reduction of scrap percentage and also energy and water consumption. The company is committed to transform energy conservation into a strategic business goal by way of monitoring energy related parameters on a regular basis and to reduce energy consumption in all its operations.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
As the products of the company are used by a diverse and large number of consumers, it is not feasible to identify the reduction of resource usage by the consumers. The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company continuously takes measures to reduce the consumption of energy and water.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.
The Company endeavours to focus on protection of environment, stakeholders' interest and cost effectiveness while

procuring any raw material or goods. The main raw materials are procured from manufacturers / producers who are well reputed keeping in mind the need for quality and consistency. Adequate steps are taken for safety during transportation and optimization of logistics, which, in turn, help to mitigate the impact on climate.

- Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

No

- Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, > 10%). Also, provide details thereof, in about 50 words or so.

Wastage management is highly focused and monitored through various initiatives with a view to ensure reduction in waste generation. Recycling of the wastage is not feasible and hence, sold as a scrap.

Principle 3: Businesses should promote the wellbeing of all employees

- Please indicate the Total number of employees: 146
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: 271
- Please indicate the Number of permanent women employees: 1
- Please indicate the Number of permanent employees with disabilities: NIL
- Do you have an employee association that is recognized by management: No
- What percentage of your permanent employees is members of this recognized employee association? N.A.
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

- What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
 - Permanent Employees
 - Permanent Women Employees
 - Casual/Temporary/Contractual Employees
 - Employees with Disabilities

Almost all the employees undergo the company's safety and skill upgradation programmes and are conscious about its utility and benefits.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- Has the company mapped its internal and external stakeholders? Yes/No
Yes.
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes.
- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
The company extends its social responsibilities through its CSR projects. The company identifies the stakeholders through multiple channels so as to incorporate their feedback for continuous improvement and innovation to meet customer expectation, need and demand in fair manner.

Principle 5: Businesses should respect and promote human rights

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company has in place 'Whistle blower Policy', which covers its Human Rights Policy. It also extends to the group companies.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
Nil.

Principle 6: Business should respect, protect, and make efforts to restore the environment

- Does the policy related to Principle 6 cover only the company or extends to the Group /Joint Ventures /Suppliers /Contractors /NGOs /others?
The policy, covered under CSR, extends to the company and its group companies.
- Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
No

3. Does the company identify and assess potential environmental risks?
The company has taken certification under ISO 9001: 2015..
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
No
5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
No
6. Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?
Yes
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.
Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
Yes
(a) Narol Textile Infrastructure & Enviro Management
(b) Gujarat Chamber of Commerce & Industry
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles,Others)
The Company continuously advocates the use of eco-friendly practices, use of alternatives fuels and energy conservation.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.
The Company has a well-defined CSR policy, under which, it has taken various initiatives for support and development of society. The report on the CSR projects carried by the Company is annexed with the Director's Report
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?
The programmes /projects undertaken are through various external NGOs, supporting various CSR initiatives.
3. Have you done any impact assessment of your initiative?
The Company undertakes an impact assessment of the CSR interventions to ensure that the resources are gainfully utilized for the welfare of the intended communities.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.
The Company has spent Rs. 12 lacs on the CSR activities during the financial year 2017-18. The amount was spent on areas as mentioned in Annexure 'E' to the Director's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.
Yes. The company is in contact with NGOs to ensure that all development initiatives of the Company are successfully adopted by the concerned communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
There are three consumer complaints/cases pending as on the end of F.Y. 2017-18.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)
Not applicable
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
No
4. Did your company carry out any consumer survey/ consumer satisfaction trends?
Yes.
