

# **29<sup>th</sup> ANNUAL REPORT**

**2014 - 2015**



**SWETHA ENGINEERING LIMITED**



**E-Mail Registration**

To  
M/s. Cameo Corporate Services Ltd. "Subramanian Building"  
No.1, Club House Road  
Chennai - 600 002.  
E-Mail Id: investor@cameoindia.com

Dear Sir / Madam,

**Sub: Registration of E-mail ID for receiving communications in electronic form.**

I am a Shareholder of the Company; I want to receive all communications from the Company including AGM and General Meeting notices and explanatory statement(s) thereto. Balance Sheets, Director's Report, Auditor's Report etc., through e-mail. Please register my e-mail ID set – up below in your record for sending communication through e-mail:

Folio No.\*

Name of the 1st Registered Holder \*

Name of the Joint Holder(s)

Address \*

Pin Code\*

E-Mail ID \*

Contact Tel. No\*

Mobile

Landline

\*Date

Signature of 1st Holder\*

**Important Notes:**

- Field marked\* are mandatory for registration of the e-mail ID
- On registration, all the communication will be sent to the e-mail ID registered in folio.
- Any change in e-mail ID may please be registered in the records of the Company.

SWETHA ENGINEERING LIMITED

29<sup>rd</sup> Annual Report 2014-2015

**BOARD OF DIRECTORS**

Shri.S.V.Raghuraman	-	Chairman & Managing Director
Shri.S.V.Sridhar	-	Director-Commercial
Shri.S.Niranjan Kumar	-	Director-Technical
Shri.A.Ramachandran	-	Non Executive & Independent
Shri.V.Nagarajan	-	Non Executive & Independent
Shri.R.Jagannathan	-	Non Executive & Independent

**AUDITORS**

M/s.Suresh & Sridharan  
Chartered Accountants  
PMG Complex, 3<sup>rd</sup> Floor  
57 Usman Road, T.Nagar  
Chennai, 600017, Tamilnadu, India

**BANKERS**

REPCO Bank, Corporate Branch  
No.18, C.P.Ramaswamy Road  
Alwarpet, Chennai-600 018

**REGISTERED OFFICE OF THE COMPANY**

Plot No.123-131  
Tass Industrial Estate  
Mahatma Gandhi Road,  
Ambattur, Chennai-600 098  
Tamil Nadu, India

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s.Cameo Corporate Services  
Ltd. "Subramanian Building"  
No.1, Club House  
Road, Chennai,  
600002.  
E-Mail Id: investor@cameoindia.com

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**SWETHA ENGINEERING LIMITED**

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Plot No. 123-131, Tass Industrial Estate, Ambattur, Chennai – 600 098.  
Ph.+91-44-26252191/ 26253191 Fax: 44-26250836 E-Mail: [Info@swethaeng.com](mailto:Info@swethaeng.com)

**CIN: L27209TN1986PLC013787**

**NOTICE TO SHAREHOLDERS**

Notice is hereby given that the **29<sup>th</sup> Annual General Meeting** of the Members of **SWETHA ENGINEERING LIMITED** will be held on Wednesday, the 30<sup>th</sup> day of September 2015, at 11.00 A.M. at the registered office of the Company at Plot No.123-131,Tass Industrial Estate, Mahathma Gandhi Road, Ambattur, Chennai, 600098, Tamil Nadu, India to transact the following business:

**Ordinary Business**

1. To consider and adopt the audited financial statement of the Company for the financial year ended 31<sup>st</sup> March 2015, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.S.Niranjana Kumar (DIN-00098587) who retires by rotation and being eligible, offer himself for re-appointment.
3. To ratify the appointment of Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under as amended from time to time, the appointment of M/s.Suresh & Sridharan, Chartered Accountants, (Registration No.FRN 004258S) as the auditors of the Company in the previous Annual General Meeting for a term of three years i.e., till the conclusion of the 31<sup>st</sup> Annual General Meeting (AGM) of the Company, which was subject to ratification at every AGM be and is hereby ratified to hold the office from the conclusion of this AGM till the conclusion of next AGM of the Company to be held in the year 2016 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2016 and that such remuneration may be paid on a progressive billing basis as may be agreed upon between the auditors and the Board of Directors

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

Sd/-  
**S.V.Raguraman**  
Managing Director  
(DIN- 00098566)

Place : Chennai  
Date : 14.08.2015

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 / herself and a proxy need not be a member of the Company. The instrument appointing the proxy should, however be deposited at the registered office of the Company not less than 48 hours before the Commencement of the Meeting.**

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.**

**A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. The business set out in the Notice will be transacted through electronic system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this notice under Note No.19.

3. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.

4. In terms of Section 152 of the Companies Act, 2013, Mr.S.Niranjan Kumar (DIN-00098587) Director, retire by rotation at the meeting and being eligible, offers himself for re-appointment. If appointed as a Director immediately on retirement by rotation, he shall continue to hold office in Director – Technical and such re-appointment shall not be deemed as a break in his appointment as Director-Technical. It is worth noting that Mr.S.Niranjan Kumar (DIN-00098587) is an executive Director of the Company and was appointed for a period of two years with effect from October 22, 2014.

5. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.

6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

7. Relevant documents referred to in the accompanying Notice and the statement are open for inspection by the members at the Registered office of the Company on all working days, except Saturdays, during business hours up to the date of the meeting.

8. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, the 24<sup>th</sup> September 2015 to Wednesday the 30<sup>th</sup> September 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

9. 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 (RTA), M/s.Cameo Corporate Services Limited (“Cameo”) cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the members.

10. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form are requested to advise any change in their address or bank mandates immediately to the Company/RTA.

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the Securities Market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Cameo.

12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members desirous of making nominations may procure the prescribed form from the Company/Cameo.

13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company/RTA, for consolidation into a single folio.

14. Non-Resident Indian Members are requested to inform RTA, immediately of:

- a) Change in their residential status on return to India for permanent Settlement.
- b) Particulars of their bank account maintained in India with Complete Name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.

15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc from the Company electronically.

16. Members may also note that the Notice and Annual Report of the 29<sup>th</sup> Annual General Meeting will be available on the Company's website [www.swethaeng.com](http://www.swethaeng.com). Members who require communication in e-communication/physical form or have any other query may write to us at: [info@swethaeng.com](mailto:info@swethaeng.com).

**17. (A) In our last annual report for the financial year 2014 , we have already informed that** SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines in respect of exit options to stock exchanges. In terms of these guidelines, if the stock exchange is not able to achieve the prescribed turnover of Rs 1000 Crore on continuous basis or does not apply for voluntary surrender of recognition and exit before the expiry of two years from the date of SEBI circular dated May 30, 2012, SEBI shall proceed with compulsory de-recognition and exit of the stock exchanges, in terms of the conditions as may be specified by SEBI. As per the 'Exit Circular' the exclusively listed companies, which fail to obtain listing on any other stock exchange, which do not voluntarily delist or which are not considered as 'Vanishing companies', will cease to be listed company and will be moved to the dissemination board by the existing stock exchange. It shall be the responsibility of the exchanges which are being derecognized either on voluntary or compulsory basis, to place their exclusively listed companies on the dissemination board. These exchanges shall ensure that the database of the exclusively listed company is transferred to SEBI and to those stock exchanges on whose dissemination board, the shares of these companies are available.

**17. (B) The equity of the Company were listed with Madras Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Coimbatore Stock Exchange Limited. The SEBI vide its order dated April 03, 2013 given exit to Coimbatore Stock Exchange Limited and vide its order dated May 14, 2015 given exit to Madras Stock Exchange Limited. The Company has received a notice from Ahmedabad Stock Exchange Limited vide letter No.AACE/2015-16/58715, dated July 08, 2015 that our Company would be moved in the Dissemination Board (DB) of National Stock Exchange Limited(NSEL). For the benefit of the shareholders our Company we will comply with the rules, regulation whatsoever of NSEL in this matter. Accordingly the status of the Company as on date is an unlisted Company.**

18. Information and other instructions relating to e-voting are as under:

**A. In compliance with the provisions of section 108 of the Companies Act, 2013, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their votes for all the resolutions detailed in the Notice of the 29<sup>th</sup> Annual general Meeting scheduled to be held on 11.00 a.m on Wednesday, the 30<sup>th</sup> day of September 2015, by electronic means and the business may be transacted through remote e-voting. The Company has engaged the services of CDSL as the authorized agency to provide the remote e-voting facilities. The instructions for remote e-voting is provided below**

- I. Log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com)
- II. Click on “Shareholders” tab to cast your votes
- III. Now fill up the following details in the appropriate boxes

Particulars	For Members holding shares in Demat Form	For Members holding shares in Physical form
User ID	<b>For NSDL</b> 8 Characters of DP ID followed by 8 Digits of Client ID <b>For CDSL</b> 16 Digits of Beneficiary ID	Folio Number Registered with the Company
Captcha	Enter the Verification Code for Security reasons i.e please enter the alphabets and numbers in the exact way as they are displayed	
Password	Your unique password is printed on the AGM Attendance Slip	

- (i) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (ii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.(Sequence number has been provided as Serial Number (SL NO.) in the Address Label</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (iii) After entering these details appropriately, click on “SUBMIT” tab.
- (iv) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.



- (v) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (viii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (ix) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (x) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password& enter the details as prompted by the system.
- (xiii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s)for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

B. The voting period begins 9.00A.M on 27<sup>th</sup> September 2015 and end on at 05.00P.M. on 29<sup>th</sup> September 2015, During this period shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off-date (record date) of 23<sup>rd</sup> September, 2015.

C. In case of any query pertaining to E-Voting, please refer the FAQs section and E-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) .

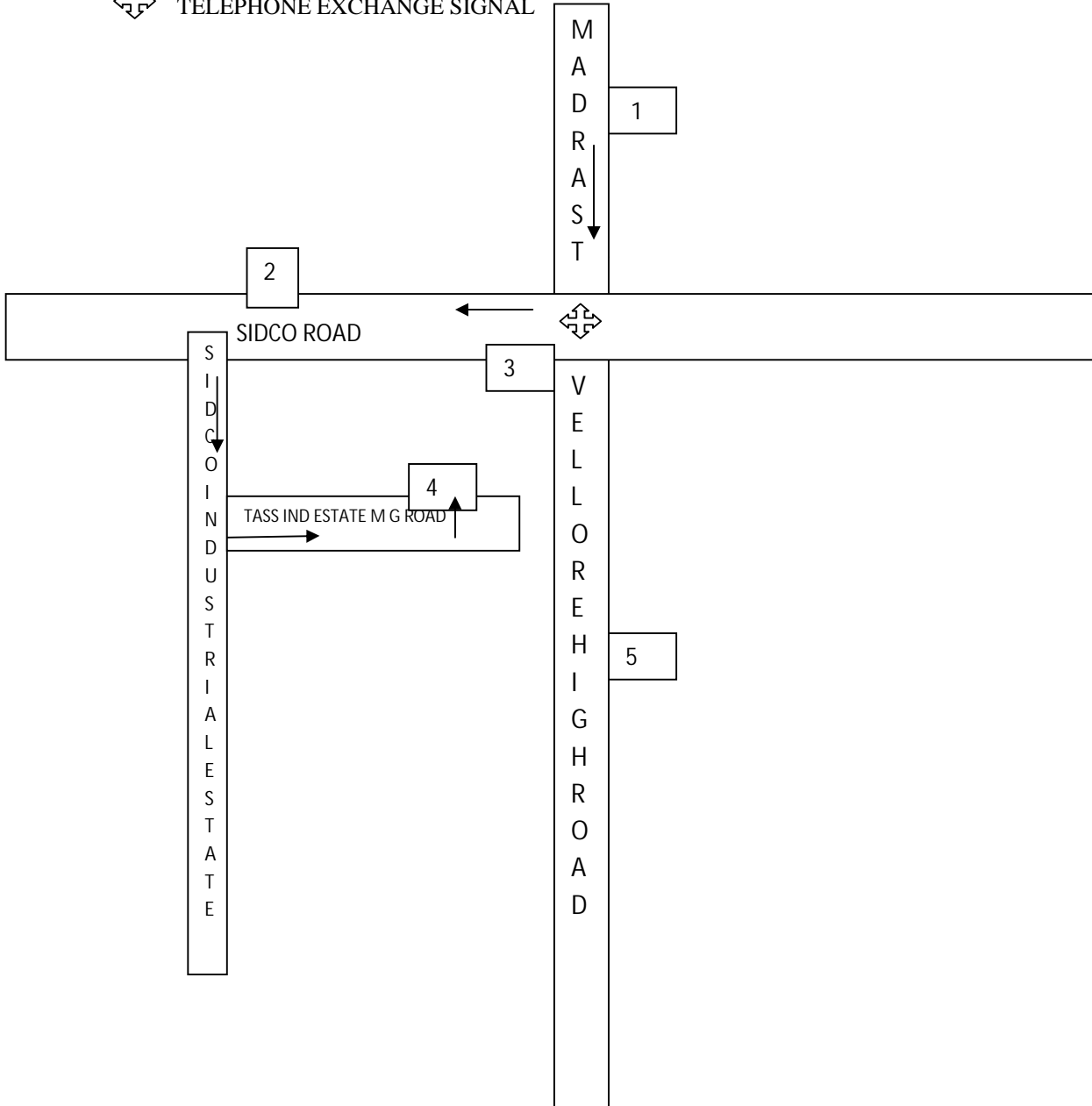
- I. The voting rights of members shall be in proportion to their shares of the paid up equity capital of the Company as on the cut-off date of 23<sup>rd</sup> September, 2015.
- II. Mr.V.S.Sowrirajan, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- III. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Meeting.
- IV. In case of those members, who do not access to e-voting facility, they can use the assent/dissent form sent herewith or can be downloaded from our website [www.swethaeng.com](http://www.swethaeng.com) and convey their assent/dissent to each one of the items of business to be transacted at the ensuing Annual General Meeting and send the form to the registered office of the Company on or before 29<sup>th</sup> September 2015 to reach Mr.V.S.Sowrirajan, Practicing Company Secretary, Scrutinizer appointed by the Company.
- V. Members can choose only one of the two options namely e-voting or voting through physical assent/dissent form. In case votes are casted through both the formats, then votes casted through e-voting shall stand cancelled and those votes casted through physical assent/dissent form would be considered, subject to the assent/dissent form being found to be valid.

VI. The results of e-voting, physical assent/dissent and poll, if any shall be aggregated and declared on or after the AGM of the Company by the Chairman or by any other person duly authorised in this regard. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.swethaeng.com](http://www.swethaeng.com)

ROUTE MAP & LAND MARK OF AGM VENUE

1. AMBATTUR INDUSTRIAL ESTATE BUS STAND
2. STATE BANK OF INDIA(SIDCO Branch)
3. AMBATTUR TELEPHONE EXCHANGE
4. SWETHA ENGINEERING LIMITED
5. DUNLOP BUS STAND

 TELEPHONE EXCHANGE SIGNAL



Dear Members,

Your Company's Directors are pleased to present the 29<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31<sup>st</sup> March 2015

## FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended 31<sup>st</sup> March 2015 is summarized below.

Particulars	2014-15	2013-14
Sales and Other Income	9,44,51,043.00	9,96,78,370.00
Less : Expenditure	8,58,87,129.00	9,14,83,075.00
Less: Interest Charges	76,60,610.00	70,24,035.00
Less: Depreciation	95,67,141.00	52,06,923.00
Profit before tax	(86,63,837.00)	(40,35,663.00)
Exceptional item Tax adjustment In respect of earlier years	0.00	(50160.00)
Provision for Tax – Current tax	0.00	0.00
Deferred tax	(36,30,671.00)	(36,558.00)
Profit/Loss after Tax	(1,22,94,508.00)	(41,22,381.00)
Less Adjustment of Assets	(9,90,561.00)	0.00
	(1,32,85,065.00)	(41,22,381.00)
Profit brought forward	2,40,69,118.00	2,81,91,499.00
Balance Carried to Balance Sheet	1,07,84,049.00	2,40,69,118.00
Basic Earnings per Share	(2.31)	(1.09)

## STATE OF COMPANY'S AFFAIRS

Sales and other income for the financial under review were Rs.944.51 lakhs as against Rs.996.78 lakhs for the previous financial year showing a decrease of 5.24 %.The profit/loss before tax (after interest and depreciation charges) is Rs.(86.64 lakhs) and the Profit/loss after tax is Rs.(122.95lakhs) for the financial year under review as against Rs.(40.35 lakhs) and Rs(41.22 lakhs) respectively for the previous year.

During the year under review, the downtrend continued in the manufacturing sector. The Indian Engineering Industry is undergoing extended period of recession beyond all expectations. The Company's business volumes reduced considerably from its core sectors pulp and paper, mining and also CNC machine related components. Low volume of equipments and machinery orders and negligible utilization of CNC machinery has not allowed the Company to improve its trial sales and other income.

## EXTRACT OF ANNUAL RETURN

In terms of Section 134 of the Companies Act, 2013 read with Rules 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return of the Company for the financial year 2014-15 is provided in **Annexure – 1** to this report

## NUMBER OF MEETINGS OF THE BOARD

During the year, 05 (Five) meetings of the Board of Directors were held. The details of the meetings are furnished in the Corporate Governance Report which is attached to this report. In respect of all such meetings proper notices were given and the proceedings were properly recorded and signed in the minutes book maintained for the purpose. The intervening gap between any two meetings was within the period prescribed under the companies Act,2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the company, being an unlisted company, the sub-clause (e) of Section 134(3) of the Companies Act, relating to internal financial controls does not apply.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of the company comprises of a Managing Director, Two Whole Time Directors and Three Non-Executive and Independent Directors.

The Companies Act, 2013, provides for the appointment of independent Directors. Sub-section (10) of Section 149 of the Companies Act, 2013 provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of a company; and shall be eligible for re-appointment on passing a Special resolution by the shareholders of the Company. Accordingly, all the Independent Directors Shri.A.Ramachandran (DIN-01919653), Shri.V.Nagarajan (DIN01426771) and Shri.R.Jagannathan (DIN-01675591) were appointed by the shareholders at the Annual General meeting as required under Section 149(10) for a period of one year.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act 2013.

Shri.A.Ramachandran (DIN-01919653), Shri.V.Nagarajan (DIN01426771), and Shri.R.Jagannathan (DIN-01675591), Independent Directors will retire at the ensuing Annual General Meeting. Consequent on becoming an Unlisted Company the composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013.

In terms of Section 152 of the Companies Act, 2013, Mr.S.Niranjan Kumar (DIN-00098587) liable to retires by rotation at the ensuing Annual General Meeting and being eligible offers herself for re-appointment. The Board of Directors based on the recommendation of Nomination and Remuneration Committee, have recommended the re-appointment of Mr.S.Niranjan Kumar (DIN-00098587) retiring by rotation.

In spite of best effort the Company could not appoint Chief Financial Officer and Company Secretary.

## **SEPARATE MEETING FOR INDEPENDENT DIRECTORS**

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on February 10, 2015.

## **APPOINTMENT AND REMUNERATION POLICY**

The Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act has been provided in the Corporate Governance Report, which is attached to this report

## **POLICY FOR PREVENTION OF SEXUAL HARASSMENT**

As a part of the policy for Prevention of Sexual Harassment in the organisation, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at work place in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 and relevant rules there under. No complaints were received by the Committee during the period under review.

## **AUDITORS AND AUDITORS' REPORT**

### **STATUTORY AUDITOR**

At the Annual General Meeting of the Company held on September 30, 2014, M/s.Suresh & Sridharan, Chartered Accountants, (Registration No.FRN 004258S), were reappointed as the Statutory Auditors of the Company for a period of 3 years which is subject to annual ratification by the members of the Company in terms of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014. Accordingly, the appointment of M/s.Suresh & Sridharan, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. The Audit committee and the Board of Directors recommend the ratification of appointment of M/s.Suresh & Sridharan, Chartered Accountants as Auditors and to fix their remuneration. The members may ratify the appointment of M/s.Suresh & Sridharan, Chartered Accountants, as the Statutory Auditors of the Company for the financial year 2015-16.

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

### **SECRETARIAL AUDITOR**

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr.V.S.Sowrirajan, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The Secretarial Audit report in Form No.MR.3 for Financial year 2014-15 is annexed herewith, as **Annexure- A**.

The Secretarial Auditor has made certain observations regarding non-compliance/belated filing of forms. In this regard, we wish to state as under:

- 1) In respect of delayed filing of certain forms, which has arisen due to inadvertence, the Company has filed the same with additional filing fee before the end of financial year.
- 2) With regard to non appointment of Woman Director, Chief Financial Officer and Company Secretary, which are applicable to Listed Companies and companies with higher paid up capital, your Directors state that as per the 'Exit Circular' the exclusively listed companies, which fail to obtain listing on any other stock exchange, which do not voluntary delist or which are not considered as 'Vanishing companies', will cease to be listed company and will be moved to the dissemination board by the existing stock exchange.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

## **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

There were no contracts and arrangements entered with related parties falling within the purview of Section 188 of the Companies Act, 2013 during the year under review and hence the reporting under said provision is not applicable.

## **DIVIDEND AND TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

No Dividend was declared for the current financial year due to loss. For the financial year ended 31st March, 2015, the Company has not proposed to carry any amount to General Reserve Account.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

Your Directors report under Section 134(3)(l) of the Companies Act, 2013 that there have been no material changes and /or commitments incurred in the period from 31<sup>st</sup> March 2015 till the date of drafting of this Directors' Report, which have material effect on the Financial position of the Company.

## **CHANGE OF NATURE OF BUSINESS, IF ANY**

There was no change in the nature of business of the Company during the year ended 31<sup>st</sup> March, 2015

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

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 given in as **Annexure - E**, which forms a part of this report

## **RISK MANAGEMENT**

The Board of Directors of the Company believe that the elements of risk threatening the Company's existence is very minimal. The Audit Committee evaluate the risk management systems.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the criteria laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 hence there is no requirement of constituting Corporate Social Responsibility Committee.

## **BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 Independent Directors at their meeting without the participation of the Non-Independent directors and management, considered and evaluated the Board's performance and other non-independent directors.

## **SUBSIDIARIES/JOINT VENTURES/ASSOCIATE COMPANY**

The Company does not have any Subsidiary, Joint Ventures or Associate Company. Hence the requirement of presenting the consolidated financial statements in Annual Report is not applicable.

## **DEPOSITS FROM PUBLIC**

During the year under review, your company did not accept any deposits within the meaning of provisions of Chapter V Acceptance of Deposits by the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

## **AUDIT COMMITTEE**

The details pertaining to composition of audit committee are included in the Corporate Governance Report which is attached to this report.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has established Vigil Mechanism / Whist Blower policy for Directors and employees to report their genuine concern. Your company hereby affirms that no complaints were received during the year.

## **NOMINATION AND REMUNERATION POLICY**

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. At a minimum, the Board of the Company shall consist of at least one woman Director. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to be effective.

The Nomination, Remuneration and Governance Committee of the Board of Directors has formulated a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and senior management personnel of the Company. The Nomination and Remuneration Policy is available on the website of the Company at [www.swethaeng.com](http://www.swethaeng.com) and relevant extracts from the Policy are reproduced in **Annexure B** to this report.

## **PARTICULARS OF EMPLOYEES**

The information required in terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 relating to the ratio of remuneration of each director to the median employee's remuneration are attached as Annexure – 4 to this report. No employees of the company drawing remuneration in excess of the limit specified under Rule.5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **EXIT ORDER ISSUED TO ALL STOCK EXCHANGES WHERE EQUITY OF THE COMPANY WERE LISTED**

In our last annual report for the financial year 2014 , we have already informed that SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines in respect of exit options to Regional Stock Exchanges. In terms of these guidelines, if the stock exchange is not able to achieve the prescribed turnover of Rs 1000 Crore on continuous basis or does not apply for voluntary surrender of recognition and exit before the expiry of two years from the date of SEBI circular dated May 30, 2012, SEBI shall proceed with compulsory de-recognition and exit of the stock exchanges, in terms of the conditions as may be specified by SEBI. As per the 'Exit Circular' the exclusively listed companies, which fail to obtain listing on any other stock exchange, which do not voluntarily delist or which are not considered as 'Vanishing companies', will cease to be listed company and will be moved to the dissemination board by the existing stock exchange. It shall be the responsibility of the exchanges which are being derecognized either on voluntary or compulsory basis, to place their exclusively listed companies on the dissemination board. These exchanges shall ensure that the database of the exclusively listed company is transferred to SEBI and to those stock exchanges on whose dissemination board, the shares of these companies are available.

The equity of the Company were listed with Madras Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Coimbatore Stock Exchange Limited. The SEBI vide its order dated April 03, 2013 given exit to Coimbatore Stock Exchange Limited and vide its order dated May 14, 2015 given exit to Madras Stock Exchange Limited. The Company has received a notice from Ahmedabad Stock Exchange Limited vide letter No.AACE/2015-16/58715, dated July 08, 2015 that our Company would be moved in the Dissemination Board (DB) of National Stock Exchange Limited(NSEL). For the benefit of the shareholders our Company we will comply with the rules, regulation whatsoever of NSEL in the matter. Accordingly the status of the Company as on date is an unlisted Company.



## **CORPORATE GOVERNANCE**

The status of the Company as on date is an unlisted Company. However as step toward Good Corporate Governance, a report on Corporate Governance forms an integral part of this report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to this report.

### **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS:**

The Board constantly evaluates the contribution of the members and periodically updates with the shareholders about their reappointment in consistent with applicable laws. One of the key functions of the Board is to monitor and review the Board evaluation framework. The evaluation criteria for performance evaluation of independent directors has been laid down by the Nomination Committee and the same is annexed to the Annual Report

### **FAMILIARISATION PROGRAMMES**

At the time of their appointment, the Independent Directors are appraised of their role, duties and responsibilities in the Company. A detailed letter of appointment is also issued which set-outs the expectations of the Company, the rights, powers and liabilities of the Independent Directors and the policies of the Company to be adhered by them. Periodic presentations are made to the Independent Directors on the financial and operational performance of the Company, strategy and business plan, significant process improvements and material business developments among others. The Independent Directors are also regularly updated and informed about material regulatory and statutory developments affecting the Company.

### **SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS**

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

### **APPRECIATIONS AND ACKNOWLEDGMENTS**

Your Directors place on record their appreciation to employees at all levels for their dedication and commitment. Your Directors would also like to express their sincere appreciation for the assistance and co-operation received from the banks, financial institutions, Government Authorities, customers, vendors and members during the year under review.

**By order of the Board of Directors  
For SWETHA ENGINEERING LIMITED**

Place : Chennai  
Date : 14.08.2015

Sd/-  
**S.V.Raguramann**  
Managing Director  
(DIN-00098566)

Sd/-  
**S.V.Sridhar**  
Whole-time Director  
(DIN- 00098576)

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

### **(A) CONSERVATION OF ENERGY:**

- (i) The steps taken or impact on conservation of Energy:
- (a) Designed and installed the power distribution system perfectly well to utilize the power at optimum level of requirement.
  - (b) Purchasing energy efficient machines.
- (ii) The steps taken by the Company for utilizing alternate source of Energy: Nil
- (iii) The capital investment on energy conservation equipments: Nil

### **TECHNOLOGY ABSORPTION**

The relevant particulars relating to technology absorption in terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rule, 2014 is not applicable.

### **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.

<b>PARTICULARS</b>	<b>2014-15</b>		<b>2013-14</b>	
	In \$	In Rs	In \$	In Rs.
<b>EARNINGS</b>				
a. Supply of equipment	192443.00	1,17,20,828.00	47,003.00	27,17,064.00
b. Services of equipment	4,01,093.00	2,43,55,597.00	2,47,456.00	1,47,50,890.00
Total (a+b)	5,93,536.00	3,60,76,425.00	2,94,459.00	1,74,67,954.00
<b>OUT GO</b>				
Raw Material Purchased	10,528.00	6,38,075.00	Nil	Nil

### **REMUNERATION POLICY**

#### **Purpose of this Policy:**

Swetha Engineering Limited (the “Company”) has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the “Policy”) as required by the provisions of Section 178 of the Companies Act, 2013 (the “Act”) and rules made there under read with the provisions of Clause 49 of the listing agreement. The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

**Role of the Committee:**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

**Appointment and removal of Director, KMP and Senior Management:****5.1 Appointment criteria and qualification:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment.

For the appointment of KMP (other than Managing / Whole time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorised to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

**5.2 Term:**

The Term of the Directors including Managing / Whole time Director / Independent Director shall be governed as per the provisions of the Act and Rules made there under and the Clause 49, as amended from time to time.

Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

**Evaluation:**

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process. Framework for performance evaluation of Independent Directors and the Board is available in the website of the Company [swethaeng.com](http://www.swethaeng.com)

**Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations there under and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

**Remuneration of Managing / Whole-time Director, KMP and Senior Management:**

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole time Director will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made there under. Further, the Managing Director of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company.

**Remuneration to Non-executive / Independent Director:**

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made there under for the time being in force or as may be decided by the Committee / Board / shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.

ANNEXURE 1 TO THE DIRECTOR'S REPORT

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on March 31, 2015.  
 [Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
 (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN:	L27209TN1986PLC013787
Foreign Company Registration Number/GLN	Not Applicable
Registration Date [DDMMYYYY]	09-12-1986
Category/Sub Category of the Company	Public Company/Limited by Shares
Address of the Registered Office and Contact Details	Plot No.123-131,Tass Industrial Estate, Mahathma Gandhi Road, Ambattur, Chennai – 600 098
	Tel: 044-26252191/3191
Whether shares listed on recognized Stock Exchange(s)	No
Name, Address and Contact Details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" No.1, Club House Road, Chennai - 600 002 Tel: 044-28460390/91/92

**II. PRINCIPAL BUSINES ACTIVITES OF THE COMPANY**

Sl.No.	Name/Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Equipments for pulp & paper industries	4017	70%
2	Erection and Commissioning Service	4100	30%

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

NIL
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#### IV. SHAREHOLDING PATTERN

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1082223	-	1082223	28.86%	1082323	-	1082323	28.86%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>1082223</b>	<b>-</b>	<b>1082223</b>	<b>28.86%</b>	<b>1082323</b>	<b>-</b>	<b>1082323</b>	<b>28.86%</b>	<b>0.00%</b>
<b>(2) Foreign</b>									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>1082223</b>	<b>-</b>	<b>1082223</b>	<b>28.86%</b>	<b>1082323</b>	<b>-</b>	<b>1082323</b>	<b>28.86%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	280600	239325	519925	13.86%	723600	239325	962925	25.68%	0.00%
ii) Overseas	-	-	-	0.00%	-	-	-	0.00%	0.00%

<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	70900	997102	1068002	28.48%	70000	997602	1067602	28.47%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13000	601750	614750	16.39%	13000	601750	614750	16.39%	0.00%
<b>c) Others (specify)</b>									
Non Resident Indians	-	11800	11800	0.31%	-	11800	11800	0.31%	0.00%
HUF	452500	-	452500	<b>12.06%</b>	9900	-	9900	<b>0.26%</b>	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>452500</b>	<b>11800</b>	<b>464300</b>	<b>12.38%</b>	<b>816500</b>	<b>1850477</b>	<b>2666977</b>	<b>71.13%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>817000</b>	<b>1849977</b>	<b>2666977</b>	<b>71.13%</b>	<b>816500</b>	<b>1850477</b>	<b>2666977</b>	<b>71.13%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	<b>0.00%</b>	-	-	-	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>1899223</b>	<b>1850077</b>	<b>3749300</b>	<b>100.00%</b>	<b>1886299</b>	<b>1863001</b>	<b>3749300</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoter**

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2014)			Shareholding at the end of the year (as on 31.03.2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Varadhachari.S	100	0.00%	0.00%	100	0.00%	0.00%	0.00%
2	S.V.Raguramann	464728	12.39%	0.00%	464728	12.39%	0.00%	0.00%
3	S.V.Muralidharan	37170	0.99%	0.00%	37170	0.99%	0.00%	0.00%
4	S.V.Sridhar	441095	11.76%	0.00%	441095	11.76%	0.00%	0.00%
5	V.Jaganathan	102480	2.73%	0.00%	102480	2.73%	0.00%	0.00%
6	S.V.Srivathsangan	34300	0.91%	0.00%	34300	0.91%	0.00%	0.00%
7	Rama Raghuraman	2450	0.06%	0.00%	2450	0.06%	0.00%	0.00%

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

Sl.No	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year	--	--	--	0.00%	-	0.00%
	Changes during the year	--	--	--	0.00%	--	0.00%
	At the end of the year	--	--	--	0.00%	-	0.00%

Note: There is no change in the total shareholding of promoters between 01.04.2014 to 31.03.2015

<b>(iv) Shareholding Pattern of top ten Shareholders</b>							
<i>(Other than Directors, Promoters and Holders of GDRs and ADRs):</i>							
Sl.No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning (01.04.2015)/ end(31.03.2015) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	S.V.RAGHU RAMANN						
	At the beginning of the year			464728	12.39%	464728	12.39%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year			464728	12.39%	464728	12.39%
2	S.V.SRIDHAR						
	At the beginning of the year			441095	11.76%	441095	11.76%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			441095	11.76%	441095	11.76%
3	CELL TECH CONSULTANCY AND MARKETING P LTD						
	At the beginning of the year			280600	7.48%	280600	7.48%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			280600	7.48%	280600	7.48%
4	PINAKIN HARDIK HUF						
	At the beginning of the year			243000	6.48%	243000	6.48%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			243000	6.48%	243000	6.48%
5	PINAKIN CHIMANLAL SHAH HUF						
	At the beginning of the year			200000	5.33%	200000	5.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200000	5.33%	200000	5.33%
6	V.JAGANATHAN						
	At the beginning of the year			102480	2.73%	102480	2.73%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			102480	2.73%	102480	2.73%
7	JAGADISH SAGARMAL SANVAL						
	At the beginning of the year			100000	2.66%	100000	2.66%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			100000	2.66%	100000	2.66%
8	AJITKUMAR C PATEL						
	At the beginning of the year			70300	1.87%	70300	1.87%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			70300	1.87%	70300	1.87%
9	RAJESH						
	At the beginning of the year			57700	1.53%	57700	1.53%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			57700	1.53%	57700	1.53%
10	SRHHL INDUSTRIES LTD						
	At the beginning of the year			50000	1.33%	50000	1.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			50000	1.33%	50000	1.33%



11	VINDHYA PAPER MILLS LTD						
	At the beginning of the year			50000	1.33%	50000	1.33%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			50000	1.33%	50000	1.33%

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

**Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning (01.04.2014)/ end (31.03.2015) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>DIRECTORS</b>							
1	<b>S.V.RAGURAMAN (MANAGING DIRECTOR)</b>						
	At the beginning of the year			464728	12.39%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			464728	12.39%		0.00%
2	<b>S.V.SRIDHAR (DIRECTOR-COMERCIAL)</b>						
	At the beginning of the year			441095	11.76%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			441095	11.76%		0.00%
3	<b>S.NIRANJAN KUMAR (DIRECTOR-TECHNICAL)</b>						
	At the beginning of the year			12250	0.32%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			12250	0.32%		0.00%
4	<b>A.RAMACHANDRAN (NON-EXECUTIVE &amp; INDEPENDENT DIRECTOR)</b>						
	At the beginning of the year			200	0.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			200	0.00%		0.00%
5	<b>V.NAGARAJAN (NON-EXECUTIVE &amp; INDEPENDENT DIRECTOR)</b>						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
6	<b>R.JAGANNATHAN (NON-EXECUTIVE &amp; INDEPENDENT DIRECTOR)</b>						
	At the beginning of the year			-	0.00%		0.00%
	Changes during the year			-	0.00%		0.00%
	At the end of the year			-	0.00%		0.00%
<b>KEY MANAGERIAL PERSONNEL (KMP'S)</b>							
	At the beginning of the year			--	0.00%	--	0.00%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year			--	0.00%	--	0.00%

**V. INDEBTEDNESS**

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,79,43,429.00	0	0	4,79,43,429.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,99,22,574.00	0	0	4,99,22,574.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	4,99,22,574.00	-	-	4,99,22,574.00

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

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

SL.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		S.V.Raguraman	S.V.Sridhar	S.Niranjan Kumar	
1	Gross salary	30,00,000	15,00,000	12,60,000	57,60,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--	--
2	Stock Option	--	--	--	--
3	Sweat Equity	--	--	--	--
4	Commission	--	--	--	--
	as % of profit	--	--	--	--
	Others	--	--	--	--
5	Others, please specify	--	--	--	--
<b>TOTAL (A)</b>		<b>30,00,000</b>	<b>15,00,000</b>	<b>12,60,000</b>	<b>57,60,000</b>
Ceiling as per the Act		<b>30,00,000</b>	<b>30,00,000</b>	<b>30,00,000</b>	<b>90,00,000</b>

**B. Remuneration to other Directors**

Sl.No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
		V.Nagarajan	R.Jaganathan	A.Ramachandran	
1	Independent Directors				
	Fee for attending board / committee meetings	1,30,000/-	1,30,000/-	1,30,000/-	3,90,000/=
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	<b>Total (1)</b>	<b>1,30,000/-</b>	<b>1,30,000/-</b>	<b>1,30,000/-</b>	<b>3,90,000/=</b>
2	Other Non-Executive Directors	NIL	NIL	NIL	NA
	Fee for attending board committee meetings	--	--	--	--
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NA</b>
	<b>Total (B)=(1+2)</b>	<b>1,30,000/-</b>	<b>1,30,000/-</b>	<b>1,30,000/-</b>	<b>3,90,000/=</b>
	<b>Overall Ceiling as per the Act</b>	<b>Rs.1,00,000/- for each meeting attended</b>			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sl.No.	Particulars of Remuneration		Name of Key Managerial Personnel			Total Amount (Rs/Lac)
			Name	CEO	CFO	
	Designation					
1	Gross salary		-	-	-	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		-	-	-	
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		-	-	-	
2	Stock Option	--	-	-	-	
3	Sweat Equity	--	--	-	-	
4	Commission		-	-	-	
	- as % of profit		--	-	-	
	- others, specify		-	-	-	
5	Others, please specify		-	-	-	
<b>Total</b>			-	-	-	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

**---NIL---**

**V.S.SOWRIRAJAN & ASSOCIATES**  
**Company secretaries-in-Practice**

**MR – 3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members

**SWETHA ENGINEERING LIMITED**

Plot No.123-131, Tass Industrial Estate,  
Mahathma Gandhi Road,  
Ambattur, Chennai, 600098

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SWETHA ENGINEERING LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (No actions/events requiring compliance pursuant to this Regulations)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992

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**C-2, Vijayrengaa Apartments, 64, West Adayavalanchan Street, Srirangam, Trichy-620006,**  
**E-mail: vssowrirajan@gmail.com Mobile: 944438298**

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (No actions/events requiring compliance pursuant to this Regulation)
- (d) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (No actions/events requiring compliance pursuant to this Regulations)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; ((No actions/events requiring compliance pursuant to this Regulations.)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, No actions/events requiring compliance pursuant to this Regulation)
- (i) Other laws applicable to the company
  - a. Factories Act, 1948
  - b. Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rules, 2003

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

- (I) Secretarial Standards issued by The Institute of Company Secretaries of India (**not applicable during the year**)
- (II) The Listing Agreements entered into by the Company with Stock Exchanges

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, except to the extent as mentioned below:

- 1) Some forms required to be file with the Registrar of Companies were filed belatedly together with the applicable additional filing fees.
- 2) The Company has not appointed Chief Financial Officer, Company Secretary and Woman Director required to be appointed by a Listed Public Company

**We further report that;**

Based on the information provided to us during the conduct of audit and based on the reports submitted by the Board/Committees from time to time, in our opinion adequate systems, processes and control measures exist in the Company to monitor and ensure compliance with the applicable general laws like labour laws, competition laws and environmental laws.

Compliance by the company of applicable financial laws like direct and indirect laws, has not been reviewed in this Audit since the same is subject to review by statutory financial audit and other designated professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period there were no other specific actions/events, in pursuance of above referred laws, rules, regulations, guidelines etc having a major bearing on the company's affairs.

**The equity of the Company were listed with Madras Stock Exchange Limited, Ahmedabad Stock Exchange Limited and Coimbatore Stock Exchange Limited. SEBI vide circular dated May 30, 2012 (Exit Circular) issued guidelines in respect of exit options to stock exchanges. In terms of these guidelines, if the stock exchange is not able to achieve the prescribed turnover of Rs 1000 Crores on continuous basis or does not apply for voluntary surrender of recognition and exit before the expiry of two years from the date of SEBI circular dated May 30, 2012, SEBI shall proceed with compulsory de-recognition and exit of the stock exchanges, in terms of the conditions as may be specified by SEBI. As per the 'Exit Circular' the exclusively listed companies, which fail to obtain listing on any other stock exchange, which do not voluntary delist or which are not considered as 'Vanishing companies', will cease to be listed company and will be moved to the dissemination board by the existing stock exchange.**

**For V.S.SOWRIRAJAN & ASSOCIATES**

**V.S.SOWRIRAJAN  
Company Secretary  
FCS 2368/CP6482**

Place: Chennai  
Date: 14.08.2015

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report

Annexure A

To:  
The Members  
**SWETHA ENGINEERING LIMITED**  
Plot No.123-131, Tass Industrial Estate,  
Mahathma Gandhi Road,  
Ambattur, Chennai, 600098

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

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

**For V.S.SOWRIRAJAN & ASSOCIATES**

**V.S.SOWRIRAJAN**  
Company Secretary  
FCS 2368/CP6482

Place: Chennai  
Date: 14.08.2015



## ANNEXURE I

### ANNEXURE 4 TO THE DIRECTOR'S REPORT

#### PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) AND THE RELEVANT RULES

A) The ratio of the remuneration of each director to the median employee's remuneration of the company for the financial year and such other details as prescribed is as given below:

Sl.No.	Name	Designation	Ratio
1	S.V.Raguraman	Managing Director	3:5
2	S.V.Sridhar	Director-Commercial	5:6
3	S.Niranjan Kumar	Director-Technical	2:3

B) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: Not Applicable

C) The percentage increase in the median remuneration of employees in the financial year: Not Applicable

D) The number of permanent employees on the rolls of company: 40

E) The explanation on the relationship between average increase in remuneration and company performance: There is no increase in remuneration of Directors hence no explanation to offer

F) Comparison of the remuneration of the Key Managerial Personnel (KMP) against the performance of the company: The KMP was collectively paid a remuneration of Rs.57.60 lakhs for the financial year ended 2014-15. This represents 6% of the total turnover of the Company. The Company believes that the KMP have been compensated commensurate with their knowledge, experience and contribution. The remuneration paid to the KMP does not impact the company's performance significantly

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Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer: Consequent to the closure of Regional Stock Exchanges viz., Madras, Delhi and Ahmedabad Stock Exchanges, your company status is unlisted as on date.

H) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof any exceptional circumstances for increase in the managerial remuneration: Not Applicable, since there is no increase of Managerial remuneration in the last financial year.

Comparison of the each remuneration of the KMP against the performance of the Company :- Covered in F above

I) The key parameters for any variable component of remuneration availed by the Directors: NA

J) The ratio of the remuneration of the highest paid director to that of the employees who are not directors

but receive remuneration in excess of the highest paid director during the year: NIL

K) Affirmation remuneration is as per the remuneration policy of the company: **Your Directors affirm that the remuneration is as per the remuneration policy of the Company**

## CORPORATE GOVERNANCE REPORT

(Pursuant to Securities and Exchange Board of India's Circular No.CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Clause 49 of the Listing Agreement shall be applicable to all companies whose equity shares are listed on a recognized stock exchange. Further read with SEBI circular dated May 30, 2012 (Exit Circular) in respect of exit options to stock exchanges. However, compliance with the provisions of Clause 49 shall not be mandatory, for the time being, in respect of Companies having paid up equity share capital not exceeding Rs.10 crore and Net Worth not exceeding Rs.25 crore, as on the last day of the previous financial year. However in line with Clause 49 of the listing agreement the Company is regular in complying with the mandatory requirements of the Corporate Governance.

### 1. COMPANY'S PHILOSOPHY

Corporate Governance is system of rules, practices and processes by which the Company is directed and controlled. It also ensures transparency and fairness in all transactions. The driving forces of Corporate Governance are its core values - Belief in people, Entrepreneurship, Customer Orientation and the Pursuit of Excellence. The Company believes in having high standard of corporate behavior towards everyone we work with. The Company is taking into account of stakeholders' interest before making any business decision.

### 2. BOARD OF DIRECTORS

The Board Comprises of Three Executive Director and Three Non-Executive Directors including Three Independent Directors. The Board of Directors meets at regular intervals. The Board members possess requisite skills, experience and expertise that are required to take decisions, which are in the best interest of the Company. Board meetings are generally chaired by Shri.S.V.Raguraman. Policy formulation, evaluation of performance and control functions vest with the Board.

The Composition of Board, attendance at Board Meeting, last Annual General Meeting (AGM) and details of memberships of Director's in Boards and Board Committees held by them are as follows:

Name of the Director	Designation & Category	No. of Board Meetings in the year		Attendance of Last AGM	No. of Outside Directors hips	No. of outside Board Committee Members hips
		Held	Attended			
S.V.Raguraman	Managing Director	05	05	Yes	--	NIL
S.V.Sridhar	Director-Commercial	05	05	Yes	--	NIL
S.Niranjan Kumar	Director-Technical	05	05	Yes	--	NIL
A.Ramachandran	Non Executive & Independent	05	05	Yes	--	NIL
V.Nagarajan	Non Executive & Independent	05	02	No	--	NIL
R.Jagannathan	Non Executive & Independent	05	05	Yes	--	NIL

### 3. BOARD MEETINGS AND BOARD COMMITTEE MEETINGS

The Board of Directors has constituted four committees, namely Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee. The Board is authorised to constitute additional functional Committees from time to time depending on business needs.

## BOARD MEETING

The Board meetings of the Company are usually held at the Chennai office of the Company at Plot No.123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai, 600098, Tamil Nadu, India. The Company has minimum of four pre-scheduled board meetings in a year. Additional Board meeting are conveyed by giving appropriate notice to address the Company's specific needs.

During the year 05 (Five) meetings of the Board of Directors were held. The Details of board meetings are given below:

Sl.No.	Date of Meeting	Total Board Strength	No. of Directors Present
1	23.05.2014	06	06
2	12.08.2014	06	05
3	02.09.2014	06	05
4	07.11.2014	06	05
5	10.02.2015	06	06

## BOARD COMMITTEES

### A) AUDIT COMMITTEE

The Audit Committee of the Company comprises of three Independent Directors. The Audit Committee met five times during the financial year 2014 – 2015 i.e on 23.05.2014, 12.08.2014, 02.09.2014, 07.11.2014 and 10.02.2015. Attendance and other details of the Audit Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	A.Ramachandran	Chairman	5	5
2	V.Nagarajan	Member	5	2
3	R.Jagannathan	Member	5	5

All the members are financially literate and having accounting and financial experience. The Audit Committee reviews the financial statements before submission to the board, recommends appointment or removal of Auditors and areas which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the listing agreement.

### B) STAKE HOLDERS' RELATIONSHIP COMMITTEE

The Stake Holders' Relationship Committee (Share Transfer Committee) of the Company comprises of three Independent Directors. The Committee met Three (03) times during the financial year 2014 – 2015. i.e. on 10.10.2014, 20.02.2015 and 10.03.2015. Attendance and other details of the Stake Holders' Relationship Committee are as follows:

Sl.No.	Name of the Director	Position	No. Meetings	
			Held	Attended
1	A.Ramachandran	Chairman	03	03
2	S.V.Sridhar	Member	03	03
3	R.Jagannathan	Member	03	03

The Committee oversees and reviews all matters connected with the transfer of the Company's Securities, approves issue of duplicate share certificates, monitor's investors' grievances like non-receipt of dividend, non-receipt of Annual Report, change of address etc and perform such other functions as may be necessary. No complaints were received during the year under review.

## C) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company comprises of three Independent Directors. Shri. A.Ramachandran (Chairman), Shri. V.Nagarajan (Member) and Shri. R.Jagannathan (Member). One Committee meeting was held during the financial year 2014 – 2015

The Committee was constituted to determine and recommend payment of remuneration to executive directors. The committee shall also identify the persons, who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the board their appointment/removal and to carry out evaluation of directors' performance and perform such other functions as may be necessary.

### 4. REMUNERATION OF DIRECTORS

#### EXECUTIVE DIRECTOR:

The Company has Three Executive Director. The details of remuneration paid to the Executive Directors during the year 2014 – 2015 per month as under:

Sl.No.	Name	Designation	Salary	Perquisites	Total
1	S.V.Raguraman	Managing Director	2,50,000	Nil	2,50,000
2	S.V.Sridhar	Director-Commercial	1,25,000	Nil	1,25,000
3	S.Niranjan Kumar	Director-Technical	1,05,000	Nil	1,05,000

The Executive Directors are not paid any sitting fees for Board Meetings or Committee Meetings attended by them.

#### NON-EXECUTIVE DIRECTOR:

Remuneration paid to Non-Executive Directors (including Independent Directors) are fixed by the Board and the Compensation is within the limits prescribed under the Companies Act, 2013. None of the Independent Directors of your company have any pecuniary relationship or material transactions with the Company except for Sitting Fees paid to them for attending Board Meetings and Board Committee Meetings.

The details of Remuneration paid to the Non-Executive Directors are as under:

Sl.No.	Name	Category	Sitting Fees paid for the year(in Rs)
1	A.Ramachandran	Non-Executive, Independent	1,30,000
2	V.Nagarajan	Non-Executive, Independent	1,30,000
3	R.Jagannathan	Non-Executive, Independent	1,30,000

### 5. DETAILS OF SHAREHOLDING OF DIRECTORS AS ON 31<sup>st</sup> MARCH 2015:

Name of the Director	No. of Shares
S.V.Raguraman	464728
S.V.Sridhar	441095
S.Niranjan Kumar	12250
A.Ramachandran	200
V.Nagarajan	Nil
R.Jagannathan	Nil

## 6. GENERAL BODY MEETINGS:

The Details of last three Annual General Meeting are given as under:

Year	Date	Time	Venue
2011 - 2012	29.09.2012	11.00AM	Registered Office: Plot No. 123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India
2012 – 2013	30.09.2013	11.00AM	Registered Office: Plot No. 123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India
2013 - 2014	30.09.2014	11.00AM	Registered Office: Plot No. 123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India

All the resolutions including Special Resolutions as set out in the respective notices were passed by the Shareholders. No Extra Ordinary General Meeting was held during the year. No special resolutions were put through postal ballot last year. There is no proposal to pass any resolution by postal ballot.

## 7. WHISTLE BLOWER POLICY

Your Company has established whistle blower policy as per Companies Act, 2013 and Clause 49 of the listing agreement. The Board of Directors of the Company have formulated and adopted Whistle Blower Policy which aims to provide a channel to the Stake holders (Including directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct. The mechanism provides adequate safeguards against victimization of Directors and employees to avail the mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

Your company hereby affirms that no Director/employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

## 8. MEETING OF INDEPENDENT DIRECTORS

During the year, meeting of Independent Directors (without the presence of Executive Directors) was held on February 10, 2015 to review the performance of the Board as a whole on the parameters of effectiveness and to access the quality, quantity and timeliness of flow of information between the Company Management and the Board.

## 9. RECONCILIATION OF SHARE CAPITAL AUDIT

Share Capital Audit was conducted by a Company Secretary in Practice, reconciling the issued and listed capital of the Company. The audit confirms that the total paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

## 10. MEANS OF COMMUNICATION

**Quarterly Results:** The Company’s quarterly results are published in “Trinity Mirror” and “Makkal Kural” and are displayed in Company’s website ([www.swethaeng.com](http://www.swethaeng.com))

**Official News Releases:** Official News Releases are sent to stock exchanges.

**Presentation made to institutional investors/analysts:** During the year no presentations has been made to institutional investors/analysts.

**Website:** The Company’s website ([www.swethaeng.com](http://www.swethaeng.com)) contains a separate dedicated section “Investor Info” where shareholders’ information is available.

## 11. DISCLOSURES

### Related Party Transactions:

All related party entered by the Company during the year was in the Ordinary course of business and at Arm’s Length Pricing basis. There were no materially significant related party transactions during the year. The details of transactions with related parties have been disclosed in the notes to the Financial Statement forming part of this Annual Report.

### Compliances by the Company:

The Company has complied with all the requirements of the listing agreement of the stock exchanges as well as regulations and guidelines of SEBI. No penalties have been levied/strictures been imposed on the Company in the last three years by Stock Exchanges, SEBI and other statutory authorities.

### Code of Conduct for Directors and Senior Management

The Board of Directors of the Company has adopted a Code of Conduct for Directors and Senior Management and the same is posted on the Website of the Company.

### CEO/CFO Certification

Shri.S.V.Raguraman, Managing Director of the Company has certified to the Board with regard to the Compliance made by them in terms of Clause 49(V) of the Listing Agreement and the Certificate forms part of Annual Report. The Company has complied with all mandatory requirements of Clause 49 of listing agreement.

## 12. GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting (Date and Time)	30 <sup>th</sup> September 2015: 10.00AM
Venue	Plot No. 123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India
Book Closure Date	24 <sup>th</sup> September, 2015 to 30 <sup>th</sup> September, 2015 (both days inclusive)
Date of Payment of Dividend	--
Rate of Dividend	--
ISIN	INE824E01017
Corporate Identification Number (CIN)	L27209TN1986PLC013787
Financial Year	01st April to 31st March
<b>FINANCIAL CALENDAR (Tentative)</b>	
30th June 2015	2nd / 3rd Week of August 2015
30th September 2015	2nd / 3rd Week of November 2015
31st December 2015	2nd / 3rd Week of February 2016
31st March 2016	End of May 2016

## 14. DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH 2015

Sl.No.	Share holding In Rs	Share / Debenture holders		Share / Debenture Amount	
		Number	% of Total	In Rs.	% of Total
1	10-5000	1820	82.7648	3285000	3.7616
2	5001 – 10000	97	4.4110	870250	2.3210
3	10001 - 20000	132	6.0027	2026000	5.4036
4	20001 - 30000	42	1.9099	1060500	2.8285
5	30001 - 40000	12	0.5457	448500	1.1962
6	40001 - 50000	29	1.3187	1393520	3.7167
7	50001 - 100000	30	1.3642	2558750	6.8246
8	100001 and Above	37	1.6825	25850480	68.9474
Total		<b>2199</b>	<b>100.00</b>	<b>37493000</b>	<b>100.00</b>

## 15. CATEGORY WISE SHAREHOLDING PATTERN AS ON 31<sup>st</sup> MARCH 2015

Sl.No.	Category	No. of Shares	% of Holding
1	Indian- Individuals / Hindu Undivided Family	1082323	28.86
2	Indian- Bodies Corporate	519925	13.86
3	Individual shareholders holding nominal share capital up to Rs. 1 lakh	1068002	28.48
4	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	614750	16.39
5	Hindu Undivided Families	452500	12.06
6	Non Resident Indians	11800	0.31
<b>Total</b>		<b>3749300</b>	<b>100.00</b>

## 16. REGISTRARS AND SHARE TRANSFER AGENTS

M/s.Cameo Corporate Services Limited is the Registrars and Share Transfer Agents of the Company. All matters connected with Share Transfer, Transmission, Change of address, duplicate share certificates and other related matters are handled by the share transfer agent.

**M/s.Cameo Corporate Services Limited**, “Subramanian Building” No.1, Club House Road, Chennai, 600002. Phone No.044-28460390-94,  
Email Id: [investor@cameoindia.com](mailto:investor@cameoindia.com)/[cameo@cameoindia.com](mailto:cameo@cameoindia.com)

## 17. SHARE TRANSFER SYSTEM

The Shares received for transfer in physical mode are registered within 15days of receipt of the document (if it is in order) and returned to the transferees immediately thereafter. The Share Transfers are approved by the Share Transfer Committee (Stakeholders’ Relationship Committee) which meets as and when required.

## 18. DIVIDEND DECLARED FOR LAST 10 YEARS : Nil

## 19. SEBI COMPLIANTS REDRESSAL SYSTEM (SCORES)

SEBI has initiated SCORES for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints. No Shareholders’ complaint has been received through SCORES during the year.

## 20. COMPLIANCE CERTIFICATE ON COPROATE GOVERNANCE FROM AUDITORS

Certificate from the Statutory Auditor’s of the Company M/s.Suresh & Sridharan, confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is attached to this report.

## 21. COMPLIANCE WITH CODE OF CONDUCT

The Company has in place a code of conduct applicable to the board members as well as Senior Management and that the same has been hosted on the Company’s website. The members of the Board and Management Personnel affirmed that they have complied with the Code of Conduct for the financial year 2014 – 2015.

## 22. COMPLIANCE OFFICER DETAILS AND ADDRESS FOR CORRESPONDANCE

Shri. V.Jagannathan,

Compliance Officer

Registered Office:: Plot No.123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India. Phone No. 044-26252191, email: info@swethaeng.com

**By order of the Board of Directors  
For SWETHA ENGINEERING LIMITED**

Place : Chennai

Date : 14.08.2015

Sd/-

**S.V.Raguraman**  
Managing Director  
(DIN-00098566)

Sd/-

**S.V.Sridhar**  
Whole-time Director  
(DIN- 00098576)



## CEO/CFO CERTIFICATION UNDER CLAUSE 49

1. We have reviewed financial statements and the cash flow statement of Swetha Engineering Limited for the year ended 31st March, 2015 and to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's Code of Conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

(i) that there are no significant changes in internal control over financial reporting during the year;

(ii) that there are no significant changes in accounting policies during the year; and

(iii) that there are no instances of significant fraud of which we have become aware.

Place: Chennai  
Date: 14.08.2015

**S.V.Raguraman**  
Managing Director

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

### **To the Members of SWETHA ENGINEERING LIMITED**

We have examined the compliance of conditions of Corporate Governance by SWETHA ENGINEERING LIMITED for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchange.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For Suresh & Sridharan**  
Chartered Accountants  
Firm Registration No. 004258S

V.Suresh  
Partner  
Mem No.020580

Place: Chennai  
Date: 14.08.2015

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of SWETHA ENGINEERING LIMITED presents its analysis covering performance of the Company for the year 2014-2015 and the business outlook for the future. The business outlook performance is based on the current business environment and do not include any economic variation.

### Overview

The Company continued to struggle due to prolonged recession. The core sectors from whom the Company is getting regular orders for the past so many years are not doing well. There are no new projects in these sectors. Investments towards capital equipment and the replacement of the old equipment are almost not in the core sectors. Due to this down trend in the Pulp and Paper, Mining Industries, the Company was fighting for survival against all odds.

The Company was fighting for survival in the most difficult period for the Indian Engineering Industry. The Company could manage to achieve 95% of the sales compared to the previous financial year. Stiff competitions, lower order values, low margins reduced the profit for the financial year 2014-15

The Company could not take up the upgrading of the manufacturing facilities as planned earlier. Many infrastructural projects are sanctioned by the government of India and other State Governments. There will be huge investments in this sector. Due to this there will be many opportunities in the cement industry. As the Company is having previous experience in this sector, it will be making earnest efforts to grab as many orders as possible from the cement industry to boost up its turnover for the forthcoming years. Service sectors are one more potential area for our company is considerably for future growth. The company already started service, export by taking up dismantling, erection jobs in Thailand and Tanzania. The Company is planning to extend its activities further in next couple of years to improve the sales turnover and profitability.

The Company can undertake more jobs in service sector and Infrastructure sector from present business to improve the overall growth.

### General Risks:

Major portion of the Company's business turnover is from Pulp and Paper Industry. The Company's strong areas are Chipping Plant and Pulping section of the Paper Mill. Indian Paper Mills are facing marketing problems due to cheaper imported paper. Imported Pulp is also cheaper compared to pulp produced in their own mills. These are the general risks the company is facing which may have adverse effect of the projects of the company.

### Operational Risks:

Raw material is the major input cost in the manufacturing of equipment and machinery. The gap between estimated cost and purchase cost of the raw material, scrap generations due to the available sizes of the raw material at the time of procurement will have direct impact on the production cost and profitability.

### Financial Risks

The Company's business involves procurement of raw material at the right time and further investment towards other manufacturing activities. Payments are generally realized after dispatch of the equipment only. The company needs working capital to the tune of 30-40% of its turnover. The Company is meeting its working capital requirement from borrowed capital at very high interest rates.

### Risk management:

The Company's risk management is based on various risks and proper risks assessment and strategic measures by continuous monitoring the procedural establishment for this purpose which are in line with normal industrial practice.

### **Internal Control System**

Keeping in mind the size of the Company the business control procedure ensures maximum efficiency and compliance. The procedure also produces well documented policies, authorization and approval etc.

The Company has achieved a turnover of Rs.944.51 Lacs as compared to Rs.996.78 Lacs and has loss after tax Rs.132.86 Lacs as compared to Rs.41.22 Lacs in the previous year.

### **Regulatory and Legal risks**

The Company is exposed to environmental regulations. The Company has adequate system and controls to mitigate various risks.

### **Managerial Development and Human Resources and Industrial Relation**

There are no material changes in Human resources front during the year under review.

### **Cautionary Statement**

The Management Discussion and Analysis Report contains forwarding looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the Government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report.

For and on behalf of the Board of Directors  
**SWETHA ENGINEERING LIMITED**

**Place : Chennai**  
**Date : 14.08.2015**

**-sd-**  
**S.V.Raguraman**  
**Managing Director**

## **INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2015**

To the Members of **SWETHA ENGINEERING LIMITED**

### **REPORT ON THE FINANCIAL STATEMENTS**

1. We have audited the financial statements of SWETHA ENGINEERING Limited, Chennai ('the Company'), which comprises the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

4. Our responsibility is to express an opinion on these Standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

## OPINION

7. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

8. As required by the Companies (Auditor's Report) Order, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable. 9. As required by Section 143(3) of the Act, we report that:

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

(c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015, from being appointed as a director in terms of Section 164 (2) of the Act; and

(e) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to explanations given to us:

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 to the financial statements.

ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 2 to the financial statements.

iii. there have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Suresh & Sridharan  
Chartered Accountants  
Firm Reg no:004258S

Place: Chennai  
Date: 27th May 2015

V.Suresh  
Partner  
M.no.020580

**Annexure referred to in our report of even date on the accounts for the year ended 31st March 2015**

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physically verifying all the fixed assets at its plants/ offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.

(ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) In our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted unsecured loans to companies covered in the register maintained under Section 189 of the Companies Act 2013.

(iv) In our opinion and according to the information and explanations given to us, having regard to the Annexure referred to in our report of even date on the accounts for the year ended 31st March 2015 explanation that some of the items are of special nature and suitable alternative sources are not available for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of the para 3 of the Order are not applicable to the Company.

(vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (cost records and audit) Rules 2014, for any of the products manufactured / services rendered by the Company.

(vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess and other statutory dues with the appropriate authorities. (b) According to the information and explanations given to us and the records of the Company, the dues of sales tax / income-tax / customs duty / wealth tax / service tax / excise duty / value added tax/ cess which have not been deposited on account of any dispute are as follows:

Nature of dues	Financial Year	Amount	Forum where dispute is Pending
Property Tax	2003-04	6,46,254.00	Madras High Court, Chennai

(b) According to the information and explanations given to us, the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act 2013 and rules made thereunder have been transferred by the Company to the fund within time.

viii) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(ix) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to Financial Institutions/Banks. The Company has not raised any monies against issue of debentures.

(x) In our opinion and according to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xi) In our opinion, the term loans availed by the Company have been applied for the purpose for which they were obtained.

(xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given to us by the Management, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For Suresh & Sridharan  
Chartered Accountants  
Firm Reg no:004258S

Place: Chennai  
Date: 27th May 2015

V.Suresh  
Partner  
M.no.020580



**SWETHA ENGINEERING LIMITED**  
**BALANCE SHEET FOR THE YEAR ENDED MARCH 2015**

(in Rupees)

	Particulars	Note No.	March 31, 2015	March 31, 2014
	1	2	3	4
I.	<b>EQUITY AND LIABILITIES</b>			
1	Shareholders' funds			
	(a) Share capital	2	3,74,61,500.00	3,74,61,500.00
	(b) Reserves and surplus	3	3,19,74,876.00	4,52,59,945.00
	(c) Money received against share warrants		0.00	0.00
2	Share application money pending allotment		0.00	0.00
3	Non-current liabilities			
	(a) Long-term borrowings	4	94,28,795.00	1,16,85,111.00
	(b) Deferred tax liabilities (Net)		0.00	0.00
	(c) Other Long term liabilities	5	6,17,466.00	2,16,388.00
	(d) Long-term provisions	6	37,80,614.00	40,94,640.00
4	Current liabilities			
	(a) Short-term borrowings	7	4,04,93,779.00	3,62,58,318.00
	(b) Trade payables	8	1,83,63,362.00	1,61,81,690.00
	(c) Other current liabilities	9	90,10,459.00	53,12,229.00
	(d) Short-term provisions	10	11,63,370.00	11,63,370.00
	<b>TOTAL</b>		<b>15,22,94,221.00</b>	<b>15,76,33,191.00</b>
II	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	4,31,01,357.00	4,92,79,809.00
	(ii) Intangible assets		0.00	0.00
	(iii) Capital work-in-progress		0.00	0.00
	(iv) Intangible assets under development		0.00	0.00
	(b) Non-current investments		0.00	0.00
	(c) Deferred tax assets (net)	12	46,60,338.00	82,91,009.00
	(d) Long-term loans and advances		0.00	0.00
	(e) Other non-current assets	13	78,06,452.00	59,88,733.00
2	Current assets			
	(a) Current investments		0.00	0.00
	(b) Inventories	14	1,82,30,230.00	1,41,08,012.00
	(c) Trade receivables	15	5,18,70,923.00	4,72,18,486.00
	(d) Cash and cash equivalents	16	74,68,720.00	84,89,273.00
	(e) Short-term loans and advances	17	1,89,42,985.00	2,40,40,953.00
	(f) Other current assets	18	2,13,216.00	2,16,916.00
	<b>TOTAL</b>		<b>15,22,94,221.00</b>	<b>15,76,33,191.00</b>

Significant Accounting Policies

As per our report attached

For SURESH & SRIDHARAN

CHARTERED ACCOUNTANTS

FIRM REG NO.004258S

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director

S.V.Sridhar - Director Commercial

S.Niranjana Kumar - Director Technical

(V.SURESH)

PARTNER

M.NO.020580

Place: Chennai

Date: 27th May 2015

**SWETHA ENGINEERING LIMITED**

Profit and Loss Account for the year ended 31.03.2015

(in Rupees)

	Particulars	Refer Note No.	March 31, 2015	March 31, 2014
	1	2	3	4
I.	Revenue from Operations	19	9,26,94,414.00	9,61,56,067.00
II.	Other income	20	17,56,629.00	35,22,303.00
III.	Total Revenue (I + II)		9,44,51,043.00	9,96,78,370.00
IV.	Expenses:			
	Cost of materials consumed	21	4,09,47,836.00	2,35,60,062.00
	Purchases of Stock-in-Trade		0.00	0.00
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	22	(26,96,077.00)	94,48,565.00
	Employee benefits expense	23	2,17,06,591.00	2,27,93,939.00
	Finance costs	24	76,60,610.00	70,24,035.00
	Depreciation and amortization expense	11	95,67,141.00	52,06,923.00
	Other expenses	25	2,59,28,779.00	3,56,80,509.00
	Total expenses		10,31,14,880.00	10,37,14,033.00
V.	Profit before exceptional and extraordinary items and tax (III-IV)		-86,63,837.00	-40,35,663.00
VI.	Exceptional items		0.00	(50,160.00)
VII.	Profit before extraordinary items and tax (V - VI)		-86,63,837.00	-40,85,823.00
VIII.	Extraordinary Items		0.00	0.00
IX.	Profit before tax (VII- VIII)		-86,63,837.00	40,85,823.00
X	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax (asset)		(36,30,671.00)	(36,558.00)
XI	Profit (Loss) for the period from continuing operations (VII-VIII)		-1,22,94,508.00	-41,22,381.00
XII	Profit/(loss) from discontinuing operations		0.00	0.00
XIII	Tax expense of discontinuing operations		0.00	0.00
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		0.00	0.00
XV	Profit (Loss) for the period (XI + XIV)		-1,22,94,508.00	-41,22,381.00
XVI	Earnings per equity share:			
	(1) Basic and Diluted		(2.31)	(1.09)

Significant Accounting Policies

As per our report attached

For SURESH & SRIDHARAN

CHARTERED ACCOUNTANTS FIRM

REG NO.004258S

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director

S.V.Sridhar - Director Commercial

S.Niranjan Kumar - Director Technical

(V.SURESH)

PARTNER

M.NO.020580

Place: Chennai

Date: 27th May 2015

**SWETHA ENGINEERING LIMITED**

Cash Flow Statement for the year ended 31 March 2015

(in Rupees)

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxation and extraordinary items:	(86,63,837.00)	(40,85,823.00)
<b>ADJUSTMENTS FOR</b>		
ADD: Depreciation	95,67,141.00	52,06,923.00
Interest Paid	76,60,610.00	70,24,035.00
LESS :Interest Received	(17,56,629.00)	(26,36,122.00)
Profit on sale of fixed assets	0.00	(8927.00)
<b>Operating Profit before Working Capital Changes</b>	<b>68,07,285.00</b>	<b>55,00,086.00</b>
(Increase)/Decrease in Trade and Other Receivables	(46,52,437.00)	58,61,941.00
(Increase)/Decrease in Inventories	(41,22,218.00)	83,13,046.00
(Increase)/Decrease in Loans and Advances	32,83,949.00	(29,10,298.00)
Increase/(Decrease)in Trade Payables and Other Liabilities	13,16,579.00	1,67,64,775.00
	59,66,954.00	(80,16,234.00)
<b>Cash generated from Operation</b>	<b>72,83,533.00</b>	<b>87,48,541.00</b>
Direct Taxes	(0.00)	(0.00)
<b>Net Cash from operating Activities</b>	<b>72,83,533.00</b>	<b>87,48,541.00</b>
<b>B.CASH FLOW FROM INVESTING ACTIVITIES:</b>		
On account purchase of fixed assets	(43,79,250.00)	(1,16,39,558.00)
Sale of Fixed Assets	0.00	2,25,000.00
Interest Received	17,56,629.00	26,36,122.00
<b>Net Cash used in Investing Activities</b>	<b>(26,22,621.00)</b>	<b>(87,78,436.00)</b>
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Borrowings	19,79,145.00	58,65,484.00
Interest Paid	(76,60,610.00)	(70,24,035.00)
Increase in Share Capital	0.00	0.00
<b>Net Cash used in Financing Activities</b>	<b>(56,81,465.00)</b>	<b>(11,58,551.00)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(10,20,553.00)</b>	<b>(11,88,446.00)</b>
<b>OPENING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>84,89,273.00</b>	<b>96,77,719.00</b>
<b>CLOSING BALANCE OF CASH &amp; CASH EQUIVALENTS</b>	<b>74,68,720.00</b>	<b>84,89,273.00</b>

Notes:

- The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statements"
- Previous year's figure have been reclassified to conform to the current year's presentation.

Significant Accounting Policies

As per our report attached

For SURESH & SRIDHARAN

CHARTERED ACCOUNTANTS FIRM

REG NO.004258S

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director

S.V.Sridhar - Director Commercial

S.Niranjan Kumar - Director Technical

(V.SURESH)

PARTNER

M.NO.020580

Place Chennai

Dated 27<sup>th</sup> May 2015

## SIGNIFICANT ACCOUNTING POLICIES

Note: 1 Significant Accounting Policies

### 1.1 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 of India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules 2006 issued by the Central Government in exercise of the powers conferred under sub section (1) (a) of section 642 and the relevant provisions of the Companies Act, 2013 (the “Act”).

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 2013

### 1.2 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.

### 1.3 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”.

### 1.4 EMPLOYEES

(a) Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The benefit like salaries, wages and ex-gratia are recognised in the period in which the employee renders the related service.

(b) Post-employment Benefits

(i) The contribution paid/Payable under the defined contribution scheme is recognised during the period in which the employees renders the related service.

(ii) 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.

(iii) The company has covered its gratuity liability by a Group Gratuity policy named 'Employee Group Gratuity Scheme' issued by LIC of India. The liability in the balance sheet in respect of gratuity is the present value of the defined benefit/obligation at the balance sheet date, together with adjustments for actuarial gains/losses.

## 1.5 TRANSLATION OF FOREIGN CURRENCY

a) Foreign currency transactions are recorded at exchange rates which are calculated on the basis of rate prevailing on the date of transaction. Exchange gain/loss on the date of realisation/year end is recognised in the Profit and Loss account.

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.

## 1.6. FIXED ASSETS

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation /amortization and impairment, if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred upto the date the asset is ready for its intended use. However, cost excludes Excise duty, VAT & Service tax, wherever credit of the duty or tax is availed of.

## 1.7. DEPRECIATION

Depreciation on tangible fixed assets is charged over the estimated useful life on Written Down Value Method, in accordance with Part A of Schedule II to the Companies Act 2013.

## 1.8. 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.

Cost of Work in Progress includes materials, labour and manufacturing overheads and other cost incurred in bringing the inventories to the present location.

## 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:

In compliance with Accounting Standard – 22 issued by the Institute of Chartered Accountants of India, The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, such deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

## 2.0 Contingent Liabilities

Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure as specified in Accounting Standard 29- 'Provisions, Contingent Liabilities and Contingent Assets' is made.

### 2.1 Operating cycle for current and non-current classification:

Operating cycle for the business activities of the company covers the duration of the specific project/contract/ services including defect liability period, wherever applicable and extends up-to the realization of receivables (including retention money) within the agreed credit period normally applicable to the respective line of business.

2.2 In terms of section 22 Micro, Small and 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 Information about registration of the enterprises under the act, the required could not be furnished. In view of the above and in the absence of the relevant information, the auditor has relied upon the same.

### 2.2 Cash Flow statement

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

### 2.3

During the year ended 31 March 2015, the revised Schedule VI notified under the Companies act, 2013 has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous year figures has been regrouped where ever considered necessary.

Note No.2	Share Capital	31st March 2015	31st March 2014
	<u>Authorised Share Capital</u> 50,00,000 (March 2015: 50,00,000) equity shares of Rs.10Each 2,00,000 (March 2015: 2,00,000) 13% Cumulative Convertible Preference Shares of Rs.100 each	5,00,00,000.00 2,00,00,000.00	5,00,00,000.00 2,00,00,000.00
	<u>Issued, Subscribed and Fully Paid up</u> 37,49,300 (March 2015: 37,49,300) equity shares of Rs.10 each Less: Allotment and Call Money in Arrears Add: Forfeited Shares	3,74,93,000.00 (2,05,500.00) 1,74,000.00	3,74,93,000.00 (2,05,500.00) 1,74,000.00
	Total issued,subscribed and paid up share capital	3,74,61,500.00	3,74,61,500.00

#### (a) Reconciliation of Shares Outstanding at the Beginning and at the end of the reporting year

Equity Shares	31st March 2015		31st March 2014	
	No. of Shares	in Rs.	No. of Shares	in Rs.
At the Beginning of the year	37,49,300	3,74,93,000.00	37,49,300	3,74,93,000.00
Outstanding at the end of the year	37,49,300	3,74,93,000.00	37,49,300	3,74,93,000.00

**(b) Rights/Preferences attached to equity shares**

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

**(C) Details of Shareholding more than 5% of the aggregate shares in the company**

Particulars	31st March 2015		31st March 2014	
	Numbers	% holding in the Class	Numbers	% holding in the Class
(a) Celltech Consultancy and Marketing (P) Ltd	2,80,600	7.48	2,80,600	7.48
(b) Pinakin Chimanlal Shah HUF	2,00,000	5.3343	----	----
(c) Pinakin Hardik HUF	2,43,000	6.4812	----	----
(d) S.V.Raguraman	4,64,728	12.39	4,64,728	12.39
(e) S.V.Sridhar	4,41,095	11.76	4,41,095	11.76
(f) Hanuman share and stock Brokers Ltd	----	----	4,43,000	11.82

Note:3 Reserves and Surplus	31st March 2015	31st March 2014
Securities Premium account Balance as per the last financial Statements	2,11,90,827.00	2,11,90,827.00
Statement of Profit and Loss As per last balance sheet	2,40,69,118.00	2,81,91,499.00
Add/(Less) :adjustment of Assets	(9,90,561.00)	0.00
Add: Profit for the year	(1,22,94,508.00)	(41,22,381.00)
Closing Balance	1,07,84,049.00	2,40,69,118.00
Total	3,19,74,876.00	4,52,59,945.00
Note:4 Long Term Borrowings	31st March 2015	31st March 2014
Secured Loans		
Term Loans		
-From Banks	93,59,378.00	1,08,23,998.00
Vehicle Loan from Bank	69,417.00	8,61,113.00
Total	94,28,795.00	1,16,85,111.00

(1) Term loan From Repco Bank, Corporate Branch, balance of Rs.45,50,437.00 is repayable in 120 monthly instalments carrying interest @ 16% starting from February 2011. The loan is secured by way of Equitable Mortgage of immovable property situated at Flat A4, Old No.49A, New no.76, Sathsangam street, Venkatapuram Ambattur, Chennai-600 053 and hypothecation on assets, thus purchased.

(2) Term loan from Repco Bank, Corporate Branch, balance of Rs.9,05,127.00 is repayable in 60 monthly instalments carrying interest rate @ 15% starting from September 2011. The loan is secured by way of hypothecation on assets, thus purchased.

(3) Term loan from Repco Bank, Corporate Branch, balance of Rs.39,03,814.00 is repayable in 60 monthly instalments carrying interest rate @ 15% starting from October 2013. The loan is secured by way of hypothecation on assets, thus purchased.

(4) Term loan from Repco Bank, Corporate Branch, are secured by the company by first charge on all immovable and Movable properties of the company both present and future

(5) Vehicle loan are repayable in 36 monthly instalments over the tenure of loan and the final instalment is due in June 2015. The loan is secured by way of hypothecation on asset thus purchased.

Note No.5 Other Long Term Liabilities	31st March 2015	31st March 2014
Other	6,17,466.00	2,16,388.00
Total	6,17,466.00	2,16,388.00

Note No.6 Long Term Provisions	31st March 2015	31st March 2014
Provisions for employee Benefits-	37,80,614.00	40,94,640.00

Note No.7 Short Term Borrowings	31st March 2015	31st March 2014
Secured: Overdraft facility - From Bank	4,04,93,779.00	3,62,58,318.00
Total	4,04,93,779.00	3,62,58,318.00

Secured overdraft of Rs.4,04,93,779.00 from Repco Bank, Coprorate Branch is secured by way of continuity mortgage on the title deeds of the company properties located in Chennai(Ambattur Estate and Korattur) and hypothecation of stock in trade, machineries, furniture and fixtures.

Note 8: Trade Payables	31st March 2015	31st March 2014
Trade Payables	1,83,63,362.00	1,61,81,690.00
Total	1,83,63,362.00	1,61,81,690.00

Note 9: Other Current Liabilities	31st March 2015	31st March 2014
Advance from Customers	78,68,685.00	41,20,290.00
Other liabilities	11,41,774.00	11,91,939.00
Total	90,10,459.00	53,12,229.00

Note:10 Short -Term Provisions	31st March 2015	31st March 2014
Provisions for Taxation	11,63,370.00	11,63,370.00
Total	11,63,370.00	11,63,370.00



NOTE 11 FIXED ASSESTS

ITEM	Gross Block as on 01-04-14	Additions	Deletions	Total	DEPRECIATION				NET BLOCK AS ON 31.03.15	NET BLOCK AS ON 31.03.14
					Up to 31.03.2014	ADJ	for 2014-15	upto 31.03.2015		
Buildings- Residential Property	33,60,210.00	0.00	0.00	33,60,210.00	10,72,805.00	0.00	2,46,052.00	13,18,857.00	20,41,353.00	22,87,405.00
Building- Factory	2,01,40,764.00	7,86,867.00	0.00	2,09,27,631.00	1,33,96,684.00	2,23,972.00	9,72,555.00	1,45,93,211.00	63,34,420.00	67,44,080.00
Computer	38,37,786.00	6,32,922.00	0.00	44,70,708.00	28,08,714.00	85,076.00	8,34,328.00	37,28,118.00	7,42,590.00	10,29,072.00
Crane	23,20,366.00	1,33,881.00	0.00	24,54,247.00	15,31,765.00	0.00	75,017.00	16,06,782.00	8,47,465.00	7,88,601.00
Electrical Equipments	44,39,273.00	7,12,085.00	0.00	51,51,358.00	32,29,528.00	48,282.00	5,90,098.00	38,67,908.00	12,83,450.00	12,09,745.00
Furniture & Fixtures	16,87,311.00	6,86,795.00	0.00	23,74,106.00	12,06,208.00	(10,510.00)	3,68,053.00	15,63,751.00	8,10,355.00	4,81,103.00
Land Office	57,64,132.00	0.00	0.00	57,64,132.00	0.00	0.00	0.00	0.00	57,64,132.00	57,64,132.00
Equipments Plant & Machinery	23,91,765.00	0.00	0.00	23,91,765.00	19,45,630.00	79,319.00	2,73,480.00	22,98,429.00	93,336.00	4,46,135.00
Vehicles	7,21,57,049.00	14,26,700.00	0.00	7,35,83,749.00	4,37,33,438.00	6,77,262.00	56,40,853.00	5,00,51,553.00	2,35,32,196.00	2,84,23,611.00
	60,01,481.00	0.00	0.00	60,01,481.00	38,95,556.00	(1,12,840.00)	5,66,705.00	43,49,421.00	16,52,060.00	21,05,925.00
TOTAL	12,21,00,137.00	43,79,250.00	0.00	12,64,79,387.00	7,28,20,328.00	9,90,561.00	95,67,141.00	8,33,78,030.00	4,31,01,357.00	4,92,79,809.00
Previous Year	11,07,81,879.00	1,16,39,558.00	3,21,300.00	12,21,00,137.00	6,77,18,632.00	1,05,227.00	52,06,923.00	7,28,20,328.00	4,92,79,809.00	4,30,63,247.00

Note:12 Deferred Tax Asset	31st March 2015	31st March 2014
Deprecation	13,28,313.00	13,28,313.00
Unabsorbed Business Loss	33,32,025.00	69,62,696.00
<b>Total</b>	<b>46,60,338.00</b>	<b>82,91,009.00</b>

Note :13 Other Non-Current Assets	31st March 2015	31st March 2014
Deposits with Banks (with maturity more than 12 Months)	78,06,452.00	59,88,733.00
<b>Total</b>	<b>78,06,452.00</b>	<b>59,88,733.00</b>

Note:14 Inventories	31st March 2015	31st March 2014
Raw Materials	51,40,053.00	37,13,912.00
Work in Progress	1,30,90,177.00	1,03,94,100.00
<b>Total</b>	<b>1,82,30,230.00</b>	<b>1,41,08,012.00</b>

Note :15 Trade Receivables	31st March 2015	31st March 2014
Unsecured and Considered good Outstanding for a period of six months from the date they are due for payment	2,34,22,951.00	2,00,91,653.00
Others	2,84,47,972.00	2,71,26,833.00
<b>Total</b>	<b>5,18,70,923.00</b>	<b>4,72,18,486.00</b>

Note:16 Cash and Bank Balances	31st March 2015	31st March 2014
Cash and Cash equivalents		
(i) Bank Balance in		
- Current Account	5,36,211.00	8,39,682.00
(ii) Cash on Hand	1,82,509.00	1,49,591.00
(iii) Other Bank Balances		
Bank Deposits (held as Margin money with more than 12 months maturity)	67,50,000.00	75,00,000.00
<b>Total</b>	<b>74,68,720.00</b>	<b>84,89,273.00</b>

Note:17 Short Term Loans and Advances	31st March 2015	31st March 2014
Unsecured and Considered Good		
Balance with Government Authorities	1,22,54,536.00	1,57,06,930.00
Advance to Suppliers	30,97,553.00	38,05,282.00
Prepaid Advances	27,400.00	27,400.00
Employee Advances	26,79,382.00	24,40,047.00
Deposits	8,84,114.00	20,61,294.00
<b>Total</b>	<b>1,89,42,985.00</b>	<b>2,40,40,953.00</b>

Note:18 Other Current Assests	31st March 2015	31st March 2014
Unsecured and Considered Good		
Interest Accrued on Deposits, but not due	2,13,216.00	2,16,916.00
<b>Total</b>	<b>2,13,216.00</b>	<b>2,16,916.00</b>

Note:19 Revenue from Operations	31st March 2015	31st March 2014
Sale of Products	6,77,58,914.00	5,92,50,301.00
Sale of Services	2,95,29,701.00	4,29,04,978.00
Sub total	9,72,88,615.00	10,21,55,279.00
Less: Excise Duty	(45,94,201.00)	(59,99,212.00)
Net Amount = As per statement of P&L	9,26,94,414.00	9,61,56,067.00

Note:20 Other Income	31st March 2015	31st March 2014
Interest Income		
on Deposits	13,30,902.00	21,47,304.00
EB deposit	24,856.00	21,513.00
LIC Gratuity fund	2,33,274.00	4,67,305.00
On Income Tax	1,67,597.00	0.00
Depreciation written back	0.00	8,77,254.00
Profit on sale of asset	0.00	8,927.00
(Tax deducted at source: Current year Rs.2486/- : Previous year Rs.2434/-)		
Net Amount	17,56,629.00	35,22,303.00

Note:21 Cost of Raw Materials Consumed	31st March 2015	31st March 2014
Opening Stock of Raw Material	37,13,912.00	25,78,393.00
Add: Purchases during the year	4,23,73,977.00	2,46,95,581.00
	4,60,87,889.00	2,72,73,974.00
Less:Closing Stock of Raw Materials	(51,40,053.00)	(37,13,912.00)
Net Amount	4,09,47,836.00	2,35,60,062.00
	45	

Note :22 Changes in Inventory of WIP,Stock in Trade etc	31st March 2015	31st March 2014
Work in Progress		
Opening WIP	1,03,94,100.00	1,98,42,665.00
Less: Closing WIP	(1,30,90,177.00)	(1,03,94,100.00)
Net Amount	(26,96,077.00)	94,48,565.00

Note:23 Employee Benefit Expenses	31st March 2015	31st March 2014
Salaries and Incentives	1,84,20,336.00	1,80,55,824.00
Contribution to approved fund	5,36,615.00	7,95,929.00
Staff Welfare Expenses	27,49,640.00	39,42,186.00
<b>Total Amount</b>	<b>2,17,06,591.00</b>	<b>2,27,93,939.00</b>

Salaries includes remuneration paid/payable to directors of Rs.57,60,000.00(Previous year Rs.57,00,000).

Note:24 Finance Costs	31st March 2015	31st March 2013
Interest on Secured Overdraft	59,11,086.00	55,60,476.00
Interest on Term Loan	16,05,013.00	12,43,137.00
Interest – Others	1,44,511.00	2,20,422.00
<b>Total Amount</b>	<b>76,60,610.00</b>	<b>70,24,035.00</b>

Note:25 Other Expenses	31st March 2015	31st March 2014
Payment to Auditor		
(a) as Auditor	60,000.00	60,000.00
(b) for Taxation Matters	30,000.00	30,000.00
(c) for other Services	8,000.00	8,000.00
(D) for Reimbursement of Expenses	10,000.00	10,000.00
Packing Materials	8,77,739.00	9,68,901.00
Power and Fuel Charges	21,37,325.00	21,85,956.00
Manufacturing and operating Expenses	87,16,048.00	1,65,86,397.00
Maintenance Charges	23,19,100.00	27,48,364.00
Overhead Charges	5,05,125.00	23,41,567.00
Project Engineering Charges	17,62,565.00	18,17,110.00
Transportation Charges	1,51,425.00	5,95,793.00
Penalty and Liquidation Damages	0.00	70,000.00
Tender Document fee	32,000.00	0.00
Rates & taxes	8,11,547.00	2,63,432.00
Business Promotion Expenses	28,97,866.00	19,87,435.00
Legal Charges	17,500.00	0.00
Listing Fees	1,31,027.00	42,781.00
Professional Charges	6,56,750.00	7,00,694.00
Service Charges	6,42,328.00	8,91,653.00
Bank Charges	5,15,041.00	5,40,074.00
Conveyance and Travelling expenses	15,84,408.00	16,10,403.00
Insurance	2,38,837.00	3,11,969.00
Miscellaneous Expenses	8,70,921.00	9,78,799.00
Postage and Telephone expenses	3,13,032.00	3,86,580.00
Printing and Stationery	92,338.00	98,601.00
Sitting Fees	3,90,000.00	3,60,000.00
Carriage outward	64,880.00	86,000.00
Exchange Gain/loss	92977.00	0.00
<b>Total Amount</b>	<b>2,59,28,779.00</b>	<b>3,56,80,509.00</b>
Note: 26 Earnings per Share	31st March 2015	31st March 2014
Net Profit for the year	-86,64,931.00	-41,22,381.00
Weighted Average no. of equity shares	37,49,300	37,49,300
Basic EPS	-2.31	-1.09
Diluted EPS	0.00	0.00
Face Value per Share	10.00	10.00
Note:27 Contingent Liabilities not provided for	31st March 2015	31st March 2014
Advance and Performance Bank Guarantees (Bank)	95,49,355.00	1,36,28,915.00
Disputed Ambattur Municipality Tax	20,72,758.00	24,76,638.00

As per attached report of even date

For SURESH & SRIDHARAN

CHARTERED ACCOUNTANTS

FIRM REG NO.004258S

(V.SURESH)

PARTNER

M.NO.020580

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director

S.V.Sridhar - Director Commercial

S.Niranjana Kumar - Director Technical

Place Chennai

Dated 27<sup>th</sup> May 2015

**SWETHA ENGINEERING LIMITED**

CIN: L27209TN1986PLC013787

Registered Office: Plot No.123 – 131, Tass Industrial Estate, Ambattur,  
Chennai , 600098, Tamilnadu, India

**PROXY FORM**

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

**29<sup>th</sup> ANNUAL GENERAL MEETING**

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-Mail ID</b>	
<b>Folio No./Client ID :</b>	
<b>DP ID:</b>	

I/We being the member(s) of **SWETHA ENGINEERING LIMITED** having shares of \_\_\_\_\_ hereby appoint:

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

E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

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

E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

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

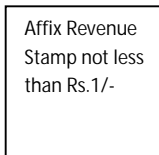
E-Mail Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of September 2015 at 11.00A.M. at the registered office of the Company at Plot No.123 – 131, Tass Industrial Estate, Ambattur, Chennai , 600098, Tamilnadu, India and at any adjournment thereof in respect of such resolutions as are indicated below.

Resolution No.	Proposed Resolution
<b>Ordinary Business</b>	
1	To consider and adopt the audited financial statement of the Company for the financial year ended 31 <sup>st</sup> March 2015, the reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr.S.Niranjan Kumar (DIN-00098587) who retires by rotation and being eligible, offer himself for re-appointment.
3	Appointment of M/s.Suresh & Sridharan., Chartered Accountants as the Statutory Auditor of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

Signature of the shareholder(s)



**Note**

This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.

SWETHA ENGINEERING LIMITED  
 CIN: L27209TN1986PLC013787  
 Registered Office: Chennai , 600098, Tamilnadu, India

**ATTENDANCE SLIP**  
**29<sup>th</sup> ANNUAL GENERAL MEETING**

Regd.Folio No./DPID & Client ID	
No.of Shares	
Name of the Member(s)	
Name of the Proxy	

I/we hereby record my/our presence at the 29<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, the 30<sup>th</sup> day of September 2015 at 11.00A.M. at the registered office of the Company at Plot No.123 – 131, Tass Industrial Estate,Ambattur, Chennai , 600098, Tamilnadu, India

\_\_\_\_\_  
 Member/Proxy Signature

Note:

1. Member/proxy wishing to attend the meeting must bring the attendance slip at the meeting and hand over at the verification counter at the Meeting Hall duly filled and signed.
2. Member/proxy attending the meeting shall bring their copy of the Annual Report for reference at the meeting.

**ELECTRONIC VOTING PARTICULARS**

EVSN (Electronic Voting Sequence Number)	User ID	Password
	Folio No./DP,Client ID	Use your existing password or enter your PAN/Bank A/C No. / Date of Birth

Note: Please refer the details and instructions in the notice of the 29<sup>th</sup> Annual General Meeting. The Voting period starts from 9.00.A.M. on 27<sup>th</sup> September 2015 and end on at 05.00PM on 29<sup>th</sup> September 2015, The Voting module shall be disabled by CDSL for voting thereafter.

Book - Post

To  
Thiru / Thirumathi .....

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 :  
2625083

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