

# **30<sup>TH</sup> ANNUAL REPORT**

**2015 - 2016**

**AGM ON 30.09.2016**



**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 :**

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



### **BOARD OF DIRECTORS**

- Shri. S.V.Raguraman** - *Chairman & Managing Director*  
**Shri. S.V.Sridhar** - *Director-Commercial*  
**Shri. S.Niranjan Kumar** - *Director-Technical*  
**Shri. R.Jagannathan** - *Non Executive & Independent*

### **AUDITORS**

M/s.Suresh & Sridharan  
Chartered Accountants  
PMG Complex, 3rd 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

Plot No. 123-131, Tass Industrial Estate, Ambattur, Chennai – 600 098.  
Ph.+91-44-26252191/ 26253191 Fax: 44-26250836 E-Mail: Info@swethaeng.com  
**CIN : L27209TN1986PLC013787**

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## NOTICE TO SHAREHOLDERS

Notice is hereby given that the 30<sup>th</sup> **Annual General Meeting** of the Members of **SWETHA ENGINEERING LIMITED** will be held on Friday, the 30<sup>th</sup> day of September 2016, 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 2016, the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri.S.Niranjan 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 2017 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, 2017 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

### **SPECIAL BUSINESS**

4. To appoint Shri.Jaganathan Ramaiyan (DIN: 01675591) as an Independent Director and in this regard To consider and if thought fit to pass with or without modification(s), following resolution as a **Special Resolution**:

“**RESOLVED THAT** Shri.Jaganathan Ramaiyan (DIN: 01675591) who was appointed as an Additional Director with effect from November 07, 2015 and who holds office until the date of this annual general meeting pursuant to the applicable provisions of the Companies Act, 2013 including any Schedules and the relevant Rules thereof and in respect of whom the Company has received a notice in writing under the applicable provisions of the Companies Act, 2013 and the Rules thereof, proposing his candidature for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5(Five) years for a term upto the conclusion of 35th Annual General Meeting of the Company.”

5. To re-appoint Shri.S.Niranjan Kumar (DIN:00098587) as a Director Technical and in this regard to consider and if thought fit to pass with or without modification(s), following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri.S.Niranjan Kumar (DIN:00098587) as Director Technical of the Company, for a period of two (02) years with effect from October 22, 2016, on the terms and conditions including remuneration of Rs.1,05,000/- (Rupees One Lakh FiveThousand Only) per month and otherwise set out hereunder, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri. S.Niranjan Kumar.

#### **I. Overall Remuneration**

The aggregate of salary, allowances and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Director Technical from time to time, shall not exceed the limits prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being, be in force.

#### **II. Minimum Remuneration**

Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Director Technical, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Shri.S.Niranjan Kumar, shall be liable to retire by rotation under section 152 of the Companies Act, 2013, however, if re-appointed as a director immediately on retirement by rotation, he shall continue to hold office in Director Commercial and such re-appointment as Director shall not be deemed to constitute a break in his appointment as Director Technical.

**RESOLVED FURTHER THAT** during the tenure as the Director Technical Shri.S.Niranjan Kumar, Shall be entitled to be paid / re-imbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

Sd/-

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

Place : Chennai  
Date : 24.08.2016



## 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. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto
3. 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.20.
4. 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.
5. In terms of Section 152 of the Companies Act, 2013, Shri.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 Shri.S.Niranjan Kumar (DIN:00098587) is an executive Director of the Company and was appointed for a period of two (02) years with effect from 22nd October, 2014.
6. Members are requested to bring their attendance slip along with their copy of Annual Report to the meeting.
7. 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.
8. 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.
9. The Register of Members and Share Transfer Books of the Company will be closed

from Saturday, the 24<sup>th</sup> September 2016 to Friday the 30<sup>th</sup> September 2016 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the Meeting.

10. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents (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.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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 form the Company electronically.
17. Members may also note that the Notice and Annual Report of the 30<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) .

18. 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). Accordingly the status of the Company as on date is an unlisted Company.

**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 30th Annual general Meeting scheduled to be held on 11.00 a.m on Friday, the 30th day of September 2016, 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**

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins 9.00A.M on 27<sup>th</sup> September 2016 and end on at 05.00P.M. on 29<sup>th</sup> September 2016, 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, 2016. may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv)</p>

(viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Swetha Engineering Ltd> on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- I. Log on to the E-Voting website [www.evotingindia.com](http://www.evotingindia.com)
- II. Click on “Shareholders” tab to cast your votes

- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- 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	

- IV. After entering the details appropriately, Click on Submit Tab
- V. Click on EVSN of SWETHA ENGINEERING LIMITED to cast your votes
- VI. On the Voting Page, you will see Resolution Description and against the same the option Yes/No for voting. Select the 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.
- VII. Click on the "Resolution File Link" if you wish to view the entire resolution
- VIII. After voting click on Submit.
- IX. A Confirmation Box will be displayed, Click OK to confirm, 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.

B. 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, 2016.
- II. CS.Rabi Narayan Pal, 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 30<sup>th</sup> September 2016 to reach

CS.Rabi Narayan Pal, 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)

## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)**

### **Item No.4: To appoint Shri.Jaganathan Ramaiyan (DIN: 01675591) as an Independent Director**

Shri.Jaganathan Ramaiyan (DIN:01675591) joined the Board of Directors of the Company on November 07, 2015 as Additional Director of the Company pursuant to Section 152 and 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Shri.Jaganathan Ramaiyan (DIN:01675591) shall hold office upto the date of ensuing Annual General Meeting.

In terms of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Shri.Jaganathan Ramaiyan (DIN:01675591) is proposed to be appointed as an Independent Director for a term of 5(Five) years. Shri.Jaganathan Ramaiyan (DIN:01675591) has completed one term for appointment as Independent Director and pursuant to Section 149(10) shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Boards Report.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from him along with the deposit of Rs.1,00,000/- (Rupees One Lakh Only) proposing the candidature of himself for office of Independent Director to be appointed as such under the provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and all other applicable provisions of the Companies Act, 2013.

The Company has received from Shri.Jaganathan Ramaiyan (DIN:01675591) (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013 (iii) Declaration of Independence, that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.



Draft letter for appointment of Shri.Jaganathan Ramaiyan (DIN:01675591) as director setting out terms and conditions will be available for inspection in physical or electronic form at the Registered Office of the Company during business hours on all working days up to the date of declaration of the result of the 30th Annual General Meeting of the Company and the copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the company and also at the meeting

**Justification for choosing the appointee for appointment as Independent Director**

The Board consider that his proposed association as an Independent Director would be of immense benefit to the Company and it is desirable to avail the services of Shri.Jaganathan Ramaiyan (DIN:01675591) as an Independent Director.

No, Director, Key Managerial Personnel, or their relatives, except Shri.Jaganathan Ramaiyan (DIN:01675591) to whom the resolution relates, is interested or concerned in the Resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of members.

**Item No.5: To re-appoint Shri.S.Niranjankumar (DIN:00098587) as a Director Technical**

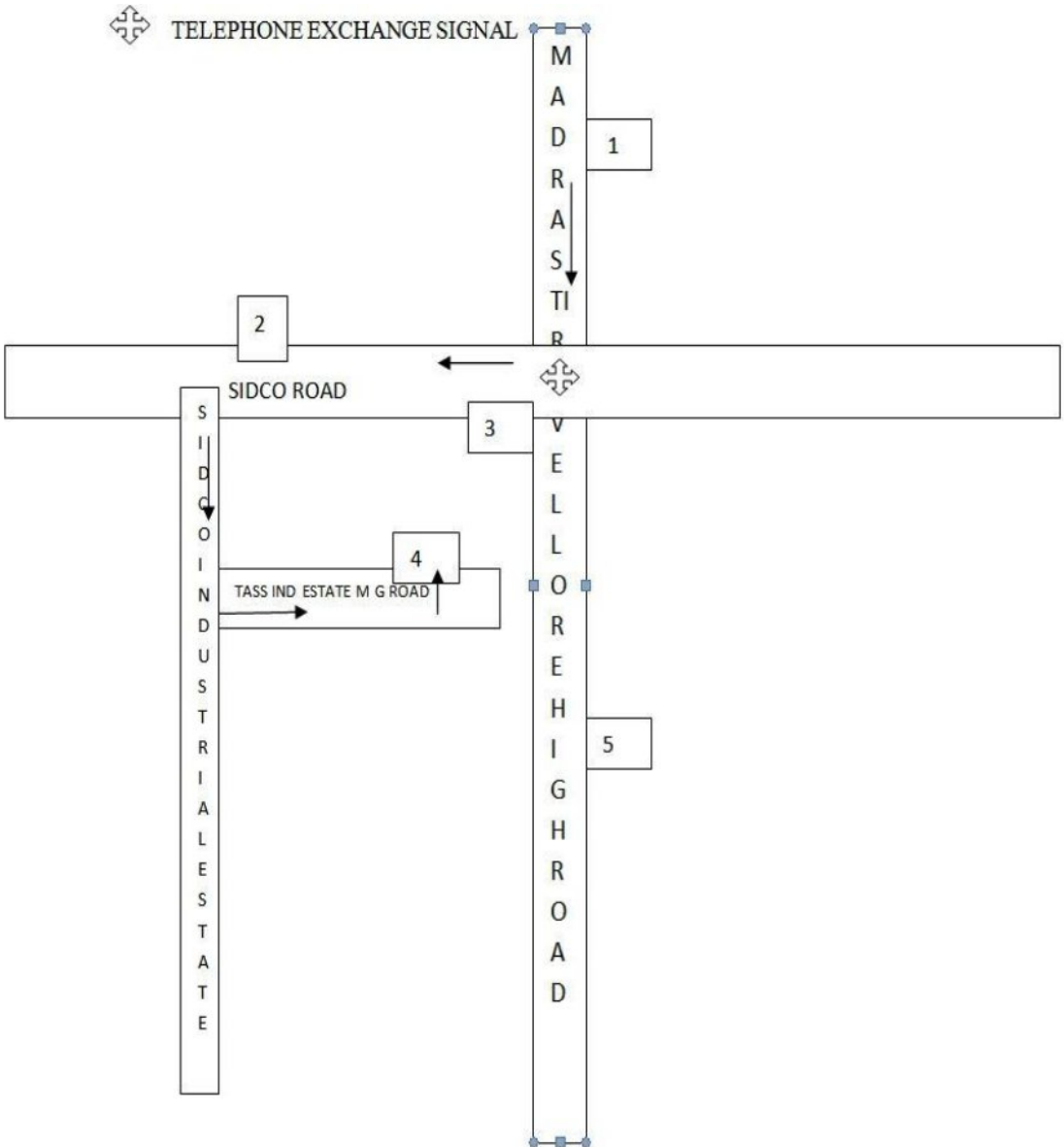
The tenure of Shri.S.Niranjankumar, as Director Technical of the Company ended on 22nd October, 2016. The Board of Directors of the Company at its meeting held on 24/08/2016 has recommended the appointment of Shri.S.Niranjankumar, an existing Director of the Company as Director Technical of the company for a period of two (02) years with effect from 22nd October, 2016, at remuneration recommended by the Board, subject to the approval of shareholders. He is a part o the company's Board since 1998 and has been dedicating his substantial time in the marketing and promotion of company's product. His contribution towards development of company' business is highly commendable. Considering his experience and expertise, the Board of Directors of the Company felt that the remuneration package offered to him is fair, reasonable and also in line with the remuneration package prevailing in the industry. Accordingly, the Board recommends the resolution set out as Item No.5 of the Notice in relation to appointment of Shri.S.Niranjankumar as a Director-Technical of the company for a period of two(02) years with effect from 22nd October, 2016.

In terms of section 190 of the companies Act 2013 a contract of service/ a written memorandum setting out its terms of employment with managing or whole-time director is available for inspection at the registered office of the company.

Except Shri.S.Niranjankumar being an appointee and, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5.

## 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



## **BOARD'S REPORT**

Dear Members,

Your Company's Directors are pleased to present the 30<sup>th</sup> Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31<sup>st</sup> March 2016.

### **FINANCIAL SUMMARY AND HIGHLIGHTS**

The Company's financial performance for the year ended 31<sup>st</sup> March 2016 is summarized below.

<b>Particulars</b>	<b>2015 - 2016</b>	<b>2014 - 2015</b>
Sales and Other Income	5,48,23,392.00	9,44,51,043.00
Less : Expenditure	4,67,90,033.00	8,58,87,129.00
Less: Interest Charges	64,89,561.00	76,60,610.00
Less: Depreciation	69,63,285.00	95,67,141.00
Profit before tax	(53,38,937.00)	(86,63,837.00)
Exceptional item Tax adjustment In respect of earlier years Provision for Tax –	(10,26,649.00)	0.00
Current tax	0.00	0.00
Deferred tax	0.00	(36,30,671.00)
Profit/Loss after Tax	(63,65,586.00)	(1,22,94,508.00)
Less Adjustment of Assets	(2,32,802.00)	(9,90,561.00)
Profit brought forward	(65,98,388.00)	(1,32,85,065.00)
	1,07,84,049.00	2,40,69,118.00
Balance Carried to Balance Sheet	41,85,661.00	1,07,84,049.00
Basic Earnings per Share	(1.70)	(2.31)

### **STATE OF COMPANY'S AFFAIRS**

Sales and other income for the Financial Year under review were Rs.548.23 lakhs as against Rs.944.51 lakhs for the previous financial year showing a decrease of 41.96%. The Profit/Loss before tax (after interest and depreciation charges) is Rs.53.38 lakhs and the Profit/Loss after tax is Rs.63.65 lakhs for the Financial Year under review as against Rs.86.64 lakhs and Rs.122.95 lakhs respectively for the previous year.

During the year under review, there was very little activity in the Indian Manufacturing Sector in general and Pulp and Paper sector in particular. The Company's business volume reduced alarmingly from its various customers. The Company's turnover from manufacturing dropped down to lowest and has not allowed the Company to achieve even 60% of previous year 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 2015-16 is provided in **Annexure 1** to this report.

### NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2015-16, the Company held 05 (Five) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 27.05.2015, 14.08.2015, 01.09.2015, 07.11.2015 and 06.01.2016. 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.

Name of the Director	Designation	No. of Board meetings in the year during respective tenure of directors		Attendance of Last AGM	No. of directorships held in the other companies	No. of board committee memberships held in other companies
		Held	Attended			
Raguraman Setlur Varadachari DIN: 00098566	Managing Director	05	05	Yes	–	–
Sridhar Setlur Varadachari DIN: 00098576	Whole-time Director	05	05	Yes	–	–
Niranjan Kumar Suraty DIN: 00098587	Whole-time Director	05	05	Yes	–	–
Nagarajan Venkataraman DIN: 01426771	Non Executive & Independent Director	03	–	–	–	–
Jaganathan Ramaian DIN: 01675591	Non Executive & Independent Director	05	05	Yes	–	–
Anantanarayana Ramachandran DIN: 01919653	Non Executive & Independent Director	03	03	Yes	–	–

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

## **RETIRING BY ROTATION**

In terms of Section 152 of the Companies Act, 2013, Shri.S.Niranjan Kumar (DIN:00098587) liable to retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors have recommended the re-appointment of Shri.S.Niranjan Kumar (DIN:00098587) retiring by rotation.

## **CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL**

During the year Shri.Nagarajan Venkataraman (DIN:01426771), Shri.Jaganathan Ramaiyan (DIN:01675591) and Shri.Anantanarayana Ramachandran (DIN:01919653) who has been appointed as Non Executive-Independent Directors of the Company for a period of 01 (One) year with effect from October 01, 2014 up to September 30, 2015” by the Shareholders at their Annual General Meeting held on September 30, 2014 and who has not sought for their reappointment be and are hereby ceased to be directors of the company with effect from September 30, 2015, Your Directors wish to express their sincere appreciation for the valuable services rendered by the resigned Directors during their tenure as Directors of the Company.

Shri.Jaganathan Ramaiyan (DIN:01675591) once again joined the Board of Directors of the Company on November 07, 2016 as Additional Director of the Company pursuant to Section 152 and 161 of the Companies Act, 2013. Pursuant to the provisions of Section 161 of the Companies Act, 2013 Shri.Jaganathan Ramaiyan (DIN:01675591) shall hold office upto the date of ensuing Annual General Meeting, which is subject to approval of shareholders at the ensuing Annual General meeting. In terms of Section 149 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Shri.Jaganathan Ramaiyan (DIN:01675591) is proposed to be appointed as an Independent Director for a term of 5(Five) years. Shri.Jaganathan Ramaiyan (DIN:01675591) has completed one term for appointment as Independent Director and pursuant to Section 149(10)shall be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Boards Report. The Company has received declarations from Independent Director of the Company confirming that he meet the criteria of independence as prescribed both under Section 149(6) of the Companies Act 2013.

The tenure of Shri.S.Niranjankumar, as Director Technical of the Company ended on 22nd October, 2016. The Board of Directors of the Company at its meeting held on 24/08/2016 has recommended the appointment of Shri.S.Niranjan Kumar, an existing Director of the Company as Director Technical of the company for a period of two (02) years with effect from 22nd October, 2016, at remuneration recommended by the Board, subject to the approval of shareholders. He is a part of the company's Board since 1998 and has been dedicating his substantial time in the marketing and promotion of company's product. The Board recommends his appointment to the shareholders at their ensuing Annual General meeting.

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

## 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

## COMMITTEES OF THE BOARD OF DIRECTORS

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 / SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 shall be applicable to all companies whose equity shares are listed on a recognized stock exchange. 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.

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).

Accordingly the status of the Company as on date is an unlisted Company and your Company does not fall under the above criteria, **Compliance Report on Corporate Governance as required under** Clause 49 of the Listing Agreement / SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 have not been furnished

## DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

The provisions of Section 177 of the Companies Act, 2013 Rule 6 of the Companies

(Meetings of the Board and its Powers) Rules, 2013 is not applicable to the Company.

**COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178;**

The Company, being a Unlisted Public Limited Company and does not fall under the criteria, to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

**STAKE HOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013. This Committee is responsible for the satisfactory redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transfers and transmission of shares and other miscellaneous complaints. In addition, the Committee looks into other issues including status of dematerialization / re-materialization of shares as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time. The Stakeholders Relationship Committee was reconstituted on November 07, 2015. During the year under review, the Committee met Three (03) times on 30.04.2015, 07/11/2015 and 16/01/2015 to deliberate on various matters referred above and for redressal of investors complaints. The Composition and Attendance at the Meeting:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
A.Ramachandran(#)	Independent Non Executive	Chairman	01	01
S.V.Sridhar	Whole Time Director	Member	03	03
R.Jagannathan	Independent Non Executive	Member/Chairman	03	03

(#)Shri.A.Ramachandran who has stepped down from the office of Chairman with effect from September 30, 2015 and in his place Shri. R.Jagannathan has designated as Chairman of the Committee.

The Company has been receiving various correspondences from Shareholders and required information/documents are furnished immediately to the satisfaction of Shareholders. At the beginning of the year, no complaint was pending. During the year ended 31st March, 2016, the Company has received one complaint from investors, and also no investor complaint was pending on 31st March, 2016.

## GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue
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
2014 - 2015	30.09.2015	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.

## 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)

## SHARE TRANSFER SYSTEM

The Shares received for transfer in physical mode are registered within 15 days 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.

## COMPLIANCE OFFICER DETAILS AND ADDRESS FOR CORRESPONDENCE

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](mailto:info@swethaeng.com)



## **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 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 2016-17 is included in the Notice of the AGM for seeking approval of the Members.

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

## **SECRETARIAL AUDIT**

In terms of the provision of section 204 of the companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the company is not required to annex Secretarial Audit Report to the Board Report

## **COST AUDIT**

In terms of the provision of section 148 of the companies Act,2013 read with Notifications / circulars issued by the Ministry of Corporate Affairs from time to time, the compliance of the same is not applicable to the Company at present

## **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, 2016, the Company has not proposed to carry any amount to General Reserve Account.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend unpaid/ unclaimed and lying with the Company

## **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 2016 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 31st March, 2016

## **CHANGES IN SHARE CAPITAL/ LOAN CAPITAL**

### **A. BUY BACK OF SECURITIES**

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

### **b. SWEAT EQUITY**

The Company has not issued any Sweat Equity Shares during the year under review.

### **c. BONUS SHARES**

No Bonus Shares were issued during the year under review.

### **d. EMPLOYEES STOCK OPTION PLAN**

The Company has not provided any Stock Option Scheme to the employees.

## **e. BORROWINGS**

The Company has availed various credit facilities from Repatriates Co-operative Finance and Development Bank Limited, 18, C.P.Ramaswamy Road, Alwarpet, Chennai, 600018, Tamilnadu, India, and total outstanding as on March 31, 2016 is Rs.40856395/-

## **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.

## **INFORMATION ABOUT HOLDING / SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

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

## **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date

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

The provision of section 177(9) of the Companies Act, 2013 relating to Vigil Mechanism is not applicable on the company

## **PARTICULARS OF EMPLOYEES**

Employee relations continue to be cordial and harmonious at all levels and in all divisions of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and steady dedication. 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

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

There is no such fraud required to be reported under section 143(12) of the companies Act,2013

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

During the year under review the company has not received any significant and 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 : 24.08.2016

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.

PARTICULARS	2015-16		2014-15	
	In \$	In Rs	In \$	In Rs.
<b>EARNINGS</b>				
a. Supply of equipment	1,42,290.00	92,42,060.00	1,92,443.00	1,17,20,828.00
b. Services of equipment	2,52,580.00	1,61,48,465.00	4,01,093.00	2,43,55,597.00
Total (a+b)	3,94,870.00	2,53,90,525.00	5,93,536.00	3,60,76,425.00
<b>OUT GO</b>				
Raw Material Purchased	-	-	10,528.00	6,38,075.00

## 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 BUSINESS ACTIVITIES 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	60%
2	Erection and Commissioning Service	4100	40%

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

NIL

## 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-2015]				No. of Shares held at the end of the year [As on 31 -March-2016]				% 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	1082323	-	1082323	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>1082323</b>	<b>-</b>	<b>1082323</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>1082323</b>	<b>-</b>	<b>1082323</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) FIs	-	-	-	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>1899323</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 01.04.2015)			Shareholding at the end of the year (as on 31.03.2016)			% 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%	564728	15.06%	0.00%	2.67%
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%	341095	9.10%	0.00%	-2.67%
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%
	S. V. Raguraman			464728	12.39%	464728	12.39%
	S. V. Sridhar			441095	11.76%	441095	11.76%
	Changes during the year	--	--	--	0.00%	--	0.00%
	S. V. Raguraman	30.10.15	By Purchase	100000	2.67%	100000	2.67%
	S. V. Sridhar	30.10.15	By Sale	-100000	-2.67%	- 100000	-2.67%
	At the end of the year	--	--	--	0.00%	-	0.00%
	S. V. Raguraman			564728	15.06%	564728	15.06%
	S. V. Sridhar			341095	9.10%	341095	9.10%



<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(31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	S.V.RAGU RAMAN N						
	At the beginning of the year			464728	12.39%	464728	12.39%
	Changes during the year	30.10.2015	By Purchase	100000	2.67%	100000	2.67%
	At the end of the year			564728	15.06%	564728	15.06%
2	S.V.SRIDHAR						
	At the beginning of the year			441095	11.76%	441095	11.76%
	Changes during the year	30.10.2015	By Sale	-100000	-2.67%	100000	-2.67%
	At the end of the year			341095	9.10%	341095	9.10%
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%

**Personnel:**

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning (01.04.2015)/ end (31.03.2016) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>DIRECTORS</b>							
1	S.V.RAGURAMAN (MANAGING DIRECTOR)						
	At the beginning of the year			464728	12.39%	464728	12.39%
	Changes during the year	30.10.2015	By purchase	100000	2.67%	100000	2.67%
	At the end of the year			564728	15.06%	564728	15.06%
2	S.V.SRIDHAR (DIRECTOR - COMMERCIAL)						
	At the beginning of the year			441095	11.76%	441095	11.76%
	Changes during the year	30.10.2015	By Sale	-100000	-2.67%	-100000	-2.67%
	At the end of the year			341095	9.10%	341095	9.10%
3	S.NIRANJAN KUMAR (DIRECTOR - TECHNICAL)						
	At the beginning of the year			12250	0.32%	12250	0.32%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			12250	0.32%	12250	0.32%
<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	4,99,22,574.00	0	0	4,99,22,574.00
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>4,99,22,574.00</b>	<b>-</b>	<b>-</b>	<b>4,99,22,574.00</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	0	0	0	0
* Reduction	0	0	0	0
<b>Net Change</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,08,56,395.00	0	0	4,08,56,395.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>4,08,56,395.00</b>	<b>-</b>	<b>-</b>	<b>4,08,56,395.00</b>

**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.Niranjana Kumar	
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income- tax Act, 1961	30,00,000	15,00,000	12,60,000	57,60,000
	(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>
<b>Ceiling as per the Act</b>		<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**

SI.No.	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
1	Independent Directors	V.Nagarajan	R.Jaganathan	A.Ramachandran	
	Fee for attending board / committee meetings	--	77,000/-	77,000/-	1,54,000/-
	Commission	--	--	--	--
	Others, please specify	--	--	--	--
	<b>Total (1)</b>	--	<b>77,000/-</b>	<b>77,000/-</b>	<b>1,54,000/-</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>77,000/-</b>	<b>77,000/-</b>	<b>1,54,000/-</b>
	<b>Overall Ceiling as per the Act</b>	<b>Rs.1,00,000/- for each meeting attended</b>			

Note: During the year Shri.Nagarajan Venkataraman (DIN:01426771), Shri.Jaganathan Ramaian (DIN:01675591) and Shri.Anantanarayana Ramachandran (DIN:01919653) who has been appointed as Non Executive-Independent Directors of the Company for a period of 01 (One) year with effect from October 01, 2014 up to September 30, 2015" by the Shareholders at their Annual General Meeting held on September 30, 2014 and who has not sought for their reappointment be and are hereby ceased to be directors of the company with effect from September 30, 2015 and

Shri.Jaganathan Ramaian (DIN:01675591) once again joined the Board of Directors of the Company on November 07, 2016 as Additional Director - Independent Director for a term of 5(Five) years.

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			
	Designation	CEO	CFO	CS	
1	Gross salary	NIL			
	(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---

**INDEPENDENT AUDITOR'S REPORT FOR THE**  
**YEAR ENDED 31ST MARCH 2016**

**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, 2016, 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 2016, 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 2016, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2016, 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: 24th August 2016

**V. Suresh**  
Partner  
M.No. 020580

**ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON  
THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2016**

- (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 2016 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:

<b>Nature of dues</b>	<b>Financial Year</b>	<b>Amount</b>	<b>Forum where dispute is Pending</b>
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: 24th August 2016

**V. Suresh**  
Partner  
M.No. 020580

**SWETHA ENGINEERING LIMITED**  
**BALANCE SHEET FOR THE YEAR ENDED MARCH 2016**

(in Rupees)

	Particulars	Note No.	March 31, 2016	March 31, 2015
	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	2,53,76,488.00	3,19,74,876.00
	(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	0.00	94,28,795.00
	(b) Deferred tax liabilities (Net)		0.00	0.00
	(c) Other Long term liabilities	5	0.00	0.00
	(d) Long - term provisions	6	39,60,638.00	37,80,614.00
4	Current liabilities			
	(a) Short - term borrowings	7	4,33,56,395.00	4,04,93,779.00
	(b) Trade payables	8	54,94,938.00	1,83,63,362.00
	(c) Other current liabilities	9	67,08,744.00	96,27,925.00
	(d) Short- term provisions	10	0.00	11,63,370.00
	<b>TOTAL</b>		<b>12,23,58,703.00</b>	<b>15,22,94,221.00</b>
II	<b>ASSETS</b>			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	11	3,69,89,129.00	4,31,01,357.00
	(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	46,60,338.00
	(d) Long - term loans and advances		0.00	0.00
	(e) Other non - current assets	13	0.00	78,06,452.00
2	Current assets			
	(a) Current investments		0.00	0.00
	(b) Inventories	14	1,39,80,250.00	1,82,30,230.00
	(c) Trade receivables	15	4,25,29,395.00	5,18,70,923.00
	(d) Cash and cash equivalents	16	75,92,245.00	74,68,720.00
	(e) Short- term loans and advances	17	1,65,44,935.00	1,89,42,985.00
	(f) Other current assets	18	62,411.00	2,13,216.00
	<b>TOTAL</b>		<b>12,23,58,703.00</b>	<b>15,22,94,221.00</b>

Significant Accounting Policies  
As per our report attached

For SURESH & SRIDHARAN  
CHARTERED ACCOUNTANTS  
FIRM REG NO.004258S

(V.SURESH)  
PARTNER  
M.NO.020580  
Place : Chennai

Chennai , 24th August 2016

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director  
S.V.Sridhar - Director Commercial  
S.Niranjan Kumar - Director Technical

# SWETHA ENGINEERING LIMITED

## Profit and Loss Account for the year ended 31.03.2016

(in Rupees)

	Particulars	Refer Note No.	March 31, 2016	March 31, 2015
	1	2	3	4
I.	Revenue from Operations	19	5,33,85,519.00	9,26,94,414.00
II.	Other income	20	14,37,873.00	17,56,629.00
III.	Total Revenue (I + II)		5,48,23,392.00	9,44,51,043.00
IV.	Expenses:			
	Cost of materials consumed	21	1,03,71,331.00	4,09,47,836.00
	Purchases of Stock-in-Trade		0.00	0.00
	Changes in inventories of finished goods work-in-progress and Stock- in-Trade	22	33,86,294.00	(26,96,077.00)
	Employee benefits expense	23	1,99,46,645.00	2,17,06,591.00
	Finance costs	24	64,89,561.00	76,60,610.00
	Depreciation and amortization expense	11	69,63,285.00	95,67,141.00
	Other expenses	25	1,30,05,213.00	2,59,28,779.00
	Total expenses		6,01,62,329.00	10,31,14,880.00
V.	Profit before exceptional and extraordinary items and tax (III -IV)		(53,38,937.00)	(86,63,837.00)
VI.	Exceptional items		(10,26,649.00)	0.00
VII.	Profit before extraordinary items and tax (V - VI)		(63,65,586.00)	(86,63,837.00)
VIII.	Extraordinary Items		0.00	0.00
IX.	Profit before tax (VII - VIII)		(63,65,586.00)	(86,63,837.00)
X	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax (asset)		0.00	(36,30,671.00)
XI	Profit (Loss) for the period from continuing operations (VII -VIII)		(63,65,586.00)	(1,22,94,508.00)
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)		(63,65,586.00)	(1,22,94,508.00)
XVI	Earnings per equity share:			
	(1) Basic and Diluted		(1.70)	(2.31)

Significant Accounting Policies  
As per our report attached

For SURESH & SRIDHARAN  
CHARTERED ACCOUNTANTS  
FIRM REG NO.004258S

(V.SURESH)  
PARTNER  
M.NO.020580  
Place : Chennai

Chennai , 24th August 2016

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director  
S.V.Sridhar - Director Commercial  
S.Niranjan Kumar - Director Technical

# SWETHA ENGINEERING LIMITED

## Cash Flow Statement for the year ended 31.03.2016

(in Rupees)

Particulars	Year ended 31st March 2016	Year ended 31st March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before taxation and extraordinary items:	(63,65,586.00)	(86,63,837.00 )
<b>ADJUSTMENTS FOR</b>		
ADD: Depreciation	69,63,285.00	95,67,141.00
Interest Paid	64,89,561.00	76,60,610.00
LESS :Interest Received	(13,05,713.00)	(17,56,629.00)
Operating Profit before Working Capital Changes	57,81,547.00	68,07,285.00
Increase/(Decrease) in Trade and Other Receivables	93,41,528.00	(46,52,437.00)
Increase/(Decrease) in Inventories	42,49,980.00	(41,22,218.00)
Increase/(Decrease) in Loans and Advances	1,03,55,307.00	32,83,949.00
Increase/(Decrease)in Trade Payables and Other Liabilities	2,97,28,362.00 (1,67,70,951.00)	13,16,579.00 59,66,954.00
<b>Cash generated from Operation</b>	1,29,57,411.00	72,83,533.00
Direct Taxes	(0.00)	(0.00)
Net Cash from operating Activities	1,29,57,411.00	72,83,533.00
<b>B.CASH FLOW FROM INVESTING ACTIVITIES :</b>		
On account purchase of fixed assets	(10,83,859.00)	(43,79,250.00)
Interest Received	13,05,713.00	17,56,629.00
Net Cash used in Investing Activities	2,21,854.00	(26,22,621.00)
<b>C.CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Borrowings	(65,66,179.00)	19,79,145.00
Interest Paid	(64,89,561.00)	(76,60,610.00)
Net Cash used in Financing Activities	(1,30,55,740.00)	(56,81,465.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1,23,525.00	(10,20,553.00)
OPENING BALANCE OF CASH & CASH EQUIVALENTS	74,68,720.00	84,89,273.00
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	75,92,245.00	74,68,720.00

### 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

(V.SURESH)  
PARTNER  
M.NO.020580  
Place : Chennai

Chennai , 24th August 2016

For and on behalf of the Board

S.V.Raguraman - Chairman & Managing Director  
S.V.Sridhar - Director Commercial  
S.Niranjan Kumar - Director Technical

## **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. 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. Deferred tax asset on a/c of temporary timing difference of Rs 5,24,449/- was not recognised during the year under review.

## **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 2016, 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 2016	31st March 2015
	<b>Authorised Share Capital</b>		
	50,00,000 (March 2016: 50,00,000) equity shares of Rs.10 Each	5,00,00,000.00	5,00,00,000.00
	2,00,000 (March 2016 : 2,00,000) 13% Cumulative Convertible Preference Shares of Rs.100 each	2,00,00,000.00	2,00,00,000.00
	<b>Issued,Subscribed and Fully Paid up</b>		
	37,49,300 (March 2016: 37,49,300) equity shares of Rs.10 each	3,74,93,000.00	3,74,93,000.00
	Less: Allotment and Call Money in Arrears	(2,05,500.00)	(2,05,500.00)
	Add:Forfeited Shares	1,74,000.00	1,74,000.00
	<b>Total issued,subscribed and paid up share capital</b>	<b>3,74,61,500.00</b>	<b>3,74,61,500.00</b>

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

Equity Shares	31st March 2016		31st March 2015	
	No. of Shares	in Rs.	No. of Shares	in Rs.
At the Beginning of the year	37,46,150	3,74,61,500.00	37,46,150	3,74,61,500.00
Outstanding at the end of the year	37,46,150	3,74,61,500.00	37,46,150	3,74,61,500.00

### (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 2016		31st March 2015	
	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 Chimanalal Shah HUF	2,00,000	5.3343	2,00,000	5.3343
(c) Pinakin Hardik HUF	2,43,000	6.4812	2,43,000	6.4812
(d) S.V.Raguraman	5,64,728	15.06	4,64,728	12.39
(e) S.V.Sridhar	3,41,095	9.10	4,41,095	11.76

Note:3 Reserves and Surplus	31st March 2016	31st March 2015
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	1,07,84,049.00	2,40,69,118.00
Add/(Less) :adjustment of Assets	(2,32,802.00)	(9,90,561.00)
Add: Profit for the year	(63,65,586.00)	(1,22,94,508.00)
Closing Balance	41,85,661.00	1,07,84,049.00
Total	2,53,76,488.00	3,19,74,876.00

Note:4 Long Term Borrowings	31st March 2016	31st March 2015
Secured Loans		
Term Loans		
- From Banks	0.00	93,59,378.00
Vehicle Loan from Bank	0.00	69,417.00
Total	0.00	94,28,795 .00

Term loan availed from M/s Repco bank, Corporate Branch was fully repaid with interest, the repayment was made by surrendering the deposits maintained with bank which was not lien marked for bank guarantees.(to be interalia read with Note no.13).

<b>Note No.5 Other Long Term Liabilities</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Other	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

<b>Note No.6 Long Term Provisions</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Provisions for employee Benefits-Gratuity	39,60,638.00	37,80,614.00

<b>Note No.7 Short Term Borrowings</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Secured: Overdraft facility - From Bank	4,08,56,395.00	4,04,93,779.00
Loan against Fixed Deposits	25,00,000.00	0.00
<b>Total</b>	<b>4,33,56,395.00</b>	<b>4,04,93,779.00</b>

- 1) Secured overdraft of Rs.4,08,56,395/- 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.
- 2) Loan against fixed deposit is availed against deposits maintained with Repco Bank, Corporate Branch, which is held as margin money on bank guarantees. The loan was sanctioned on 10.03.2016 and to be repaid within 12 months from the date of sanction.

<b>Note 8: Trade Payables</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Trade Payables	54,94,938.00	1,83,63,362.00
<b>Total</b>	<b>54,94,938.00</b>	<b>1,83,63,362.00</b>

<b>Note 9: Other Current Liabilities</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Advance from Customers	50,21,340.00	78,68,685.00
Other Short term liabilities	5,52,329.00	6,17,466.00
Outstanding liabilities	11,35,075.00	11,41,774.00
<b>Total</b>	<b>67,08,744.00</b>	<b>96,27,925.00</b>

<b>Note:10 Short -Term Provisions</b>	<b>31st March 2016</b>	<b>31st March 2015</b>
Provisions for Taxation	0.00	11,63,370.00
<b>Total</b>	<b>0.00</b>	<b>11,63,370.00</b>

**NOTE 11 FIXED ASSESTS**

Sl. No.	ITEM	Gross Block as on 01-04-15	Additions	Deletions	Total	DEPRECIATION				NET BLOCK AS ON 31.03.16	NET BLOC AS ON 31.03.15
						Up to 31.03.2015	ADJ	for 2015-16	upto 31.03.2016		
1	Building-Residential Property	33,60,210.00	0.00	0.00	33,60,210.00	13,18,857.00	0.00	1,71,292.00	14,90,149.00	18,70,061.00	20,41,35
2	Building-Factory	2,09,27,631.00	2,45,650.00	0.00	2,11,73,281.00	1,45,93,211.00	0.00	6,71,150.00	1,52,64,361.00	59,08,920.00	63,34,42
3	Computer	44,70,708.00	0.00	0.00	44,70,708.00	37,28,118.00	(32,713.00)	3,39,095.00	40,99,926.00	3,70,782.00	7,42,55
4	Crane	24,54,247.00	2,15,450.00	0.00	26,69,697.00	16,06,782.00	0.00	66,534.00	16,73,316.00	9,96,381.00	8,47,45
5	Electrical Equipments	51,51,358.00	4,11,800.00	0.00	55,63,158.00	38,67,908.00	(6,288.00)	4,04,437.00	42,78,633.00	12,84,525.00	12,83,45
6	Furnitures & Fixtures	23,74,106.00	97,563.00	0.00	24,71,669.00	15,63,751.00	0.00	2,22,833.00	17,86,584.00	6,85,085.00	8,10,35
7	Land	57,64,132.00	0.00	0.00	57,64,132.00	0.00	0.00	0.00	0.00	57,64,132.00	57,64,13
8	Office Equipments	23,91,765.00	0.00	0.00	23,91,765.00	22,98,429.00	(43,545.00)	18,670.00	23,60,644.00	31,121.00	93,33
9	Plant & machinery	7,35,83,749.00	1,13,396.00	0.00	7,36,97,145.00	5,00,51,553.00	(6,932.00)	45,11,401.00	5,45,69,886.00	1,91,27,259.00	2,35,32,15
10	Vehicles	60,01,481.00	0.00	0.00	60,01,481.00	43,49,421.00	(1,43,324.00)	5,57,873.00	50,50,618.00	9,50,863.00	16,52,05
	<b>TOTAL</b>	12,64,79,387.00	10,83,859.00	0.00	12,75,63,246.00	8,33,78,030.00	(2,32,802.00)	69,63,285.00	9,05,74,117.00	3,69,89,129.00	4,31,01,35
	Previous Year	12,21,00,137.00	43,79,250.00	0.00	12,64,79,387.00	7,98,20,328.00	9,90,561.00	95,67,141.00	8,33,78,030.00	4,31,01,357.00	4,92,79,80

Note:12 Deferred Tax Asset	31st March 2016	31st March 2015
Deprecation	13,28,313.00	13,28,313.00
Unabsorbed Business Loss	33,32,025.00	33,32,025.00
Total	46,60,338.00	46,60,338.00

Note :13 Other Non - Current Assets	31st March 2016	31st March 2015
Deposits with Banks (with maturity more than 12 Months)	0.00	78,06,452.00
Total	0.00	78,06,452.00

Note:14 Inventories	31st March 2016	31st March 2015
Raw Materials	42,76,367.00	51,40,053.00
Work in Progress	97,03,883.00	1,30,90,177.00
Total	1,39,80,250.00	1,82,30,230.00

Note :15 Trade Receivables	31st March 2016	31st March 2015
Unsecured and Considered good Outstanding for a period of six months from the date they are due for payment	95,44,305.00	2,34,22,951.00
Others	3,29,85,090.00	2,84,47,972.00
Total	4,25,29,395.00	5,18,70,923.00

Note:16 Cash and Bank Balances	31st March 2016	31st March 2015
Cash and Cash equivalents		
(i) Bank Balance in		
- Current Account	7,47,351.00	5,36,211.00
(ii) Cash on Hand	94,894.00	1,82,509.00
(iii) Other Bank Balances		
Bank Deposits (held as Margin money for Bank guarantees)	67,50,000.00	67,50,000.00
Total	75,92,245.00	74,68,720.00

Note:17 Short Term Loans and Advances	31st March 2016	31st March 2015
Unsecured and Considered Good		
Balance with Government Authorities	1,00,10,617.00	1,22,54,536.00
Advance to Suppliers	25,35,883.00	30,97,553.00
Employee Advances	32,23,318.00	27,06,782.00
Deposits	7,75,117.00	8,84,114.00
Total	1,65,44,935.00	1,89,42,985.00

Note:18 Other Current Assests	31st March 2016	31st March 2015
Unsecured and Considered Good	-	-
Interest Accrued on Deposits, but not due	62,411.00	2,13,216.00
Total	62,411.00	2,13,216.00

Note:19 Revenue from Operations	31st March 2016	31st March 2015
Sale of Products	3,43,68,201.00	6,77,58,914.00
Sale of Services	2,12,09,934.00	2,95,29,701.00
Sub total	5,55,78,135.00	9,72,88,615.00
Less: Excise Duty	(21,92,616.00)	(45,94,201.00)
Net Amount = As per statement of P&L	5,33,85,519.00	9,26,94,414.00

Note:20 Other Income	31st March 2016	31st March 2015
Interest Income		
on EB Deposit	25,862.00	24,856.00
On Deposits	8,67,784.00	13,30,902.00
On Income Tax	4,435.00	1,67,597.00
On LIC Gratuity Fund	4,07,632.00	2,33,274.00
Insurance claim received (Tax deducted at source: Current year Rs.69,219/- : Previous year Rs.2486/-)	1,32,160.00	0.00
Net Amount	14,37,873.00	17,56,629.00

Note:21 Cost of Raw Materials Consumed	31st March 2016	31st March 2015
Opening Stock of Raw Material	51,40,053.00	37,13,912.00
Add: Purchases during the year	95,07,645.00	4,23,73,977.00
	1,46,47,698.00	4,60,87,889.00
Less:Closing Stock of Raw Materials	(42,76,367.00)	(51,40,053.00)
Net Amount	1,03,71,331.00	4,09,47,836.00

Note :22 Changes in Inventory of WIP,Stock in Trade etc	31st March 2016	31st March 2015
Work in Progress		
Opening WIP	1,30,90,177.00	1,03,94,100.00
Less:Closing WIP	(97,03,883.00)	(1,30,90,177.00)
Net Amount	33,86,294.00	(26,96,077.00)

Note:23 Employee Benefit Expenses	31st March 2016	31st March 2015
Salaries and Incentives	1,63,42,227.00	1,84,20,336.00
Contribution to approved fund	14,46,341.00	5,36,615.00
Staff Welfare Expenses	21,58,077.00	27,49,640.00
<b>Total Amount</b>	<b>1,99,46,645.00</b>	<b>2,17,06,591.00</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 2016	31st March 2015
Interest on Secured Overdraft	58,52,857.00	59,11,086.00
Interest on Term Loan	6,34,304.00	16,05,013.00
Interest – Others	2,400.00	1,44,511.00
<b>Total Amount</b>	<b>64,89,561.00</b>	<b>76,60,610.00</b>

Note:25 Other Expenses	31st March 2016	31st March 2015
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	23,770.00	8,77,739.00
Power and Fuel Charges	14,32,940.00	21,37,325.00
Manufacturing and operating Expenses	37,21,340.00	87,16,048.00
Maintenance Charges	9,50,026.00	23,19,100.00
Overhead Charges	1,87,047.00	5,05,125.00
Project Engineering Charges	15,07,500.00	17,62,565.00
Transportation Charges	1,65,260.00	1,51,425.00
Exchange gain / loss	9,182.00	92,977.00
Tender Document fee	0.00	32,000.00
Rates & taxes	5,08,608.00	8,11,547.00
Business Promotion Expenses	7,47,361.00	28,97,866.00
Legal Charges	32,000.00	17,500.00
Filing & Listing Fees	11,028.00	1,31,027.00
Professional Charges	4,73,200.00	6,56,750.00
Service Charges	4,30,054.00	6,42,328.00
Bank Charges	2,89,062.00	5,15,041.00
Conveyance and Travelling expenses	7,05,959.00	15,84,408.00
Insurance	2,73,206.00	2,38,837.00
Miscellaneous Expenses	8,01,002.00	8,70,921.00
Postage and Telephone expenses	2,04,982.00	3,13,032.00
Printing and Stationery	61,814.00	92,338.00
Sitting Fees	1,54,000.00	3,90,000.00
Carriage outward	1,54,320.00	64,880.00
Sales tax absorbed	53,552.00	0.00
<b>Total Amount</b>	<b>1,30,05,213.00</b>	<b>2,59,28,779.00</b>

Note: 26 Earnings per Share	31st March 2016	31st March 2015
Net Profit for the year	(63,65,586.00)	(86,64,931.00)
Weighted Average no. of equity shares	37,49,300	37,49,300
Basic EPS	(1.70)	(2.31)
Diluted EPS	0.00	0.00
Face Value per Share	10.00	10.00

Note:27 Contingent Liabilities not provided for	31st March 2016	31st March 2015
Advance and Performance Bank Guarantees (Bank)	67,52,788.00	95,49,355.00
Disputed Ambattur Municipality Tax	17,40,618.00	20,72,758.00

As per our report of even date

For SURESH & SRIDHARAN  
 CHARTERED ACCOUNTANTS  
 FIRM REG NO.004258S

For and on behalf of the Board

(V.SURESH)  
 PARTNER  
 M.NO.020580  
 Place : Chennai  
 Chennai , 24th August 2016

S.V.Raguraman - Chairman & Managing Director  
 S.V.Sridhar - Director Commercial  
 S.Niranjan Kumar - Director Technical





# 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]

### 30th ANNUAL GENERAL MEETING

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

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 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> day of September 2016 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 31st March 2016, 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	Appointment of M/s.Suresh & Sridharan., Chartered Accountants as the Statutory Auditor of the Company
<b>Special Business</b>	
1	To appoint Shri.Jaganathan Ramaiyan (DIN: 01675591) as an Independent Director of the Company to hold office for 5(Five) years for a term upto the conclusion of 35th Annual General Meeting of the Company
2	To re-appoint Shri.S.Niranjana Kumar (DIN:00098587) as a Director Technical of the Company, for a period of two (02) years with effect from October 22, 2016

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix Revenue  
Stamp not less  
than Rs.1/-

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

## ATTENDANCE SLIP 30th 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 30<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, the 30<sup>th</sup> day of September 2016 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

<b>EVSN (Electronic Voting Sequence Number)</b>	<b>User ID</b>	<b>Password</b>
	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 30<sup>th</sup> Annual General Meeting. The Voting period starts from 9.00.A.M. on 27<sup>th</sup> September 2016 and end on at 05.00PM on 29<sup>th</sup> September 2016, The Voting module shall be disabled by CDSL for voting thereafter.



Book - Post

To  
Thiru / Thirumathi .....

.....

.....

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If it's not delivered, please return to :

**SWETHA ENGINEERING LIMITED**

Plot, No.123-131, Tass Industrial Estate,  
Ambattur, Chennai - 600 098.

Ph : 26252191, 26253191

Fax : 26250836