

25th ANNUAL REPORT
2010 - 11

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If it's not delivered, please return to :

SWETHA ENGINEERING LIMITED

Plot, No.123-131, Tass Industrial Estate,

Ambattur, Chennai - 600 098.

Ph : 26252191, 26253191

Fax : 26250836

SWETHA ENGINEERING LIMITED

PROXY FORM

DP ID	Client ID
Registered Folio No. *	No. of Shares

I/We

Name(s) in Full	Father / Husband's Name	Address as registered with the Company

being a member(s) of SWETHA ENGINEERING LIMITED do hereby appoint _____ of _____ in the district of _____ (or failing him _____ of _____ in the district of _____ as my / our proxy and to vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company scheduled to be held on Thursday, the 15th day of December, 2011 at 11:00 a.m. at the registered office of the Company and at any adjournment thereof.

Signed by the said _____ this _____ day of _____ 2011

Affix
Re.1
Revenue
Stamp

* as applicable for investor holding shares in physical form

Note: The proxy form duly completed must be deposited so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

Swetha engineering limited

BOARD OF DIRECTORS

S.V.Raguraman	- Chairman & Managing Director
S.V. Sridhar	- Director Commercial
S.Niranjankumar	- Director Technical
A.Ramachandran	- Non Executive and Independent Director
V.Nagarajan	- Non Executive and Independent Director
R.Jaganathan	- Non Executive and Independent Director

AUDITORS

M/s.Suresh & Sridharan
Chartered Accountants
PMG Complex, 3rd Floor, No.57, Usman Road
T.Nagar, Chennai-600 017

BANKERS

REPCO BANK, CORPORATE BRANCH
No.18, C.P.Ramaswamy Road
Alwarpet, Chennai-600 018

REGISTERED OFFICE

ADDRESS :
No.33, Muthiyal Reddy Nagar 2nd Street,
Adambakkam, Chennai - 600 088

CORPORATE OFFICE

ADDRESS
Plot No.123-131, Tass Industrial Estate,
Mahatma Gandhi Road, Ambattur, Chennai - 600 098.
Phone no. 26252191/26253191

SWETHA ENGINEERING LIMITED

Registered Office: Plot no.33, Muthial Reddy Nagar, Adambakkam, Chennai- 600 088

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP BEFORE YOU COME TO THE MEETING AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

DP ID	Client ID
Registered Folio No. *	No. of Shares

Name(s) in Full	Father / Husband's Name	Address as registered with the Company

I hereby record my presence at the 25th Annual General Meeting of the Company at Corporate Office at Plot no.123-131, Tass industrial Estate, Ambattur, Chennai-600 098 on Thursday, 15th day of December, 2011 at 11:00 a.m. and at any adjournment thereof.

Name of the proxy in Block Letters

Member's / Proxy's Signature

* as applicable for investor holding shares in physical form

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

1 Registration Details

L	2	7	2	0	9	T	N	1	9	8	6	8	P	L	C	0	1	3	7	8	7
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Registration No. S T A T E C O D E 1 8

Balance Sheet Date

3	1	-	0	3	-	1	1
---	---	---	---	---	---	---	---

D M Y

2 Capital Raised during the year (amount in thousands of Rs.)

Public Issue

			N	I	L
--	--	--	---	---	---

 Rights Issue

			N	I	L
--	--	--	---	---	---

Bonus Issue

			N	I	L
--	--	--	---	---	---

 Private Placement / Preferential Allotment

			N	I	L
--	--	--	---	---	---

3 Position of Mobilisation and Deployment of Funds (amount in thousands of Rs.)

Total Liabilities

1	2	7	9	7	5
---	---	---	---	---	---

 Total Assets

1	2	7	9	7	5
---	---	---	---	---	---

Source of Funds Reserves & Surplus

Paid up Capital

	3	7	2	8	8
--	---	---	---	---	---

 Reserves & Surplus

	4	7	7	0	4
--	---	---	---	---	---

Secured Loans

	4	2	9	8	3
--	---	---	---	---	---

 Unsecured Loans

			N	I	L
--	--	--	---	---	---

Application of Funds

Net Fixed Assets

	3	8	3	7	8
--	---	---	---	---	---

 Investment

			N	I	L
--	--	--	---	---	---

Net Current Assets

	8	9	5	9	7
--	---	---	---	---	---

 Balance in P&L a/c

			N	I	L
--	--	--	---	---	---

4 Performance of Company (amount in thousands of Rs.)

Turnover

1	5	3	4	6	2
---	---	---	---	---	---

 Total Expenditure

1	5	1	9	5	8
---	---	---	---	---	---

Profit/(loss) before tax

		1	5	0	4
--	--	---	---	---	---

 Profit/(loss) after tax

			9	4	0
--	--	--	---	---	---

Earnings per Share

		0	.	2	5
--	--	---	---	---	---

 Dividend Rate %

			N	I	L
--	--	--	---	---	---

5 Generic name of Three Principal Products/ Services of the Company. (As per Monetary Terms)

Item Code

	8	4	.	4	1
--	---	---	---	---	---

Product Description Machinery for making paper pulp, paper or board

Item Code

	8	4	.	1	9
--	---	---	---	---	---

Product Description Machinery for treatment of materials involving change of Temperature

Item Code

	8	4	.	6	4
--	---	---	---	---	---

Product Description Machinery for manufacturing Cement and allied products

For M/s. Suresh & Sridharan
Chartered Accountants
Firm Reg no.0042585

(V.Suresh)
Membership No.020580
Partner

Chennai, November 10th 2011

S.V.Raguraman - Chairman & Managing Director
S.V.Sridhar - Director Commercial
S.Niranjana Kumar - Director - Technical
A.Ramachandran - Independent Director
V.Nagarajan - Independent Director
R.Jagannathan - Independent Director

DIRECTOR'S REPORT

Your Directors have great pleasure in presenting the Twenty Fifth Annual Report on the business and operations of your Company together with Audited Accounts of the Company for the year ended 31st March 2011 and the Auditors' report thereon.

FINANCIAL RESULTS	2010-2011	2009-2010
Sales and Other Income	16,01,97,762.00	23,12,65,276.0
Less : Expenditure	14,77,89,250.00	21,71,82,408.0
Less: Interest Charges	(66,05,061.00)	(58,96,632.00)
Less: Depreciation	(42,99,001.00)	(44,41,474.00)
Profit before tax	15,04,450.00	37,44,762.00
Provision for Tax Current	(6,34,967.00)	(15,43,792.00)
Fringe Benefit Tax Deferred	70,692.00	1,13,172.00
Profit after Tax	9,40,175.00	23,14,142.00
Profit brought forward	2,53,99,448.00	2,30,85,305.00
Balance Carried to Balance Sheet	2,63,39,623.00	2,53,99,447.00
Basic Earnings per Share	0.25	0.62

YEAR IN RETROSPECT

The gross sales and other income for the financial under review were Rs.1601.98 lakhs as against Rs.2312.65 lakhs for the previous financial year showing a decrease of 30.10 %The profit before tax (after interest and depreciation charges) is Rs. 15.04 lakhs and the Profit after tax is Rs.8.70 lakhs for the financial year under review as against Rs.37.44 lakhs and Rs.23.14 lakhs respectively for the previous year, declined by 19.83 % and 62.40 %.

The performance was adversely affected during 2010-11 due to depressed capital expenditure plan of Industrial Sectors, both within and outside the country. Particularly the Company had to bear the brunt of global economic meltdown as its volume shrunk significantly during the year. On effect of this there is a withering on the demand and consumption of engineering products in the year review also. The Company had to resort to supply management and also had to alter its production schedule in order to retain the profitability in the orders executed in the year 2010-11

The major impact on profitability of the Company during the year is due to substantial dip in the capacity utilisation, continued pressure on selling prices and not adequate and respite in the cost of inputs. However the Company continued its efforts to optimize the operating and production efficiency at its plant. In spite of the adverse condition as stated above, the Company met its all debt repayment obligations successfully. Proper execution coupled with prudent risk mitigation measures enabled the Company to maintain its position over its competitors.

FINANCIAL RESTRUCTURING

Your Directors wish to put on record that after a brief period of sickness your Company have turnout to be a positive Net worth and now in the process of Financial Restructuring, for which due approval of the Shareholders to be obtained. As the discussion is still in its nascent stage, the Board of directors therefore thought fit to sought your approval for extension of time for holding Annual General Meeting for the financial year 31.03.2011 for another three months instead of September 30, 2011, so that shareholders shall be informed and necessary approval be obtained. However no concrete situation have been emerged and hence the same will be intimated to shareholders in due course of time.

DEPOSITORY SYSTEM

As the members are aware, the company's shares are compulsorily traded in electronic form. As on march, 2011, 48.07% of the company's total paid up capital representing 18,02,539 shares are in dematerialized form. In view of numerous advantages offered under depository system, members holding shares in physical mode area advised to avail the facility of dematerialization from cdcl depository services.

CAPITAL EXPENDITURE

As at March 31, 2011, the gross tangible assets stood at Rs. 952.63 lakhs and net tangible assets stood at Rs.383.78 lakhs. Additions during the year amounted to Rs. 52.95 lakhs.

INSURANCE

All insurable interests of the Company including, buildings, furniture and fixtures and other insurable interest are adequately insured.

BUY BACK OF SHARES

The Company has not bought back any of its shares during the year under review

DIVIDEND

Owing to decline in the profits for the current year and insufficient liquidity, the Directors of the Company have decided to plough back the profits into business for handling the ongoing gloomy scenario and hence no dividend is declared for the current year. Your Directors believe that this will enhance shareholders value.

FIXED DEPOSITS, LOANS & ADVANCES

Your Company has not accepted any deposits from the public or its employees during the year under review

DIRECTORS

The Company is managed by Mr.S.V.Ragu Raman, Managing Director under strict supervision of the Board of Directors. The Board of Directors consist of Mr.S.V.Ragu Raman, Mr.S.V.Sridhar, Mr.S.Niranjan Kumar, Mr.A.Ramachandran, Mr. V.Nagarajan and Mr.R.Jagannathan.

Notes :

1.Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS)-3 "Cash Flow Statements" as specified in the (Accounting Standards) Rules,2006.

2.Previous year 's figures have been regrouped/ reclassified wherever applicable.

As Per our Report on even date

For M/s.Suresh & Sridharan
Chartered Accountants

(V.Suresh)
Membership No.020580
Partner
Chennai, 10.11.2011

For and on Behalf of the Board

S.V.Raguraman - Chairman & Managing Director
S.V.Sridhar - Director-commercial
S.Niranjan Kumar - Director - Technical
A.Ramachandran - Independent Director
R.Nagarajan - Independent Director
R.Jagannathan - Independent Director

SWETHA ENGINEERING LIMITED		
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011		
	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items:	1504450.00	3744762.00
ADJUSTMENTS FOR		
ADD: Depreciation	4299001.00	4441474.00
Interest Paid	6605061.00	5896632.00
Loss on Sale of fixed Assets	0.00	102054.00
LESS: Profit on sale of fixed assets	(694.00)	0.00
Interest Received	(1930397.00)	(686570.00)
Operating Profit before Working Capital Changes	10477421.00	13498352.00
(Increase)/Decrease in Trade and Other Receivables	12385082.00	211931.00
(Increase)/Decrease in Inventories	(8828750.00)	32790125.00
(Increase)/Decrease in Loans and Advances	(4668719.00)	5663342.00
	9365034.00	52163750.00
(Increase)/Decrease in Trade Payables and Other Liabilities	5211197.00	(36413311.00)
Cash generated from Operation	14576231.00	15750439.00
Direct Taxes and Fringe Benefit Tax	(634967.00)	(1543792.00)
Net Cash from operating Activities	13941264.00	14206647.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
On account purchase of fixed assets	(5294593.00)	(8136902.00)
Sale of Fixed Assets	46750.00	72703.00
Interest Received	1930397.00	686570.00
Net Cash used in Investing Activities	(3317446.00)	(7377629.00)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	1202910.00	129534.00
Interest Paid	(6605061.00)	(5896632.00)
Increase in Share Capital	0.00	0.00
Net Cash used in Financing Activities	(5402151.00)	(5767098.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	5221667.00	1061920.00
OPENING BALANCE OF CASH & CASH EQUIVALENTS	12457511.00	11395591.00
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	17679178.00	12457511.00

In compliance with the provisions of the Companies Act, 1956 in accordance with the Articles of Association, Mr.A.Ramachandran, Mr.R.Jagannathan, retires at this Annual General Meeting and being eligible, offers themselves for re-appointment

PARTICULARS OF EMPLOYEES

Industrial relations have remained cordial throughout the year in the Company. During the year under review there were no employees covered under section 217(2A) of the Companies Act, 1956

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies act, 1956 with respect to Directors Responsibility Statement it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the year ended 31st March 2011, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956 have been followed and no material departures have been made from the same.
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair of the state of affairs of the Company as at 31st March 2011 and of the profit / loss of the Company for the year ended on that date
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities: and
- (iv) the Directors have prepared the annual accounts of the Company on a 'going concern' basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The internal control system is supplemented by extensive audits, regular review by management and adherence to policies and guidelines to ensure reliability of financial and other records. The management information system provides timely and accurate information for effective control. Regular planning as well as expense, capital and manpower budgeting processes ensure that progress is monitored against targets and control is exercised on all major expenses. Internal Auditors independently evaluate the adequacy of internal control systems. Their observations and recommendations are discussed by the Audit Committee to ensure effective corrective action.

COMPLIANCE CERTIFICATE

As per the Provisions to sub section (1) of Section 383A of Companies Act, 1956 Every Company having a paid up Share Capital of Rs. 10 lakhs or more But less than Rs.5 Crores is required to file with the Registrar of Companies a Compliance Certificate from a Company Secretaries in Practice, and the said Certificate required to be attached with the Board's Report.

Members are hereby informed that, M/s.Rabi Narayan & Associates, Company Secretaries, Chennai, is our Company Secretary to issue Compliance Certificate and Compliance Certificate issued by them are enclosed herewith are forming part of this report. The Board of Directors recommend to the members to appoint them as Company Secretaries and fix their remuneration.

AUDITORS

The retiring auditors, M/s.Suresh & Sridharan, Chartered Accountants have expressed willingness to continue in office, if appointed. They have furnished to the Company a certificate of their eligibility for appointment as auditors, pursuant to section 224 (1B) of the Companies Act, 1956. The Audit committee and the Board of Directors recommend the re-appointment of M/s.Suresh & Sridharan, Chartered Accountant as Auditors for a further period of one year and to fix their remuneration.

The Auditors Report to the Members does not contain any qualification or adverse remarks.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO.

Pursuant to the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, are set out in the Annexure A to this report.

STATEMENT PURSUANT TO LISTING AGREEMENT

The Company's securities are listed with Madras Stock Exchange Limited, Chennai and it has paid the respective annual listing fees up-to-date and there are no arrears.

CORPORATE GOVERNANCE

A detailed report on Corporate Governance as updated with the particulars of this Financial year, as per the directions from SEBI is annexed to this report (Annexure) together with Report of the Auditors on the compliance with the said Code and a report of Management discussion and Analysis is also annexed separately.

CAUTIONARY STATEMENT

Statements in the Management discussion and Analysis report describing the Company's projections, plans, estimates and expectations may be interpreted as "forward looking statements" within the meaning of securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's ch

2.6. Foreign Exchange transactions

Foreign exchange earnings are Rs.NIL.00 (Previous year of Rs Rs.599146.00 (US \$ 12,390.00))

2.7. Travelling Expenses which is inclusive of Directors Foreign Travel is Rs.24,63,928.00 (Previous Year Rs. 19,25,028.00).

2.8 Insurance includes the sum of Rs.313447.00 towards Workmen Compensation Insurance (Previous Year Rs.182737.00).

2.9 Licensed Capacity is not applicable.

3.0 In terms of Section 22 of Micro, Small & Medium Enterprises Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered with under the Act. In the absence of the information about registration of the enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant information, the auditor has relied upon the same.

3.1 Confirmation of balances has not been obtained from Creditors, Debtors and Other parties to whom Advances and Deposits have been given. The balances are therefore subject to reconciliation.

3.2 Previous year figures have been regrouped wherever necessary.
Signatures to Notes on accounts and Schedules 1.00 to 3.20

As per attached report of even date
For Suresh & Sridharan
Chartered Accountants
(Firm Registration no. 004258S)

V.Suresh
Membership No. 20580
Partner
Place: Chennai
Dated: November 10th 2011

S.V.Raguraman - Managing Director
S.V.Sridhar - Director-Commercial
S.Niranjan Kumar - Director-Technical
A.Ramachandran - Non Executive and
Independent Director
V.Nagarajan - Non Executive and
Independent Director
R.Jaganathan - Non Executive and
Independent Director

2.0 Cash Flow statement

Cash flow statement has been prepared in accordance with indirect method prescribed in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.

2.1 Sundry Debtors

Sundry Debtors exceeding six months includes certain long term debts for which the company is taking necessary steps for recovery. No provision is made for the amounts which in the opinion of Management is recoverable.

2.2. AUDITORS REMUNERATION

Particulars	2010-11 (Rs)	2009-10 (Rs.)
(i) Audit fees	60,000.00	60,000.00
(ii) Tax fees	10,000.00	10,000.00
(iii) Income Tax Representation	20,000.00	20,000.00
(iv) Certification Fees	8,000.00	8,000.00
(vi) Out of Pocket Expenses	10,000.00	10,000.00
TOTAL	1,08,000.00	1,08,000.00

2.3 Managerial Remuneration

MANAGING DIRECTOR	2010-11 (Rs)	2009-10 (Rs.)
Salary and Allowances	30,00,000.00	14,92,500.00
WHOLE TIME DIRECTORS		
Salary and Allowances	38,50,000.00	23,86,500.00

2.4 Value of imported/ indigenious materials/components

INDIGENIOUS	100%	Rs.5,15,89,488.00
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2.5. Interest and Bank charges account contains actual interest and bank charges charged by the banks.

2.6. Contingent liability

I. In respect of Guarantees issued on behalf of the company by its bankers to the extent of Rs.2,34,67,724.00 (2009-10 Rs.2,33,76,000.00)

II. Demands against the company either disputed or not acknowledged as debts and not provided for

Contingent Liability not provided for	Year	As on 31-03-2011 (Rupees)	As on 31-03-2010 (Rupees)
(i) Disputed Ambattur Municipality Tax	2003-04	18,66,510.00	14,49,054.00
(ii) Disputed Income Tax	2005-06 2006-07	4,23,91,316.00 7240670.00	4,23,91,316.00 7240670.00

No provision is made in the books of accounts towards Bank guarantees and Corporate Guarantees, as the company does not expect outflow although such a possibility is not remote.

operation include economic conditions in the domestic and international markets in which the Company operates, changes in government regulations, tax laws and other statutes. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements on the basis of any subsequent development, information or events.

ACKNOWLEDGEMENTS

The Board of Directors wish to place on record their appreciation for the continued support and co-operation extended by the State Governments, Banks, Government authorities, Customers, Suppliers and Shareholders The Board expresses its appreciation for the dedication and commitment extended by employees at all levels and their contribution to the growth and progress of the Company.

For and on behalf of the Board of Directors

S.V.Raguraman
Chairman & Managing Director

Chennai, the November 10, 2011

ANNEXURE-A

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

CONSERVATION OF ENERGY:

- a. Energy Conservation Measures Taken:
- a). Designed and installed the power distribution system perfectly well to utilize the power at optimum level of requirement.
 - b) Purchasing energy efficient machines.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
- At present no additional investments and proposals are contemplated for reduction of consumption of energy.
- c. Impact of above measures in a) and b) for reduction of energy consumption and consequent impact of cost of production of goods.
- As a result of the measures at (a) above, the energy consumption is reduced to the best minimum possible.
- d. Total energy consumption and energy consumption per unit of production.
- Furnishing of these particulars is not applicable to this Company, as it is not carrying on any business which is listed in the schedule to the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988.

TECHNOLOGY ABSORPTION

The relevant particulars relating to technology absorption in terms of Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is not applicable.

RESEARCH AND DEVELOPMENT :

1. Specific areas in which R & D carried out by the Company: Production process/stages, utilization of by products, cost reduction.
2. Benefits as a result of R & D : A close study in the technical developments, know how in the related areas of the Company is carried out with the purpose of getting good quality in the services rendered to the customers.
3. Future plan of action: Continuous efforts will be taken in keeping up with the technological advancement in product/design developments.

1.5. FIXED ASSETS

Fixed assets are stated at Original cost net of tax/ duty credits availed (Gross Block), if any, less accumulated depreciation. Depreciation on fixed assets has been provided on Written down Value method at the rates specified in the Schedule XIV of the companies act, 1956.

1.6. BASIS OF VALUATION OF INVENTORIES

Materials, stores and spares and consumables are valued at cost or market value whichever is less by reflecting the fairest possible appropriation to the cost incurred in bringing the items of inventory to their present location and condition. Work in Progress is valued at actual cost which includes appropriate allocation of Direct and Indirect Overheads.

1.7. LOANS AND ADVANCES

Loans and advances includes Income tax advance and tax deducted at sources of Rs. Rs.12006477.00/- (Previous year Rs. 9728831/-).

1.8. SECURED LOANS

Open Cash Credit (Working Capital), Term loan-I and Term loan-II facilities from Repco Bank, Corporate Branch are secured by hypothecation of stock and machineries (Present and new) and equitable mortgage of title deeds of landed property measuring 67700 sq.ft situated at Tass Industrial Estate ,Ambattur,Chennai-600 098 and Residential property measuring 909 sq.ft at Flat A4,Old no.49A, New no.76,Sathsangam Street, Venkatapuram, Ambattur, Chennai-600053,besides personal guarantee of Mr.S.V.Raguraman, Managing Director and Mr.S.V.Sridhar, Director Commercial.

1.9. INCOME TAX

Income tax comprises of Current tax and deferred tax Charge or Credit.

- (i) Current tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment/ appeals.
- (ii) Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using tax rates and laws or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realised.

Particulars	Opening Bal as on 01-04-2010	Adjustment during the year 2010-11	Closing Bal as on 31-03-2011
Deferred tax Asset on account of			
• Depreciation	10,13,370.00	70692.00	1084062.00
• Unabsorbed Depreciation	69,62,696.00	0.00	69,62,696.00
Total	7976066.00	70692.00	8046758.00

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention on accrual basis of accounting, in accordance with the generally accepted accounting principles India, and the relevant provisions of the companies act, 1956 including accounting standards notified there under.

1.1 USE OF ESTIMATES

In preparing the financial statements in conformity with generally accepted accounting in India, management is required to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosure of contingent liabilities as at the date of financial statements, future obligations in respect of retirement benefit plans etc. Difference if any, between the actual results and estimates is recognised in the period in which the results are known.

1.2 RECOGNITION OF INCOME

Sale of products and services are recognised on despatch of goods or when the services are rendered. Gross sales are stated at contractual realisable value inclusive of excise duty and net of trade discount and recognizes income when the risk and reward of ownership are passed on to the customers, which is generally despatch of goods. Income arising from erection and commissioning of equipments is recognised on "completed contract method" as prescribed under Accounting Standard (AS-7) "Accounting for Construction Contracts".

1.3. EMPLOYEES

a) Short term employee benefits are recognised as an expense at the undiscounted amount in the Profit & Loss Account for the year in which the related service is rendered.
 b) Payment to defined contribution schemes are charged as expense as and when incurred.
 c) Post employment and other long term benefits which are defined in the Profit & Loss Account for the year in which the employee has rendered service. The expense is recognized based on the present value of the obligation determined in accordance with Revised Accounting Standard 15 on employee benefits. Actuarial gains & losses are charged to the Profit & Loss account.
 d) The company has covered its gratuity liability by a Group Gratuity policy named 'Employee Group Gratuity Scheme' issued by LIC of India. Under the plan, employee at retirement is eligible for benefit, which will be equal to 15 days salary for each completed year of service. Thus it is a defined benefit plan and the aforesaid insurance policy is the plan asset. The accruing liability for gratuity is estimated on actuarial basis by restricting the amount of gratuity to Rs.10 lakhs under the payment of Gratuity Act.

1.4. TRANSLATION OF FOREIGN CURRENCY

a) Foreign currency transactions are recorded at exchange rates which are calculated on the basis of average rate prevailing at the end of each month.
 b) Foreign currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and difference on realignment is recognised in the Profit & Loss account.

4. Expenditure on R & D}

No specific expenditure has been booked for R & D. This has been a routine during the regular operations.

FOREIGN EXCHANGE EARNINGS AND OUTGO :

Export earnings involving foreign exchange for supply and services of export which includes advances also. A comparison of year wise is given below.

PARTICULARS	2010-11		2009-10	
	In \$	In Rs.	In \$	In Rs.
a. Supply of equipment		7,70,400.00	12,390.00	Rs.5,99,146.00
b. Service of equipment		7,70,400.00	12,390.00	Rs.5,99,146.00
Total (a+b)				
Foreign Exchange Used		Nil	Nil	Nil

REPORT ON CORPORATE GOVERNANCE

Swetha Engineering Limited is complying with the mandatory requirements of the code of Corporate Governance introduced by the SEBI and incorporated in clause 49 of the Listing Agreement in all material aspect.

The Company believes that Corporate Governance is a powerful medium of sub-serving the long term interest of all the stakeholders, viz. employees, shareholders, customers and vendors.

The basic philosophy towards Corporate Governance is that it is an embodiment of the parameter of fairness, accountability, disclosures and to maximize value for the shareholders of the Company. The Company is committed to achieve these objectives by ensuring and bringing disclosures in all matters relating to the performance, financial position, ownership and governance of the Company.

BOARD OF DIRECTORS

The Board of Directors of the Company comprises of one Managing Director, two Executive Directors and three Independent Directors. The Company has complied with the requirements of Clause 49 of the Listing Agreement in respect of the Composition of Board of Directors.

None of the Independent Directors have any material pecuniary relationships or transactions with the Company.

The composition of Board, attendance of each director at Board meetings held during the year under review as well as in the last Annual General Meeting and number of other Directorship/committee memberships held by them are as follows

Name and Designation of Directors	Category	No. of Board Meetings in the year during respective tenure		Attendance of Last AGM	Number of Directorship held in Other Companies	Number of Board Committee Memberships held in Other Companies
		Held	Attended			
S.V.Raguraman, Managing Director	ED	07	07	YES	NIL	NIL
S.V.Sridhar, Director-Commercial	ED	07	07	YES	NIL	NIL
S.Niranjankumar, Director-Technical	ED	07	07	YES	NIL	NIL
A.Ramachandran	NED(I)	07	07	YES	NIL	NIL
V.Nagarajan	NED(I)	07	02	NO	NIL	NIL
R.Jaganathan	NED(I)	07	07	YES	NIL	NIL

ED-Executive Director, NED Non Executive Director (Independent)

SCHEDULE : 13 EMPLOYEE COST	2010-11	2009-10
Remuneration and Salaries	14407907.00	10190137.00
Employees Welfare fund	1815028.00	889639.00
Staff & Labour Welfare	4320354.00	3402448.00
TOTAL	20543289.00	14482224.00

SCHEDULE : 14 OTHER EXPENSES	2010-11	2009-10
Operating Expenses	14788102.00	15896168.00
Packing Materials	445828.00	336960.00
Penalty and Liquidated Damages	0.00	747518.00
Power and Fuel Charges	2377643.00	2112161.00
Manufacturing Expenses	28079693.00	29776250.00
Maintenance Charges	3560497.00	3680692.00
Production Charges and Overhead Expenses	15672606.00	3245039.00
Project Engineering Charges	2339292.00	11446520.00
Transportation Charges	1970868.00	1901726.00
Tender document fee	5500.00	0.00
Audit Fees	108000.00	108000.00
Business Promotion Expenses	1007950.00	1945784.00
Legal charges	131500.00	156000.00
Listing Fees	0.00	29093.00
Professional Charges	1131600.00	1477994.00
Sales Commission	0.00	3101400.00
Service Charges	785355.00	143348.00
Sales Tax Paid	166845.00	0.00
Bank Charges	377356.00	1563783.00
Computer Maintenance	77087.00	125828.00
Conveyance and Travelling Expenses	3223716.00	2674089.00
Filing Fees	0.00	4500.00
Guarantee Commission	0.00	1200000.00
Insurance	597705.00	413439.00
Miscellaneous Expenses	1408722.00	1866133.00
Postage and Telephone Expenses	478111.00	470374.00
Printing and Stationery	138974.00	248160.00
Rates and Taxes	159479.00	116329.00
Repairs and Renewals	468587.00	359771.00
Sitting Fees	180000.00	156000.00
TOTAL	79681016.00	85303059.00

SCHEDULE 15: INTEREST AND OTHER CHARGES	2010-11	2009-10
Interest on Bills Discounted	0.00	244453.00
Interest on Open Cash Credit	5614541.00	4917870.00
Interest on Term Loan	899298.00	722194.00
Other Interest	91222.00	12115.00
TOTAL	6605061.00	5896632.00

SCHEDULE : 8 LOANS & ADVANCES	2010-11	2009-10
Loans and Advances (Unsecured, Considered Good)		
-Advances recoverable in Cash or in Kind or for Value to be Received	23279618	14849816.00
-Trade Deposit	2324622	6085705.00
TOTAL	25604240	20935521.00
SCHEDULE : 9 CURRENT LIABILITES & PROVISIONS	2010-11	2009-10
A. CURRENT LIABILITIES		
Advance Received from Customers	20365173.00	20066051.00
Due to Supplier of goods and Service Providers	19934862.00	20554362.00
LD Charges to Suppliers	59567.00	59567.00
Statutory Duties payable	1920908.00	752059.00
Other Liabilities	1229343.00	844354.00
TOTAL	43509853.00	42276393.00
B. PROVISIONS		
Provision for Gratuity	3541862.00	199092.00
Provision for Income Tax	7298941.00	6663974.00
TOTAL	10840803.00	6863066.00
SCHEDULE : 10 OTHER INCOME	2010-11	2009-10
Interest Receipts	1732735.00	686570.00
Miscellaneous Income	8300.00	34988.00
Exchange Gain	189363.00	38740.00
Profit on sale of Asset	693.00	
TOTAL	1931091.00	760298.00
SCHEDULE :11 INCREASE/DECREASE IN STOCK OF WORK IN PROGRESS	2010-11	2009-10
Increase/(Decrease) in Work in Progress		
Closing Work in Progress	24529669.00	9636586.00
LESS : Opening Work in Progress	(9636586.00)	(41575000.00)
TOTAL	14893083.00	31938414.00
SCHEDULE : 12 MATERIAL COST	2010-11	2009-10
Consumption of Materials		
Opening Stock	8128862.00	8980573.00
Add: Purchases	51589488.00	73181520.00
	59718350.00	82162093.00
Less: Closing Stock	(2064529.00)	(8128862.00)
TOTAL	57653821.00	74033231.00

Further the Board of Directors would like to inform the members that none of the Directors are disqualified to act as Directors of this Company or any other Company under section 274(1)(g) and other applicable provisions of the companies act, 1956.

Further there were no changes in the composition of the Board of Directors.

The Board of Directors met Seven times on 19.04.2010, 21.07.2010, 27.08.2010, 22.10.2010, 20.11.2010, 29.12.2010 and 14.01.2011 and in respect of which meetings proper notices were given and the proceedings of the meetings were properly recorded and signed in the Minutes Book maintained for the purpose.

The Annual General Meeting for the financial year ended on 31-03-2010 was held on 29-09-2010 by giving due notice to the members of the Company and resolutions passed there at were recorded in the Minutes Book maintained for the purpose.

Equity Share held by Directors are given below

Name of the Director	Equity Shares held as on 31st March 2010
S.V. Raguraman	438154
S.V. Sridhar	406975
S. Niranjankumar	12250

Information about the Directors proposed to be appointed/ re-appointed required to be furnished pursuant to Clause 49 of the Listing agreement with Stock Exchange is forming part of the Twenty Fifth Annual General Meeting of the Shareholders of the Company.

Except Mr.S.V.Raguraman and Mr.S.V.Sridhar Executive Directors who are brothers, no other Directors are related to each other.

COMMITTEE OF THE BOARD

The Board of Directors has constituted two committees: Audit Committee, and Shareholder Grievance Committee. The roles and responsibilities assigned to these committees are covered under the terms of reference approved by the Board and are subject to review by the Board from time to time.

The Minutes of Meetings of Audit Committee, Remuneration committee and Shareholder Grievance Committee are placed before the Board for their Information and Noting. The details as to the composition, terms of reference, number of meetings and related attendance etc of these committees are given below:

AUDIT COMMITTEE

Section 292A of the Companies Act, 1956 is not applicable to this Company.

TERMS OF REFERENCE

Your Company has a qualified and independent Audit Committee. The composition procedures, powers and role/functions of the audit committee constituted by the Company comply with the requirements of Clause 49 of the Listing Agreement.

The terms of reference of the Audit Committee included the following:

- ◆ Overseeing the Company's financial reporting process and the disclosure of its financial information.
- ◆ Recommending appointment and removal of the external auditor, fixing of audit fees and approving payments for any other service.
- ◆ Reviewing with management the quarterly, half yearly and annual financial statement with primary focus on accounting policies and practices, compliance with accounting standards, any related party transaction and stock exchange and legal requirements concerning financial statements, matter relating to be included in the Director's Responsibility Statement, Changes, if any, in accounting policies and practices and reasons for the same, Major accounting entries involving estimates based on the exercise of judgment by management, Significant adjustments made in the financial statements arising out of audit findings and Qualifications in the draft audit report
- ◆ Reviewing adequacy of internal control systems in order to have the effective use and safeguard of resources and compliance with statutes polices and procedures and ensure compliance of internal control systems and reviewing the Company's financial and risk management policies.
- ◆ Reviewing reports furnished by the Statutory Auditors and ensuring suitable follow up thereon.
- ◆ Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- ◆ Discussion with internal auditors any significant findings and follow up there on.
- ◆ Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal controls systems of a material nature and reporting the matter to the Board.
- ◆ Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- ◆ To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- ◆ To review the functioning of the Whistle Blower mechanism, in case the same is existing.

SWETHA ENGINEERING LIMITED

SCHEDULE 4: DEPRECIATION AS PER COMPANIES ACT, 1956

S.no.	DESCRIPTION	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 01.04.2010 Rs.	Additions Rs.	Sales/ Adjustment Rs.	As at 31.3.2011 Rs.	Upto Last year Rs.	For the year Rs.	Sales/ Adjustment Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.	
1	BUILDINGS	20645277.00	649211.00	0.00	21294488.00	11175127.00	491711.09	0.00	11666838.09	9627650.00	9470150.00
2	COMPUTER	2630162.00	70038.00	0.00	2700200.00	2015612.00	269433.80	0.00	2285045.80	415154.00	614550.00
3	ELECTRICAL EQUIPMENTS	3340962.00	26200.00	0.00	3367162.00	2470203.00	160396.51	0.00	2630599.51	736562.00	870759.00
4	FURNITURE AND FIXTURES	1271581.00	27510.00	0.00	1299091.00	795682.00	86635.39	0.00	882317.39	416774.00	475899.00
5	LAND	5764132.00	0.00	0.00	5764132.00	0.00	0.00	0.00	0.00	5764132.00	5764132.00
6	OFFICE EQUIPMENTS	1999440.00	123192.00	46750.00	2075882.00	1522188.00	105443.44	695.15	1626936.29	448946.00	477252.00
7	PLANT AND MACHINERY	49537793.00	4398442.00	0.00	53936235.00	32129916.00	2577536.32	0.00	34707452.32	19228783.00	17407877.00
8	VEHICLES	4826094.00	0.00	0.00	4826094.00	2478296.00	607844.90	0.00	3086140.90	1739953.00	2347798.00
	TOTAL	90015441.00	5294593.00	46750.00	95263284.00	52567024.00	4299001.45	695.15	56885330.30	38377954.00	37428417.00
	PREVIOUS YEAR	82802849.00	8136902.00	924310.00	90015441.00	48895104.00	4441475.00	749555.00	52597024.00	37428417.00	33546475.00

SCHEDULE : 1 SHARE CAPITAL	2010-11	2009-10
AUTHORISED SHARE CAPITAL:		
50,00,000 Equity Shares of Rs.10/-each	50000000.00	50000000.00
2,00,000 13% Cumulative Convertible Preference Shares of Rs.100 each	20000000.00	20000000.00
ISSUED, SUBSCRIBED AND PAID-UP:		
37,57,100 EQUITY SHARES OF RS.10 EACH	37493000.00	37571000.00
Less:Forfeiture of 7800 shares of Rs.10 each	0.00	(78000.00)
Less: Allotment Money in Arrears (Due from persons other than Directors -Previous Year-Rs.275500.00)	(205500.00)	(205500.00)
TOTAL	37287500.00	37287500.00

SCHEDULE : 2 RESERVES & SURPLUS	2010-11	2009-10
Share Premium Account	21190827.00	21190827.00
Forfeited Shares Account	174000.00	174000.00
Transfer from Profit and Loss a/c	26339623	25399447.00
TOTAL	47704450.00	46764274.00

SCHEDULE :3 SECURED LOANS	2010-11	2009-10
Open Cash Credit with Repco Bank	37029282	36849875.00
Term Loan I with Repco Bank	0	2285380.00
Term Loan II with Repco Bank	5953768	2644885.00
TOTAL	42983050	41780140.00

SCHEDULE : 5 INVENTORIES	2010-11	2009-10
Raw Materials	2064529	7417665.00
Consumables and Spares		711197.00
Work in Progress	24529669	9636586.00
TOTAL	26594198	17765448.00

SCHEDULE : 6 SUNDRY DEBTORS	2010-11	2009-10
Sundry Debtors (Unsecured,considered good)		
-Less than six months	37406843	47693612.00
-Others	28616485	30714798.00
TOTAL	66023328	78408410.00

SCHEDULE : 7 CASH & BANK BALANCES	2010-11	2009-10
Cash on hand	1357180.0	564538.00
Balance with Scheduled Banks and Financial Institutions		
-in Current account	6909542	4042973.00
-in Margin Money account	9008970	7500000.00
-in Fixed Deposit	403486	350000.00
TOTAL	17679178.0	12457511.00

- ◆ Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- ◆ Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- ◆ The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information

COMPOSITION AND ATTENDANCE

The Audit Committee of the Board consisting of three "Non Executive and Independent Directors" as members as detailed below and have adequate financial and accounting knowledge.

During the financial year, five meeting of the Audit Committee were held on 17.04.2010, 19.07.2010, 27.08.2010, 22.10.2010, 12.01.2011.The details of the number of meetings held and attendance record of the members are as follows:

Name of the Directors	Status and Category	No. of Meetings	
		Held	Attended
A.Ramachandran, Chairman	Director Non-Executive and Independent	05	05
V.Nagarajan	Director Non-Executive and Independent	05	02
R.Jaganathan	Director Non-Executive and Independent	05	05

The un-audited/ audited financial results of the Company are also specifically reviewed by the Audit Committee before these are submitted to the Board for approval. Minutes of each audit Committee meetings are placed before the Board for information

The Committee reviews the reports of the internal auditors and statutory auditors along with the comments and action taken reports of the management. The committee also invites senior executives as it considers appropriate to be present at the meetings of the committee

REMUNERATION COMMITTEE

The Company has constituted Remuneration Committee under the Chairmanship of Mr.A.Ramachandran, Independent Director.The details of composition of the Committee are given below

Name of the Directors	Status and Category	No. of Meetings	
		Held	Attended
A.Ramachandran, Chairman	Director Non-Executive and Independent	01	01
V.Nagarajan	Director Non-Executive and Independent	01	00
R.Jaganathan	Director Non-Executive and Independent	01	01

Terms of Reference

- ♦ To approve fixation/revision of remuneration of the Executive Directors of the Company after taking into the financial position of the Company, trend in the industry, appointee's qualification, experience, performance, past remuneration etc.
- ♦ To administer, supervise the detailed terms and conditions in accordance with SEBI guidelines.

Remuneration to Executive Directors-No revision suggested by the committee

A. EXECUTIVE DIRECTORS

Following is the Remuneration paid/payable to the Executive Directors for the financial year ended 31st March 2011

Name	Designation	Salary including HRA
S.V.Raguraman	Managing Director	Rs.30,00,000.00
S.V.Sridhar	Director-Commercial	Rs.30,00,000.00
S.Niranjankumar	Director-Technical	Rs.8,50,000.00

B. NON-EXECUTIVE DIRECTORS

Non-Executive Directors of the Company are remunerated by way of sitting fees for the meetings of the Board/ Committee attended by them. There were no other payments to the Non-Executive Directors.

SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Shareholder Grievance Committee of the Board oversees redressal of shareholder and investor complaints like transfer of shares, non-receipt of balance sheet, non- receipt of share certificates etc.

COMPOSITION AND ATTENDANCE

The Shareholders Grievance Committee consisting of Mr.A.Ramachandran, Mr.S.V.Sridhar and Mr.R.Jagannathan where Mr.A.Ramachandran is the Chairman of the committee and they meet

SWETHA ENGINEERING LIMITED AUDITED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH'2011

INCOME	SCH	2010-11 RUPEES	2009-10 RUPEES
Sales and Services			
Turnover		158266671.00	230504978.00
Less: Excise duty		(4804207.00)	(11425480.00)
Other Income	10	1931091.00	760298.00
Increase/(decrease) in Work in Progress	11	14893083.00	(31938414.00)
TOTAL A		170286638.00	187901382.00
EXPENDITURE			
Material Cost	12	57653821.00	74033231.00
Employee Cost	13	20543289.00	14482224.00
Other Expenses	14	79681016.00	85303059.00
Interest Charges	15	6605061.00	5896632.00
Depreciation		4299001.00	4441474.00
TOTAL B		168782188.00	184156620.00
Profit/(Loss) Before Extraordinary item (A - B)		1504450.00	3744762.00
Provision for Current Tax		(634967.00)	(1543792.00)
Provision for Deferred Tax Asset		70692.00	113172.00
Profit after tax		940175.00	2314142.00
Previous Year Profit/loss b/f		25399448.00	23085305.00
Balance Carried to Balance Sheet		26339623.00	25399447.00
Basic Earnings per Share of Face Value of Rs.10 each		0.25	0.62

Significant Accounting Policies Notes on Accounts

As Per our Report on even date
For M/s.Suresh & Sridharan

Firm Reg no.004258S

(V.Suresh)
Membership No.020580
Partner
Chennai, 10.11.2011

For and on Behalf of the Board
S.V.Raguraman - Chairman & Managing Director
S.V.Sridhar - Director-Commercial
S.Niranjan Kumar - Director - Technical
A.Ramachandran - Independent Director
V.Nagarajan - Independent Director
R.Jagannathan - Independent Director

SWETHA ENGINEERING LIMITED
AUDITED BALANCE SHEET AS AT 31 ST MARCH'2011

SOURCES OF FUNDS:	SCH		2010-11 RUPEES		2009-10 RUPEES
SHARE HOLDER'S FUNDS					
Share Capital	1	37287500.00		37287500.00	
Reserves and Surplus	2	47704450.00	84991950.00	46764274.00	84051774.00
LOAN FUNDS					
Secured Loan	3	42983050.00	42983050.00	41780140.00	41780140.00
TOTAL			127975000.00		125831914.00
APPLICATION OF FUNDS:					
Fixed Assets					
Gross Block	4	95263284.00		90015441.00	
Less: Depreciation		56885330.00		52587024.00	
Net Block			38377954.00		37428417.00
Current Assets, Loans and Advances					
Current Assets					
Inventories	5	26594198.00		17765448.00	
Sundry Debtors	6	66023328.00		78408410.00	
Cash and Bank Balances	7	17679178.00		12457511.00	
Loans and Advances	8	25604240.00		20935521.00	
Deferred tax Asset		8046758.00		7976066.00	
		143947702.00		137542956.00	
Less: Current Liabilities and Provisions					
Current Liabilities	9A	43509853.00		42276393.00	
Provisions	9B	10840803.00		6863066.00	
		54350656.00		49139459.00	
Net Current Assets			89597046.00		88403497.00
TOTAL			127975000.00		125831914.00

Significant Accounting Policies
Notes on Accounts
As Per our Report on even date
For M/s. Suresh & Sridharan
Chartered Accountants
Firm Reg no.004258S

(V.Suresh)
Membership No.020580
Partner
Chennai, 10.11.2011

For and on Behalf of the Board

S.V.Raguraman - Chairman & Managing Director
S.V.Sridhar - Director-Commercial
S.Niranjana Kumar - Director - Technical
A.Ramachandran - Independent Director
V.Nagarajan - Independent Director
R.Jagannathan - Independent Director

at regular intervals. Mr.V.Jaganathan is the Compliance Officer of the committee.

The Company used to give a detailed report on steps taken by it to the Committee to specifically look into redressing shareholders and investor's complaint, break up of the nature of complaints received including number of complaints not resolved to the satisfaction of the complainants. Additionally details of communication received from agencies like Stock Exchanges/SEBI/ Ministries of Companies Affairs were placed with an explanation as to how such communication were responded to and within how many days/ weeks.

The Company has delegated its Registrar and Share Transfer Agent, all shares related works. No complaint of any material nature was received during the year under review.

INVESTOR GRIEVANCE REDRESSAL

The number of complaints received and resolved to the satisfaction of investors during the year under review and their back-up are as under:-

Type of Complaints	Number of Complaints
Non Receipt of Annual Reports	-
Non Receipt of Dividend Warrants	-
Non Receipt of Interest/ redemption warrants	-
Warrants	-
Non Receipt of Certificates	-
Total	-

DETAILS OF ANNUAL/EXTRA ORDINARY GENERAL MEETING:

The details of the Annual General Meetings held during the last three years are as follows:-

Financial Year	Date	Location	Time
31.03.2008	29.09.08	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	10.00 A.M
31.03.2009	29.09.09	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	11.00 A.M
31.03.2010	29.09.10	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	11.00 A.M

The details of the Extra-ordinary General Meetings held during the last three years are as follows:-

Date	Purpose	Location	Time
16.04.2008	1. Further issue of shares on preferential basis to promoter 3. Revision of Salary of Mr.S.V.Raguraman, Managing Director Mr.S.V.Sridhar, Director-Commercial and Mr.S.Niranjana Kumar, Director-Technical with effect from 1st January, 2009	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	11.00 A.M
20.12.2008	1. Further issue of shares on preferential basis` 2. Re-issue of 163000 Forfeiture equity shares of Rs.10/- each 3. Revision of Salary of Mr.S.V.Raguraman, Managing Director Mr.S.V.Sridhar, Director-Commercial and Mr.S.Niranjana Kumar, Director-Technical with effect from 1st October, 2007	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	10.00 A.M
30.01.2010	1. Borrowing Powers. 2. Charge on the assets of the Company 3. Revision of Salary of Mr.S.V.Raguraman, Managing Director 4. Revision of Salary of Mr.S.V.Sridhar, Director-Commercial 5. Revision of Salary of Mr.S.Niranjana Kumar, Director-Technical	Corporate Office: Plot No. 123 131, Tass Industrial Estate, Ambattur, Chennai 98	10.00 A.M

DISCLOSURE MADE BY THE SENIOR MANAGERIAL PERSONNEL TO THE BOARD

During the year no material transaction has been entered into by the Company with the Senior Managerial personnel where they had or were deemed to have had personal interest that may have potential conflict with the interest of the Company

DISCLOSURES ON MATERIAL SIGNIFICANT RELATED PARTY TRANSACTIONS

The details of the transaction with related parties or others if any prescribed are being placed before the Audit Committee from time to time. Material significant related party transactions during the year 2010-2011 have been given in schedule 16 of the Schedules to the Annual Accounts for the year 2010-2011. There was no other transactions of material nature have been entered into by the Company with related parties (i.e.) Directors or Management or relatives that had potential conflict with the interest of the Company at large in the financial year ended 31st March 2011

DISCLOSURE OF ACCOUNTING TREATMENT

No treatment different from that prescribed in the Accounting Standard have been followed by the Company.

IV. SPECIAL STATUTE

The company is not a chit fund /nidhi / mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the companies (Auditor's Report) order 2003 are not applicable to the company.

XIV. Dealings/ Trading in Shares, Securities, Debentures and other investments

In our opinion and according to the information and explanations given to us the company is not a dealer or trader in shares, securities, debentures or other investments. Accordingly the provisions of clause 4 (xiv) of the Order are not applicable to the company.

V. Guarantees Given

According to the information and explanations given to us and the representations made by the management, the company has not given any guarantee for loans taken by others from banks or financial institutions.

VI. Term Loans

Term loans availed by the company have been applied by the company for the purpose for which they are obtained.

VII. Utilisation of Funds

According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investment. No funds have been raised on long term basis.

VIII. Preferential Allotment of shares:

The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.

IX. Security for Debentures issued

The company has not issued debentures during the year and therefore the clause 4 (xx) of the companies (Auditor's Report) Order 2003 is not applicable.

X. Public issue of Equity Shares

The company has not raised money by public issue during the year and therefore 4 (xix) of the companies (Auditor's Report) Order 2003 is not applicable.

XI. Frauds Noticed

According to the information and explanations given to us no fraud on or by the company has been noticed or reported during the course of audit during the year.

For SURESH & SRIDHARAN
Chartered accountants
(Firm Registration no. 004258S)

Place: Chennai
(V.SURESH)
Date: 10-11-2011
Membership No.020580

PARTNER

maintained under section 301 of the Companies Act 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

- VI. Public Deposits
The company has not accepted any deposits from the public during the year.
- VII. Internal Audit System
In our opinion the company has an internal audit system commensurate with the size and nature of its business.
- VIII. Cost Records
The Central Government has not prescribed maintenance of cost records under section 209 (i) (d) of the Companies Act 1956, in respect of the company's nature of business.
- IX. Statutory Dues
a) The company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees state insurance, Income tax, Sales tax, Customs Duty, Excise Duty cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of aforementioned dues were in arrears as at 31st March 2011, for a period of more than six months from the date they became payable.

According to the information and explanation given to us, the dues in respect of Sales Tax, Excise Duty and cess that have been deposited with the appropriate authorities on account of dispute and the matters pending before appellate authorities on account of dispute and the matters pending before appellate authorities are as follows :

Nature of dues	Financial year to which the matter Pertains	Forum where dispute is pending	Amount in Rupees
Property Tax	2003-04	High Court - Madras	646254.00
Income Tax	2005-06	Commissioner Income Tax (Appeals) - Range V	42391316.00
Income Tax	2006-07	Commissioner of Income Tax (Appeals) - Range V	7240670.00

- x. Accumulated Losses
The company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding the financial year.
- II. Dues to financial Institutions, Banks
According to the records examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions or bank or debenture holders as at balance sheet date.
- III. Security for Loans and Advances Granted
The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

RISK MANAGEMENT

In order to control the risk, the Company has defined a risk management policy which assess the risks and lay down required measures to minimize of risks, which in turn facilitates in minimizing the risk associated with any strategic , operational, financial and compliance risk across all business operations.

CEO/CFO CERTIFICATION

In accordance with the requirements of Clause 49 of the Listing Agreements, Mr.S.V.Ragu Raman, Managing Director of the Company have certified to the Board that to the best of their Knowledge and belief, the financial statements and cash flow statements present a true and fair view of the Company's affairs

COMPLIANCES BY THE COMPANY

The Board of Directors is periodically reviewing the Compliance Reports of the Laws applicable to the Company and the Company initiates requisite actions for strengthening of its statutory compliance procedures as may be suggested by the Board from time to time.

DETAILS OF NON-COMPLIANCES WITH REGARD TO CAPITAL MARKET.

There were no instances of non-compliance by the Company on any matter related to capital markets during the last three years. Hence there was no penalty, strictures imposed by SEBI/Stock Exchange or any other statutory/local authorities against the Company.

CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Company has laid down a Code of Conduct (Code) for all the Board Members and Senior Management Personnel of the Company. The Code is also posted on the Website of the Company. All Board Members and Senior Management Personnel have affirmed their compliance with the Code for the financial year ended 31st March, 2011. A declaration to this effect signed by Mr.S.V.Ragu Raman, Managing Director the Company forms part of this report.

The Board of Director of the Company have adopted the revised (Prohibition of Insider Trading code) modified in terms of amendment notified by the Securities and Exchange Board of India (SEBI) under SEBI (Prohibition of Insider Trading) Regulations, 1992.

PROCEEDS FROM PUBLIC/RIGHTS/PREFERENTIAL ISSUES ETC.

The Company does not have any unutilized money raised through Public/ Rights/ Preferential Issues, etc.

MEANS OF COMMUNICATION

Quarterly results are published in Trinity Mirror (in English language) and Makkal Kural (in Tamil Language) these results, *inter alia* are promptly submitted to the Stock Exchanges to enable them display the same on their website

The domain name of the Company's website is www.swethaeng.com where general information about the Company is available

The Management Discussion and Analysis report forms part of the Annual Report

GENERAL SHAREHOLDERS INFORMATION FINANCIAL CALENDAR (TENTATIVE)

Financial year	01st April 2011 to 31st March 2012 (Subject to Change)
Un-audited result for the quarter ending 30th June 2011	22nd July 2011
Un-audited result for the quarter ending and Half year 30th September 2011	22nd October 2011
Un-audited result for the quarter ending 31st December 2011	End of January 2012
Un-audited result for the quarter ending 31st March 2012	End of April 2012
Annual Result (Audited) and Annual General Meeting	Within six months of the close of financial year in accordance with Section 166 of the Companies Act, unless otherwise extension of time obtained from Registrar of Companies.
Details of Book Closure	08 th December to 15th December 2011 (Both Days Inclusive)
Venue and Other Details of Annual General Meeting	Day : Wednesday Date : 15th December 2011 Time : 11.00 PM Plot No.123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai -600 098
Listing of Equity shares	Madras Stock Exchange, Ahmedabad Stock Exchange and Coimbatore Stock Exchange.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2011

No. of Equity Share held	Shareholders		Share Amount	
	No. of Shareholders	% of Shareholders	In Rupees	# of Total
10-5000	1834	82.62	3299000	8.80
5001-10000	97	4.36	874250	2.33
10001-20000	132	5.94	2014000	5.37
20001-30000	44	1.98	1108000	2.96
30001-40000	11	0.50	403000	1.08
40001-50000	31	1.40	1485460	3.96
50001-100000	31	1.40	2641250	7.04
100001 and above	40	1.80	25668040	68.46
Total	2220	100		100

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF SWETHA ENGINEERING LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2011

- I. Fixed Assets
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) According to the information and explanation given to us there is a regular programme of verification which, in our opinion is reasonable having regard to the size and nature of its assets. No material discrepancies between the book records and the physically inventory have been noticed in respect of the assets physically verified.
 - c) The company has not disposed of substantial part of the fixed assets during the year and the going concern status of the company is not affected.

- II. Inventories
 - (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) The Procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stock as compared to book records were not material.

- III. Loans and Advances granted/taken from entities

According to the information and explanation given to us, the company during the year has neither granted nor taken loans, secured or unsecured to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act 1956. Therefore requirements of clause (iii-b) (iii-c) and (iii-d) of paragraph 4 of the order are not applicable.

- IV. Internal Control System

In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets, and for sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control systems.

- V. Contracts or Arrangement referred into this Section 301 of the Companies Act, 1956
 - a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956 have been so entered.
 - b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register

so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.

- a) In the case of Balance Sheet, of the state of affairs of the Company as 31st March 2011.
- b) In the case of Profit and Loss Account, of the Profit for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Chennai
Date: November 10, 2011
(V.SURESH) PARTNER
Membership No.020580

For SURESH & SRIDHARAN
Chartered accountants
(Firm Registration no. 004258S)

As required under Circular No.D&CC/FITTC/CER-16/2004 dated 31st December, 2004 issued by the Securities and Exchange Board of India, the Company has appointed a Practicing Company Secretary to do the Secretarial Audit and the report was placed before the Board and sent forthwith to Stock Exchanges for their information and record

SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

Category of Shareholder	No. of Shares Held	% of Shareholding
Promoters	1069899	28.54%
Mutual funds	0.00	0.00%
Banks, Financial Institutions	0.00	0.00%
Foreign Institutional Investors	0.00	0.00%
Bodies Corporate	1012825	27.01%
Indian Public	1654776	44.14%
NRI/OCBs	11800	0.31%
Grand Total	3749300	100.00%

DEMATERIALISATION OF SHARES

The equity shares of your Company are made available for dematerialization under depository system operated by the Central Depository Services (India) Limited (CDSL). The Shares of your Company are under compulsory demat settlement mode and can be traded only in the demat form. Shares dematerialized up to March 31, 2011 are under

S.No	Particulars of Capital Structure	No of Shares	% of Total issued Capital
01	Held in dematerialized Form in CDSL	1802359	48.07%
02	Physical	1946941	51.93%
03	Total	3749300	100.00%

REGISTRAR AND SHARE TRANSFER AGENTS (RTA)

Pursuant to newly introduced regulations 53A of the Securities and Exchange Board of India (Depositories & Participants) Regulations, 1996, the Company has appointed Cameo Corporate Services Limited, a SEBI registered Agency as the Common Registrar and Share Transfer Agent of the Company for both physical and dematerialized segments. Their complete address is as under

M/s.Cameo Corporate Services Limited
Subramanian Buildings
No.1, Club House Road, Chennai 600 002,
Phone No.91-44-28460390 to 94, Fax No. 91-44-28460129,
Email: cameo@cameoindia.com

SHARE TRANSFER SYSTEM

The shares of the Company are traded on the Stock Exchanges through the Depository System. The Demat ISIN in Central Depository Services (India) Limited (CDSL) is INE 824 EO 1017.

COMPANY REGISTRATION DETAILS

The Company is registered in the State of Tamilnadu. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27209TN1986PLC013787.

LEGAL PROCEEDINGS:

There is no legal proceeding pending against the Company.

THE COMPANY HAS NOT ISSUED ANY GDRS/ADRS/WARRANTS/CONVERTIBLE INSTRUMENTS.

Address for Communication
Swetha Engineering limited,
Plot Nos. 123- 131, Tass Industrial Estate, Ambattur,
Chennai 600 098
Tel. No. 044-26252191, 26253191
Fax: 044-26250836
E-mail: swetha@md3.vsnl.net.in
Info@swethaeng.com

In terms of clause 47(f) of the Listing Agreement of Stock exchanges, investors may please swetha@md3.vsnl.net.in, and Info@swethaeng.com email id for redressal of investor complaint/request.

MANGING DIRECTORS DECLARATION ON CODE OF CONDUCT

As required under clause 49 of the Listing Agreement the Managing Director Declaration of code of conduct is as under:-

I, S.V.Raguraman, Managing Director of the Company hereby declare that all the Board Members and senior management of the Company have affirmed compliance with the code of Conduct framed by the Company.

S.V.Ragu Raman
Managing Director

November 10, 2011
Corporate Office:
Plot Nos. 123- 131, Tass Industrial
Estate, Ambattur,
Chennai 600 098

AUDITORS REPORT

To
The Members,
SWETHA ENGINEERING LIMITED

1. We have audited the attached Balance Sheet of *SWETHA ENGINEERING LIMITED* as on 31st March 2011, the Profit and Loss Account and also the cash flow statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (hereinafter referred to as "the order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (ii) In our opinion, proper books of accounts as required by law have been kept by the company as far as appears from our examination of those books.
 - (iii) The Balance Sheet and Profit and Loss Account and Cash flow dealt with by this report are in agreement with the books of accounts.
 - iii) *Subject to note No.3.1* in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - iv) On the basis of written representations received from the Directors as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read along with significant policies in schedule 16 and note give the information required by the Companies Act, 1956, in the manner

CIN. : L27209TN1986PLC013787
Nominal Capital: Rs.7,00,00,000/-

ANNEXURE "B" TO SECRETARIAL COMPLIANCE CERTIFICATE

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2011.

S. No.	Forms/Returns	Filed under Section	Date and status of filing
01	Form 66	Compliance Certificate filed U/s 383A for the year ended 31-03-2010.	28.10.2010 No Delay
02	Form No.23 AC & ACA	Filed U/s.220(1) for the year ended 31-03-2010	29.10.2010 No Delay
03	Form No.23	Filed U/s.192 for Special resolution with regard to (1) Appointment of Mr.Gowtham Sridhar of M/s.Gowtham Sridhar & Co., Chartered Accountants (2) Increment in the pay scale to Mr.S.V.Muralidhar, Manager Project-Execution (3) Increment in the pay scale to Mr.S.V.Srivathsanagan, Manager Purchase (4) Alteration to the terms and conditions attached to remuneration package of Mr.S.V.Raguraman, Managing Director (5) Alteration to the terms and conditions attached to remuneration package of Mr.S.V.Sridhar, Director Commercial and (6) Alteration to the terms and conditions attached to remuneration package of Mr.S.Niranjan Kumar, Director-Technical at the AGM held on 29 th September 2010	A97071831 29.10.2010 No Delay
04	Form No.20B	Filed U/S 159 for the Annual General Meeting held on 29-09-2010.	30.11.2010 Delay

Regional Director : Nil
Company Law Board : Nil
Central Government : Nil

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE FROM AUDITORS

The Certificate dated 10th day of November 2011, obtained from Statutory Auditors of the Company M/s.Suresh & Sridharan., Chartered Accountants, confirming compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement, is annexed hereto

For and on behalf of the Board
For Swetha Engineering Limited

S.V.Ragu Raman
Managing Director

November 10, 2011
Corporate Office:
Plot Nos. 123- 131, Tass Industrial
Estate, Ambattur,
Chennai 600 098

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

(Under Clause 49 of the Listing Agreement)

To the members of Swetha Engineering Limited
We have examined the registers, records, books and papers of M/s.Swetha Engineering Limited (the Company), as required to be maintained under the Listing Agreements entered with the Stock Exchanges and the Rules and Regulation issued by SEBI and NSDL for the financial year ended on 31st March,2011

We have examined the compliance of conditions of corporate governance by Swetha Engineering Limited for the year ended March 31, 2011 as stipulated in clause 49 of the listing agreement entered into by the Company with the stock exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied in all material aspects with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We stated that no investor grievance is pending for a period exceeding more than one month against the Company as per the record maintained by the Shareholder Grievance Committee.

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

For Suresh & Sridharan
Chartered Accountants
V.Suresh
Membership No.020580
Partner

Place: Chennai
Date: 10.11.2011

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW

The heavy engineering sector namely capital goods/machinery which is further classified as electrical machinery/equipment and non-electrical machinery/equipment and equipment segments is yet to recover from the global meltdown. Demand for these goods is expected to grow meagerly in the coming years which should be backed by infrastructure requirements.

BUSINESS PERFORMANCE

The Company's turnover has reduced during 2010-11. During the year prices for the equipments/export goods for process industries continues to remain low and the company has stopped for time being in foraying executing the new work orders to such industries.

The profit for the year tapered by 60%, which is on account of rise in the interest cost, increase in the fixed overhead and continued low order book position. Efforts have been initiated to optimize the working capital positions and revisiting the marketing strategy and rectifying the same to seize the opportunities. The Company has been made a turnover of Rs.218 lakhs by undertaking maintenance and erection services directly with cement industries.

STRATEGIC OF INITIATIVES

The foray into high potential businesses such as cement and power equipment has been successful during the year. The Company is planning to diversify into the business of industry covering Automobile, Engineering and Machine Tools Segment which ensures continuous work orders, regular cash flow, easy accessible market and reasonable profit margin.

The Company has installed and commissioned flange face boring machines in the year end as a part of cost reduction measure to execute the orders in its production plant to improve its operational efficiency, which ensures faster completion of products and effective utilisation of available space. The Company is under taking significant efforts and investment in driving sector to leverage on the business potential.

FINANCIAL PERFORMANCE

Turnover (net) achieved for the financial year ended 31.3.2011 is Rs.1601.98 Lakhs showing a reduction of 30.10% over previous year. During the year the export market declined by 95%.

Consumption of the raw material decreased from Rs.740.33 Lakhs to Rs.576.53, decrease of 22.12% as compared to the previous year. Employee cost was Rs.205.43 Lakhs for the year against Rs. 144.82 lakhs.

The interest cost increased from Rs.58.96 Lakhs to Rs.66.05 an increase of 10.73%.

Capital Assets purchased during the year are Rs. 52.95 lakhs and depreciation for the year under review decreased by Rs.1.36 Lakhs.

The profit after tax for the year 2010-11 is Rs.9.40 Lakhs as against Rs.23.14 lakhs, a decline of Rs.13.74 lakhs.

Date : 10.11.2011 CIN. : L27209TN1986PLC013787
Nominal Capital : Rs.7,00,00,000/-

ANNEXURE A SECRETARIAL COMPLIANCE CERTIFICATE

**Registers and Returns, as Maintained by the Company/
Registrar and Share Transfer Agent(*)**

SN	Name of Register	Under Section
01	Register of Members/Index of Members (*)	150/151
02	Register of Transfer of Shares(*)	159
03	Copies of the Annual Returns	193
04	Minutes Book of Board of Directors/ Committee of the Board	193
05	Minutes Books of General Body of shareholders	209
06	Books of Accounts	303
07	Register of Directors, MD and Secretary`	307
08	Register of Directors' Shareholdings	301
09	Register of Contracts and Disclosure	372A
10	Register of Loans, Investments, Guarantee & Securities	143/136
11	Register of Charges and copies of instruments creating charges	

23. As explained to us, there were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus Shares, pending registration of transfer of Shares.
24. The Company has not invited/accepted any deposits, including unsecured loan falling within the preview of Section 58A and 58AA of the Act and rules made there under, during the financial year.
25. The amount borrowed by the Company during the financial year ending 31st March 2011 are within the borrowing limits of the Company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened Generals Meeting of Shareholders.
26. The Company has not made any loans or advances, investments, or given guarantees or provided securities to other bodies corporate falling within the provisions of 372A of the Act and consequently no entries have been made in the Register kept for the purpose.
27. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the Objects of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Memorandum with respect to Share capital of the Company during the year under scrutiny.
31. The Company has not altered its Articles of association during the financial year under scrutiny. There was/were no prosecution initiated against or shows cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under Section 418 of the Act.

For Rabi Narayan & Associates

V.S.Sowrirajan
Partner
Membership No.FCS 2368
C.P.No.6482

Date : 10-11-2011
Place : Chennai

OUTLOOK

Emerging Trends such as outsourcing of engineering services can provide new opportunities for quantum growth. Engineering and design services such as new product designing, product improvement and maintenance and design manufacturing systems are increasingly getting outsourced to countries like India. India's engineering sector has a significant potential for future growth both in manufacturing as well as services.. However Engineering Industries has been witnessing a focus towards convergence and clients to outsource multiple processes to a single vendor, which brings a ray of hope in to sustain and grow globally.

Due to prolonged uncertainty and instability in Europe and African countries is likely to delay or postpone the developmental activities and the economic recession yet to settle down completely and the competition in the engineering market being stiffer than ever, the year promises to be challenging one.

For and on behalf of the Board of Directors
For Swetha Engineering Limited

S.V.Raguraman
Managing Director

Place : Chennai
Date : 10th day of November 2011

SECRETARIAL COMPLIANCE CERTIFICATE
(Pursuant to Section 383A of the Companies Act, 1956)

CIN. : L27209TN1986PLC013787
Nominal Capital : Rs.7,00,00,000/-

To
The Members of
M/s.SWETHA ENGINEERING LIMITED,
33.Muthiyalu Reddy,
Nagaradambakkam,
Chennai - 600 088.

We have examined the registers, records, books and papers of M/s.SWETHA ENGINEERING LIMITED (the Company), as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March,2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officials and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the Rules made there under and in case of delay with additional filing fee.
3. The Company, is a Public Limited Company under section 3(1)(iv) of the Companies Act, 1956 and having the minimum prescribed paid up share capital.
4. The Board of Directors duly met Seven (07) times on 19-04-2010, 21.07.2010, 27.08.2010, 22.10.2010, 20.11.2010, 29.12.2010 and 14.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed, including meeting of Committees of the Board in the Minutes Books maintained for the purpose.
5. The Company has closed its Register of Members, from 22.09.2010 to 29.09.2010 (both days inclusive) and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31-03-2010 was held on 29-09-2010 after giving due notice to the members of the Company and other concerned and the resolutions passed there at were recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.

8. The Company has not advanced loan to its Directors and/ or persons or firms or Companies, referred in the Section 295 of the Act.
9. The Company has not entered into any arrangement/ contract falling with the provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to Section 314 of the Act, wherever applicable. As there were no instances falling within the purview of Section 314 of the Act the Company has not obtained any approvals from Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. (i) The Company has delivered share certificates on lodgment thereof for transfer and there was no allotment or transmission of securities during the year under review.
(ii) & (iii) The Company has not declared any dividend during the year under report, hence comment on this paras are not required
(iv) The Company was not required to transfer any amount to Investors Education and Protection Fund
(v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional, alternative or directors to fill casual vacancies during the year under review.
15. The Company has not appointed any Managing Director/Whole Time Directors/Manager during the financial year, hence comment on the compliance of provision of Section 269 read with Schedule XIII to the Act and approval of Central Government are not required
16. The Company has not appointed any sole selling agents during the financial year
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/ or such authorities as prescribed under the various provisions of the Act, during the financial year.
19. The Directors have disclosed their interest in the Firms/Companies to the Board of Director pursuant to the provisions of the Act and the rules made there under.
20. The Company has not issued any shares , debentures or securities during the financial year.
21. The Company has not bought back any Shares during the financial year under.
22. The Company has no preference shares/debentures that required to be redeemed during the financial year and hence the comment on the redemption of preference shares or debentures does not arise.

Raguraman, as Executive trainee with immediate effect who is a relative of Mr.S.V.Raguraman, Managing Director and Mr.S.V.Sridhar, Director-Commercial of the Company. Ms.Nethra Raguraman has completed B.E(Architecture) and M.Arc from University of Dallas, orlington, USA. The Remuneration Committee at their meeting held have also recommended the said appointment. Ms.Nethra Raguraman will hold and continue to hold office or place of profit as set out in the Item No.9 require the consent of the members in terms of section 314 of the Companies Act, 1956. The Board recommends the resolution set forth in item no.9 for the approval of the members.

Except Mr.S.V.Raguraman, and Mr.S.V.Sridhar, being relative of the appointee, none of the Directors of the Company are interested or concerned in this resolution.

By Order of the Board
For SWETHA ENGINEERING LIMITED

S.V.Raguraman
Managing Director

Chennai
Dated 10th November 2011
Corporate Office
Plot no.123-131, Tass Industrial Estate,
Mahatma Gandhi Road, Ambattur, Chennai-60098

NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the shareholders of the Company will be held on Thursday the 15th day of December 2011 at 11.00 am at the Corporate office and Factory of the Company at Plot No.123-131, Tass Industrial Estate, Mahathma Gandhi Road Ambattur, Chennai-60098 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2011 and the Profit & Loss Account for the year ended on that date and the reports of the Directors, Company Secretaries and Auditors thereon.
2. To appoint a director in place of Mr A.Ramachandran, who retires by rotation and being eligible, offer himself for re appointment.
3. To appoint a director in place of Mr R.Jagannathan who retires by rotation and being eligible, offer himself for re appointment.
4. To appoint Statutory Auditors and in this regard, to consider and if thought fit to pass with or without modification(s), the following resolution as an Ordinary resolution

RESLOVED THAT pursuant to the provisions of section 224 of the Companies Act, 1956 M/s.Suresh & Sridharan Chartered Accountants, Chennai be and hereby re-appointed as the Auditors of the Company from the conclusion this meeting until the conclusion of the next Annual General Meeting on a remuneration (including tax audit fees) plus out of pocket expenses as may be fixed by the Board / Audit Committee later on.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of section 198,269,309 and 310 of the Companies Act, read with schedule XIII to the Act, and other applicable provisions if any of the Companies Act 1956, the consent of the Company be and is hereby accorded to the re-appointment of Mr.S.V.Raguraman, as Chairman & Managing Director of the Company for a period of Three (03) years with effect from 23rd October 2011 on the terms and conditions as to consolidated remuneration of Rs.2,50,000/- (Rupees Two Lakhs Fifty thousand Only) per month and otherwise set out hereunder with liberty to the Board of Directors of the Company (The 'Board') to alter and vary the terms and conditions of the appointment of in such manner as may be agreed to between the Board and Mr.S.V.Raguraman.

II. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in

accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198,309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT during the tenure as the Managing Director Mr.S.V.Raguraman shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company”.

6. To consider, and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of section 198,269,309 and 310 of the Companies Act, read with schedule XIII to the Act, and other applicable provisions if any of the Companies Act 1956, the consent of the Company be and is hereby accorded to the re-appointment of Mr.S.V.Sridhar, as Director Commercial of the Company for a period of Three (03) years with effect from 23rd October 2011 on the terms and conditions as to consolidated remuneration of Rs.1,50,000 (Rupees One Lakh Fifty Thousand Only) per month and otherwise set out hereunder with liberty to the Board of Directors of the Company (The 'Board') to alter and vary the terms and conditions of the appointment of in such manner as may be agreed to between the Board and Mr S.V.Sridhar.

II. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198,309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

Mr.S.V.Sridhar as Director Commercial pursuant to the provisions of the Section 302 of the Act.

Except Mr.S.V.Sridhar, being the appointee and Mr.S.V.Raguraman, being relative of the former, none of the Directors of the Company are interested or concerned in this resolution

Item No.7

The tenure of Mr.S.Niranjankumar, as Director Technical of the Company ended on 22nd October, 2011. The Board of Directors at their meeting held on 22nd October, 2011, with the recommendation of the Remuneration Committee have subject to the approval of shareholders re-appointed Mr.S.Niranjankumar, as Director Technical of the Company for a further period of Three (03) years with effect from 23rd October 2011 up on the terms and conditions as to consolidated remuneration of Rs.50,000 (Rupees Fifty Thousand Only) as more fully mentioned in the resolution under item no.7 of the notice calling the meeting.

The Remuneration Committee of the Board have also recommended inter alia that the minimum remuneration to be payable in the event of loss incurred during any financial year shall be in conformity to Schedule XIII of the Companies Act, 1956.

Mr.S.Niranjankumar has versatile experience in the areas of Design & Process Engineering. The Board of Directors recommended passing of the Resolutions as set out in the notice, for your approval.

This may be treated as an abstract of the terms and conditions between the Company and Mr.S.Niranjankumar as Director Technical pursuant to the provisions of the Section 302 of the Act.

Except Mr.S.Niranjankumar, none of the Directors of the Company are interested or concerned in this resolution

Item No.8

Mr.Gowtham Sridhar, Proprietor of Gowtham & Co, Chartered accountant has been given Retainer ship services to handle, analyse, guide and recommend in the financial and statutory compliance of the Company, is a relative of Mr.S.V.Raguraman, Managing Director and Mr.S.V.Sridhar, Director- Commercial of the Company. The Remuneration Committee at their meeting also recommended the variation of the terms of appointment with effect from 01st August 2011. Mr.Gowtham Sridhar will hold and continue to hold office or place of profit under retainer-ship services as set out in the Item No.8 require the consent of the members in terms of section 314 of the Companies Act, 1956. The Board recommends the resolution set forth in item no.8 for the approval of the members.

Except Mr.S.V.Sridhar, and Mr.S.V.Raguraman, being relative of the appointee, none of the Directors of the Company are interested or concerned in this resolution

Item No.9

The Board of Directors at their meeting held on November 02, 2011 have appointed, Ms.Nethra

form are requested to fill the appropriate column in the members feedback form append with Annual Report and register the same with M/s.Cameo Corporate Services Limited, "Subramanian Buildings", 1, Club House Road, Chennai 600 002 Postage for sending the feed back form will be borne by the Company

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No.5

The tenure of Mr.S.V.Raguraman, as Managing Director of the Company ended on 22nd October, 2011. The Board of Directors at their meeting held on 22nd October, 2011, have subject to the approval of shareholders re-appointed Mr.S.V.Raguraman, as Managing Director of the Company for a further period of Three (03) years with effect from 23rd October 2011 up on the terms and conditions as to consolidated remuneration of Rs.2,50,000/-(Rupees Two Lakh Fifty Thousand Only) as more fully mentioned in the resolution under item no.5 of the notice calling the meeting. The Remuneration Committee of the Board have also recommended inter alia that the minimum remuneration to be payable in the event of loss incurred during any financial year shall be in conformity to Schedule XIII of the Companies Act, 1956. Mr.S.V.Raguraman has versatile experience in the areas of Mechanical Engineering and long-term strategy planning. The Board of Directors recommended passing of the Resolutions as set out in the notice, for your approval.

This may be treated as an abstract of the terms and conditions between the Company and Mr.S.V.Raguraman as Managing Director pursuant to the provisions of the Section 302 of the Act.

Except Mr.S.V.Raguraman, being the appointee and Mr.S.V.Sridhar, being relative of the former, none of the Directors of the Company are interested or concerned in this resolution.

Item No.6

The tenure of Mr.S.V.Sridhar, as Director Commercial of the Company ended on 22nd October, 2011. The Board of Directors at their meeting held on 22nd October, 2011, with the recommendation of the Remuneration Committee have subject to the approval of shareholders re-appointed Mr.S.V.Sridhar, as Director Commercial of the Company for a further period of Three (03) years with effect from 23rd October 2011 up on the terms and conditions as to consolidated remuneration of Rs.1,50,000 (Rupees One Lakh Fifty Thousand Only) as more fully mentioned in the resolution under item no.6 of the notice calling the meeting.

The Remuneration Committee of the Board have also recommended inter alia that the minimum remuneration to be payable in the event of loss incurred during any financial year shall be in conformity to Schedule XIII of the Companies Act, 1956. Mr.S.V.Sridhar has versatile experience in the areas of marketing, finance and general management. The Board of Directors recommended passing of the Resolutions as set out in the notice, for your approval.

This may be treated as an abstract of the terms and conditions between the Company and

RESLOVED FURTHER THAT during the tenure as the Director-Commercial Mr.S.V.Sridhar shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company".

7. To consider, and if thought fit, to pass with or without modification the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of section 198,269,309 and 310 of the Companies Act, read with schedule XIII to the Act, and other applicable provisions if any of the Companies Act 1956, the consent of the Company be and is hereby accorded to the re-appointment of Mr.S.Niranjan Kumar, Director-Technical of the Company for a period of Three (03) years with effect from 23rd October 2011 on the terms and conditions as to consolidated remuneration of Rs.50,000 (Rupees Fifty Thousand Only) per month and otherwise set out hereunder with liberty to the Board of Directors of the Company (The 'Board') to alter and vary the terms and conditions of the appointment of in such manner as may be agreed to between the Board and Mr.S.Niranjan Kumar.

II. Overall Remuneration

The aggregate of salary and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Managing Director from time to time, shall not exceed the limits prescribed from time to time under Sections 198,309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being, be in force.

III. Minimum Remuneration

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule XIII to the Companies Act, 1956.

RESLOVED FURTHER THAT during the tenure as the Director-Technical Mr.S.Niranjan Kumar shall be entitled to be paid / reimbursed by the Company all costs, charges, and expenses as may be incurred by him for the purpose of or on behalf of the Company".

8. To consider, and if thought fit, to pass with or without modification the following resolution as a **Special Resolution:**

RESOLVED THAT consent of the Company be and is hereby accorded under the provisions of section 314(1) (b) and other applicable provisions, if any, of the Companies Act, 1956, to consider variation of the terms of appointment of Mr.Gowtham Sridhar, who is a relative of Mr.S.V.Raguraman, Managing Director and Mr.S.V.Sridhar, Director-Commercial for holding and continuing to hold an office or place of profit under Retainer ship services of the Company ,with effect from 1st August 2011 under the firm name M/s.Gowtham & Co Chartered Accountants on a monthly pay of Rs.80,000 per month (Rupees Eighty Thousand Only) .

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution.

9. To consider, and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

RESOLVED THAT consent of the Company be and is hereby accorded under the provisions of section 314(1) (b) and other applicable provisions, if any, of the Companies Act, 1956, to consider Ms.Nethra Raguraman, who is a relative of Mr.S.V.Raguraman, Managing Director and Mr.S.V.Sridhar, Director-Commercial for appointment as Executive trainee with effect from 2nd November 2011 with a salary of Rs.25,000/- per month (Rupees twenty five thousands Only).

RESOLVED FURTHER THAT the Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the above resolution”.

**By Order of the Board
For SWETHA ENGINEERING LIMITED**

**S.V.Raguraman
Managing Director**

Chennai
November 10, 2011
Corporate Office
Plot no.123-131, Tass Industrial Estate,
Mahatma Gandhi Road, Ambattur, Chennai-60098

NOTES

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.PROXY TO BE VALID MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**
2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted in the meeting is annexed hereto
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 08th day the December, 2011 to 15th day of December, 2011 (Both days Inclusive) for the purpose of dividend entitlement which will be paid after approval of the shareholders in the ensuing Twenty Fifth Annual General Meeting
4. Members are hereby requested to send all correspondence concerning transfers, transmissions, subdivision, consolidation of shares or any other share related matters

and/or change in address, ECS mandate format to the Company's Registrar and Share Transfer Agent.

5. Members desiring to have any clarification on account are requested to write to the Company at an early date so as to enable the Company keep the information ready.
6. Members/ proxies should bring the attendance slip duly filled in for attending the meeting and corporate members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
7. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar for the prescribed form. Nomination form may be collected from the corporate office of the Company.
8. Annual Report is available at the website of the Company at www.swethaeng.com
9. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market, members holdings shares in electronic form are, therefore, requested to submit the PAN to their Depositories Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN Details to the Company / Registrar and Transfer Agents
10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars of bank mandates. Such changes are to be advised only to the Depository participant of the members.
11. Members who are holding shares more than one folio under physical form may approach the Company's Share Transfer Agents for consolidation with respective details
12. Information pursuant to clause 49 of the listing agreement in respect of proposed appointment/ re-appointment of Directors, including compliance as per Schedule XIII to Companies Act, 1956 Annexure A

Important Communication to Members

The Ministry of Corporate Affairs has taken a “Green Initiative in the Corporate Governance” by allowing paperless compliances by the Companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this Green Initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in physical n

Annexure - A					
Name of the Director	S.V.Raguraman	S.V.Sridhar	S.Niranjankumar	A.Ramachandran	R.Jagannathan
Date of Birth	18.02.1950	01.08.1948	18.01.1956	31.08.1943	08.04.1967
Designation	Managing Director	Director – Commercial	Director – Technical	Independent Director	Independent Director
Father's Name	S.Varadhachari	S.Varadhachari	S.Venkataramaiah	Ananthanarayana	R.Narayana Panicker
Nationality	Indian	Indian	Indian	Indian	Indian
Date of Appointment	09.12.1986	02.08.1988	30.03.1998	30.09.2006	30.09.2006
Qualifications	DME	B.Sc	B.Tech Chemical Engineering	B.Com,CAIIB	MA, Economics
Expertise	Mechanical Engineering	Marketing, commercial	Design Engineering	Banking	Hardware software
Name of the Companies in which he holds Directorships.	Nil	Nil	Nil	Nil	Nil
Name of the Committee of Companies in which he holds Membership/Chairmanship	Nil	Nil	Nil	Nil	Nil
No. of Shares held in the Company	438154	406975	12250	Nil	Nil
Past Remuneration including perquisites	2,50,000/=pm	2,50,000/= p.m	1,00,000/=p.m	Nil	Nil
Recognition or Awards	Nil	Nil	Nil	Nil	Nil
Job Profile and his suitability	Over all in Charge	Commercial & Marketing	Technical know how	Not Applicable	Not Applicable
Remuneration proposed including perquisites	2,50,000/p.m(c onsol)	1,50,000/p.m (Consol)	50,000/=p.m(c onsol)	Not Applicable	Not Applicable
Comparative remuneration profile	The remuneration payable to the appointees has been benchmarked with the remuneration being drawn by similar position in similar Companies of comparable size in the similar industry			Not Applicable	Not Applicable
Pecuniary relationship directly or indirectly with the company	Mr.S.V.Raghuraman has no pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholdings of self and relatives	Mr.S.V.Sridhar has no pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholdings of self and relatives	Mr.S.Niranjankumar has no pecuniary relationship directly or indirectly with the Company except to the extent his remuneration and shareholdings of self	Not Applicable	Not Applicable
Reasons of loss or inadequate profits	The Company has been earning profits consistently since it has come out of BIFR and it is expected to be in the upward trend in the coming years.			Not Applicable	Not Applicable
Steps taken or proposed to be taken for improvement				Not Applicable	Not Applicable
Expected increase in productivity and profits in measurable terms.	Can not be measured at this point of time			Not Applicable	Not Applicable

FEEDBACK FORM

From:
Name:

Address:

Date: _____

Folio No: _____

DP ID: _____

Client ID: _____

No of Equity
Shareholder: _____

—

Email ID:
Contact No:
To,
M/s.Cameo Corporate Services Limited,
"Subramanian Buildings",
1, Club House Road,
Chennai 600 002

Dear Sir(s),

Ref Dividend Mandate for NECS

Name of the Bank
Branch Name
Bank A/c Type (SB / CA)
Bank A/c. No
Bankers MICR ECS Code No.
Bankers IFSC Code No.
Full Address of the Bank
Pincode

- Please enclose photocopy of a cheque or a cancelled cheque, if any, for our reference, otherwise, you may furnish your banker's MICR ECS code correctly, without fail.
- The Present mandate for ECS will supersede my earlier bank instruction, if any

I hereby declare that the particulars given above are correct and complete, if the transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the user institution responsibility expected of me as a participant under the scheme.

(_____)
Signature of Shareholders