

31ST ANNUAL REPORT

2016 - 2017

AGM ON 15.09.2017



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.Niranjana 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.
Tamil Nadu, India
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 : U27209TN1986PLC013787

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 31st **Annual General Meeting** of the Members of **SWETHA ENGINEERING LIMITED** will be held on Friday, the 15th day of September 2017, 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 31st March 2017, 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 consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) M/s.Suresh & Sridharan, Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) vide registration number: 004258S, be and are hereby appointed as Statutory Auditors of the Company (in place of M/s.Suresh & Sridharan, Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's financial year ending March 31, 2018 to hold office from the conclusion of the 32nd Annual General Meeting of the Company till the conclusion of the 37th Annual General Meeting (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses, as may be mutually agreed upon by the Board of Directors and the Statutory Auditors;

RESOLVED FURTHER THAT Mr.S.V.Raghu Raman (DIN:00098566), Managing Director of the Company be and is hereby authorized to do all such acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.”Company.”

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

Sd/-

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

Place : Chennai
Date : 14.08.2017

NOTES

1. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY***

A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) 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.

Proxies in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than forty eight hours before the commencement of the Meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A proxy form is attached hereto

2. Corporate Members are required to send a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representatives to attend and vote on their behalf at the Meeting
3. Members, Proxies and Authorised Representatives are requested to bring to the meeting, the attendance slip enclosed herewith, duly completed and signed mentioning therein details of their DP ID and Client ID/ Folio No. Duplicate attendance slip or copies of the Report and Accounts will not be made available at the AGM venue
4. 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, Sundays and Public holidays) between 11.00 a.m. to 1.00 p.m. up to the date of this Annual General Meeting ("AGM") and also at the AGM
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 08th September 2017 to Friday the 15th September 2017 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the AGM.
6. 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 Registrar and Transfer Agent / Company
7. Electronic copy of the Annual Report for FY 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for

FY 2016-17 are being sent in the permitted mode. Members are requested to support Green initiative by registering/updating their e-mail addresses with the Depository participant (in case of shares in dematerialized form) or with Cameo Corporate Services Ltd (in case of Shares held in physical form).

8. Electronic copy of the Notice of the 31st AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode
9. Members may also note that the Notice of the 31st AGM and the Annual Report for FY 2016-17 will be available on the Company's website www.swethaeng.com for their download and also on the website of Central Depository Services (India) Limited viz. www.evotingindia.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@swethaeng.com
10. Share transfer documents and all correspondence relating thereto, should be addressed to the Registrars and Share Transfer Agents of the Company M/s. Cameo Corporate Services Ltd. "Subramanian Building" No.1, Club House Road, Chennai, 600002, Tel : Phone No.044-28460390 - 94, Email Id:investor@cameoindia.com / investor3@cameoindia.com
11. The cut-off date for the purpose of remote e-voting and voting at the AGM shall be September 08, 2017. Please note that members can opt for only one mode of voting i.e., either by voting at the meeting or e-voting. If Members opt for e-voting, then they should not vote at the Meeting and vice versa. However, once an e-vote on a resolution is cast by a Member, such Member is not permitted to change it subsequently or cast the vote again. Members who have cast their vote by remote e-voting prior to the date of the Meeting may also attend the Meeting and participate in the Meeting, but shall not be entitled to cast their vote again
12. 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.
13. In order to provide liquidity to the shareholders, inspite of stand of the Company and in compliance with the SEBI circular dated 10th October 2016 the Company has entered into

agreement with M/s. Gretex Corporate Services Private limited, (merchant banker) Mumbai 400023 having SEBI registration code ; INM000012177 for listing Metropolitan Stock Exchange. The necessary documents were also sent to merchant banker for taking up action for listing with MSEI. The Company through its merchant banker vide letter dated March 25, 2017 expressed its intention to list its shares with Metropolitan Stock Exchange and the same was intimated to National Stock Exchange Limited (Dissemination Board). Finally we were being informed that the Company is not eligible for listing since there was no operating profit during the last three financial years. The financial position of the Company and market condition is not conducive for buy back of shares neither by the Company nor by the Promoters. However the directors of the company assures the share holders that the company would soon be brought in to operational profit in the forth coming years and take all efforts to list the shares in Metropolitan Stock Exchange

14. A route map showing directions to reach the venue of the 31st AGM is given at the end of this Notice as per the requirement of the Secretarial Standards-2 on “General Meetings”.

15. Voting through electronic means:-

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide its members the facility of 'remote e-voting' (e-voting from a place other than venue of the AGM) to exercise their right to vote at the 31st AGM. The business may be transacted through e-voting services rendered by Central Depository Services (India) Limited (CDSL). The Company has appointed Mr. Rabi Narayan Pal, Practicing Company Secretary as the Scrutinizer for conducting the remote e-voting and the voting process at the AGM in a fair and transparent manner. The instructions to members for voting electronically are as under:-

(i) The voting period begins on Tuesday, September 12, 2017 at 10.00 a.m. and ends on Thursday, September 14, 2017 at 5.00 p.m. 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) Friday, September 08, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Members holding shares in physical or in demat form as on Friday, September 08, 2017, shall only be eligible for e-voting.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members.

(v) 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.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• 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.
Dividend Bank Details OR Date of Birth (DOB)	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. <ul style="list-style-type: none">• 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 (v)

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

(x) 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.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of Swetha Engineering Limited.

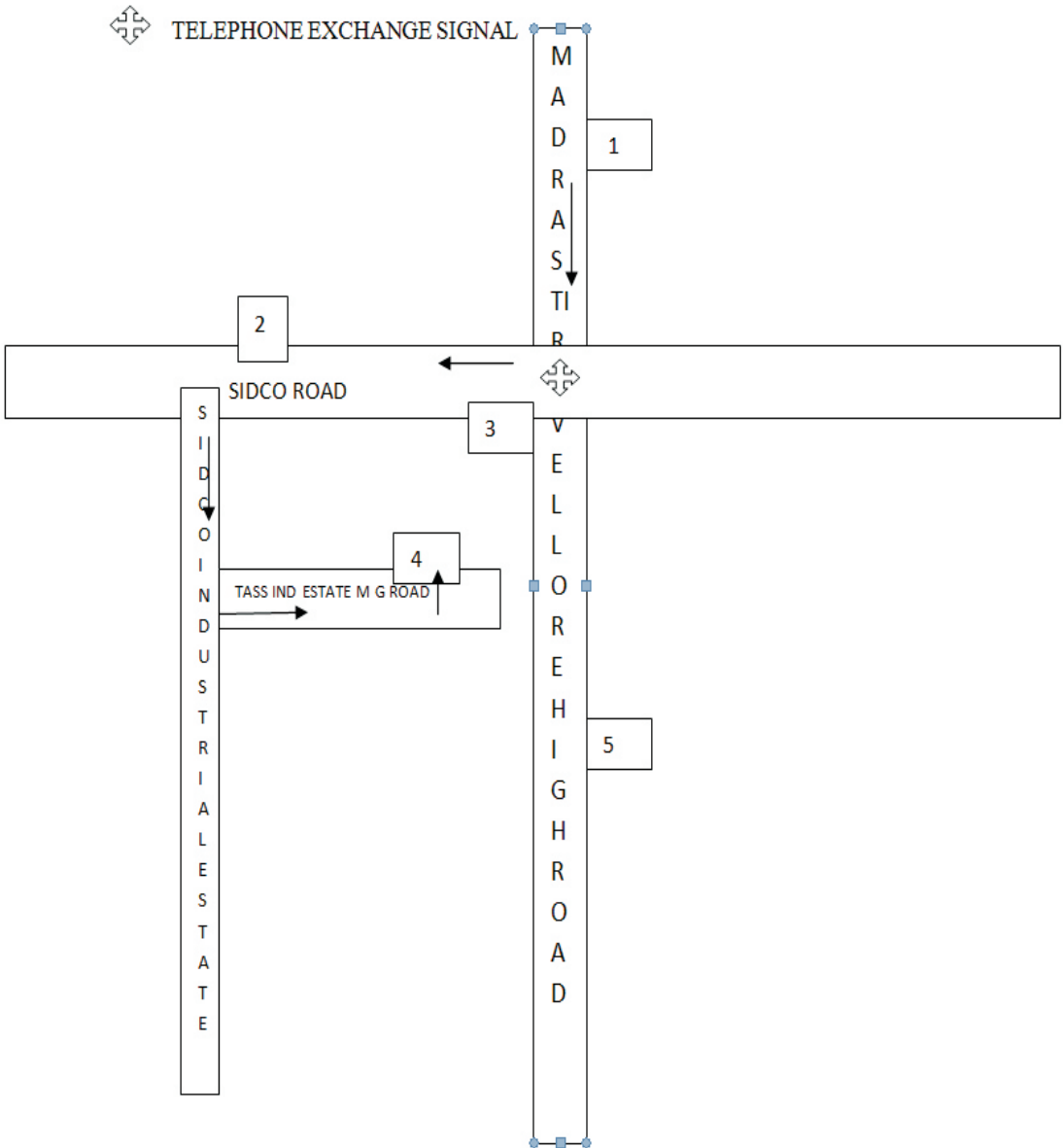
(xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xv) 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.
- (Xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If 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.
- (xix) 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.
- (xx) 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 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.
 - 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 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.
- (xxi) 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, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xxii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.swethaeng.com and on website of CDSL e-Voting www.evotingindia.com within two days of the passing of the Resolutions at the Annual General Meeting of the Company and will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed

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 31st Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March 2017.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended 31st March 2017 is summarized below.

Particulars	2016 - 17	2015 - 16
Sales and Other Income	3,88,92,373.00	5,48,23,392.00
Less : Expenditure	3,58,22,634.00	4,67,90,033.00
Less: Interest Charges	72,74,088.00	64,89,561.00
Less: Depreciation	49,43,690.00	69,63,285.00
Profit before tax	(91,48,039.00)	(53,38,937.00)
Exceptional item Tax adjustment In respect of earlier years	0.00	(10,26,649.00)
Provision for Tax –		
Current tax	0.00	0.00
Deferred tax	0.00	0.00
Profit/Loss after Tax	(91,48,039.00)	(63,65,586.00)
Less Adjustment of Assets	(5,01,214.00)	(2,32,802.00)
	(96,48,039.00)	(65,98,388.00)
Profit brought forward	41,85,661.00	1,07,84,049.00
Balance Carried to Balance Sheet	(54,63,592.00)	41,85,661.00
Basic Earnings per Share	(2.44)	(1.70)

STATE OF COMPANY'S AFFAIRS

Sales and other income for the Financial Year under review were Rs.388.92 lakhs as against Rs.548.23 lakhs for the previous financial year showing a decrease of 29.06%. The Profit/Loss before tax (after interest and depreciation charges) is Rs. (91.48) lakhs and the Profit/Loss after tax is Rs. (91.48) lakhs for the Financial Year under review as against Rs. (53.38) lakhs and Rs. (63.65) lakhs respectively for the previous year.

There were no new projects in our Company's core sector i.e. Pulp and Paper during the year under review. Modernization and Replacement activities are also very few. So the business opportunities reduced drastically, competition became very stiff. Thus the company was forced to operate with very less margins or breakeven. Due to this, Company's turnover dropped by 30% from previous year sales.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2017 stood at Rs.3,74,93,000/-. During the year under review, the company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the company hold instruments convertible into equity shares of the Company

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure - A and forms an integral part of this Report.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2015-16, the Company held Seven (Seven) board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 26.05.2016, 24.08.2016, 29.09.2016, 30.09.2016, 05.11.2016, 26.12.2016 and 24.02.2017. 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			
S. V. Raguraman DIN: 00098566	Managing Director	07	07	Yes	—	—
S. V. Sridhar DIN: 00098576	Whole-time Director	07	07	Yes	—	—
S. Niranjan Kumar DIN: 00098587	Whole-time Director	07	07	Yes	—	—
R. Jaganathan DIN: 01675591	Non Executive & Independent Director	07	07	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. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013

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

The Board of Directors of the Company consists of S.V.Raghu Raman (DIN:00098566), Managing Director, Mr.S.V.Sridhar (DIN:00098576), Mr.S.Niranjan Kumar (DIN:00098587) Executive Directors and Mr.R.Jaganathan (DIN:01675591) Non Executive & Independent Director. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013. There is no requirement to have Independent Director

The tenure of Shri.S.Niranjankumar, as Director Technical of the Company ended on 22/10/2016. The Board of Directors of the Company at its meeting held on 24/08/2016 has recommended the appointment of Mr.S.Niranjan Kumar (DIN:00098587), an existing Director of the Company as Director Technical of the company for a period of Two (02) years with effect from 22/10/2016, 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.

DECLARATION OF INDEPENDENT DIRECTORS

The Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Pursuant to Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 the Board of Directors' report of all companies requires to state the details in respect of adequacy of internal financial controls with reference to the financial statements. The Company has adequate internal control systems to monitor internal business process, financial reporting and compliance with applicable laws. The company periodically reviews the adequacy and effectiveness of the control systems.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134(3) (c) of the Companies Act, 2013

- (a) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (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) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (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

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Being the Company do not full the criteria specified in Section 135(1) of the Companies Act, 2013 therefore the provision of section 135(5), Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and schedule VII of the Companies Act, 2013 is not applicable to the Company.

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, 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 SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 have not been furnished.

In order to provide liquidity to the shareholders, inspite of stand of the Company and in compliance with the SEBI circular dated 10th October 2016 the Company has entered into agreement with M/s.Gretex Corporate Services Private limited, (merchant banker) Mumbai 400023 having SEBI registration code ; INM000012177 for listing Metropolitan Stock Exchange. The necessary documents were also sent to merchant banker for taking up action for listing with MSEI. The Company through its merchant banker vide letter dated March 25, 2017 expressed its intention to list its shares with Metropolitan Stock Exchange and the same was intimated to National Stock Exchange Limited (Dissemination Board). Finally we were being informed that the Company is not eligible for listing since there was no operating profit during the

last three financial years. The financial position of the Company and market condition is not conducive for buy back of shares neither by the Company nor by the Promoters. However the directors of the company assures the share holders that the company would soon be brought in to operational profit in the forth coming years and take all efforts to list the shares in Metropolitan Stock Exchange.

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 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. During the year under review, the Committee met Seven (07) times on 25.07.2016, 01.08.2016, 22.08.2016, 12.09.2016, 11.10.2016, 05.12.2016, 19.12.2016 and 20.03.2017 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
R.Jagannathan	Non Executive & Independent	Chairman	07	07
S.V.Sridhar	Whole Time Director	Member	07	07

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, 2017 the Company has received one complaint from investors, and also no investor complaint was pending on 31st March, 2017.

GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue
2013-14	30.09.2014	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai , 600098, Tamilnadu, India
2014-15	30.09.2015	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai , 600098, Tamilnadu, India
2015-16	30.09.2016	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, 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 / investor3@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

Smt S. Usharani,
Compliance Officer

Registered Office:: **Plot No.123-131, Tass Industrial Estate, Ambattur, Chennai - 600098, Tamilnadu, India.** Phone No. 044-26252191, email: 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

Pursuant to the provisions of Section 139 of the Companies Act, 2013, and Rules made there under the term of office of M/s.Suresh & Sridharan, as the Statutory Auditors of the Company will conclude from the close of ensuing Annual General Meeting of the Company. The Board of Directors places on record its appreciation to the services rendered by M/s.Suresh & Sridharan as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of M/s.Suresh & Sridharan, Chartered Accountants (ICAI Firm Registration Number 004258S,) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013. Accordingly, the Board recommends the resolution in relation to appointment of Statutory Auditors, for the approval by the shareholders of the Company. There is no audit qualification for the year under review

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, 2017, 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 31st March 2017 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, 2017

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, 2017 is Rs.4,73,85,344/-

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

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 : August 14, 2017

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	2016-17		2015-16	
	In \$	In Rs	In \$	In Rs.
EARNINGS				
a. Supply of equipment	43,750.00	28,78,298.00	1,42,290.00	92,42,060.00
b. Services of equipment	90,043.00	53,75,887.00	2,52,580.00	1,61,48,465.00
Total (a+b)	1,33,793.00	82,54,185.00	3,94,870.00	2,53,90,525.00
OUT GO				
Raw Material Purchased	0	0	0	0

ANNEXURE 1 TO THE DIRECTOR'S REPORT

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2017.
[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:	U27209TN1986PLC013787
Demat ISIN CDSL/NSDL	824E01017
Foreign Company Registration Number/GLN	Not Applicable
Registration Date [DD-MM-YYYY]	09-12-1986
Category/Sub Category of the Company	Company Limited by Shares, Non Government Company, Public
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	53%
2	Erection and Commissioning Service	4100	47%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

NIL

IV. SHAREHOLDING PATTERN

(i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Shareholding of Promoter and Promoter group									
1.	Indian									
a.	Individual / Hindu Undivided family	1082323	0	1082323	28.8646	1082323	0	1082323	28.8646	0.0000
b.	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Financial institutions/ Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub - Total (a) (1)	1082323	0	1082323	28.8646	1082323	0	1082323	28.8646	0.0000
2.	Foreign									
a.	Individuals (Non-resident Individuals/foreign individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Bodies Corporate	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Qualified foreign investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Any other	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Sub - Total (a) (2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total share holding of Promoter and promoter group (a) = (a) (1) + (a) (2)	1082323	0	1082323	28.8646	1082323	0	1082323	28.8646	0.0000
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds/UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	Financial institutions/ Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Venture capital funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	Foreign Institutional Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	Foreign Venture Capital investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	Qualified Foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	Others (spEcity)	0	0	0	0.00%	0	0	0	0.0000	0.0000
	Sub -total (b)(1):	0	0	0	0.0000	0	0	0	0.0000	0.0000

2.	Non - Institutions									
a.	Bodies Corporate	281000	239325	520325	13.8779	281000	239325	520325	13.8779	0.0000
b.	Individuals									
i.	Individual shareholders holding nominal share capital upto Rs. 1 lakh	70900	996802	1067702	28.4773	79399	931202	1010601	26.9543	-1.5229
ii.	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	13000	601750	614750	16.3963	498450	615500	1113950	29.7108	13.3144
c.	Qualified foreign Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	Any other									
	Hindu undivided families	452500	0	452500	12.0689	9500	0	9500	0.2533	-11.8155
	Non Resident Indians	0	11800	11800	0.3147	0	11800	11800	0.3147	0.0000
	Trusts	0	0	0	0.0000	901	0	901	0.0240	0.0240
		452500	11800	464300	12.3836	10401	11800	22201	0.5921	-11.7900
	Sub-total (b)(2):	817400	1849677	2667077	71.1353	869250	1797827	2667077	71.1353	0.0000
	Total Public Shareholding (b) = (b)(1) + (b)(2)	817400	1849677	2667077	71.1353	869250	1797827	2667077	71.1353	0.0000
	Total (a + b)	1899623	1849677	3749300	100.0000	1951473	1797827	3749300	100.0000	0.0000
C.	Shares held by Custodians and against which depository receipts have been issued									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total custodian (c)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Grand Total (a) +(b) + (c)	1899623	1849677	3749300	100.0000	1951473	1797827	3749300	100.0000	0.0000

(ii) Shareholding of Promoter

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	S.V.Raguraman	564728	15.0622	0.0000	667208	17.7955	0.0000	2.7333
2	S.V.Sridhar	341095	9.0975	0.0000	341095	9.0975	0.0000	0.0000
3	V.Jaganathan	102480	2.7333	0.0000	0	0.0000	0.0000	-2.7333
4	S.V.Muralidharan	37170	0.9913	0.0000	37170	0.9913	0.0000	0.0000
5	S.V.Srivathsangan	34300	0.9148	0.0000	34300	0.9148	0.0000	0.0000
6	Rama Raghuraman	2450	0.0653	0.0000	2450	0.0653	0.0000	0.0000

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

Sl.No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	S V RAGURAMAN .				
	At the beginning of the year 01-Apr-2016	564728	15.0622	564728	15.0622
	Purchase 04-Nov-2016	102480	2.7333	667208	17.7955
	At the end of the Year 31-Mar-2017	667208	17.7955	667208	17.7955
2.	S V SRIDHAR .				
	At the beginning of the year 01-Apr-2016	341095	9.0975	341095	9.0975
	At the end of the Year 31-Mar-2017	341095	9.0975	341095	9.0975
3.	V JAGANNATHAN .				
	At the beginning of the year 01-Apr-2016	102480	2.7333	102480	2.7333
	Sale 04-Nov-2016	-102480	2.7333	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
4.	S V MURALIDHARAN .				
	At the beginning of the year 01-Apr-2016	37170	0.9913	37170	0.9913
	At the end of the Year 31-Mar-2017	37170	0.9913	37170	0.9913
5.	S V SRIVATHSANGAN				
	At the beginning of the year 01-Apr-2016	34300	0.9148	34300	0.9148
	At the end of the Year 31-Mar-2017	34300	0.9148	34300	0.9148
6.	RAMA RAGHURAMAN .				
	At the beginning of the year 01-Apr-2016	2450	0.0653	2450	0.0653
	At the end of the Year 31-Mar-2017	2450	0.0653	2450	0.0653

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	CELLTECH CONSULTANCY AND MARKETING PVT				
	At the beginning of the year 01-Apr-2016	280600	7.4840	280600	7.4840
	At the end of the Year 31-Mar-2017	280600	7.4840	280600	7.4840
2	PINAKIN HARDIK HUF				
	At the beginning of the year 01-Apr-2016	243000	6.4812	243000	6.4812
	Sale 11-Nov-2016	-243000	6.4812	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
3	PINAKIN CHIMANLAL SHAH HUF				
	At the beginning of the year 01-Apr-2016	200000	5.3343	200000	5.3343
	Sale 11-Nov-2016	-200000	5.3343	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
4	JAGADISH SAGARMAL SANVAL				
	At the beginning of the year 01-Apr-2016	100000	2.6671	100000	2.6671
	At the end of the Year 31-Mar-2017	100000	2.6671	100000	2.6671
5	AJITHKUMAR C PATEL				
	At the beginning of the year 01-Apr-2016	70300	1.8750	70300	1.8750
	At the end of the Year 31-Mar-2017	70300	1.8750	70300	1.8750
6	RAJESH				
	At the beginning of the year 01-Apr-2016	57700	1.5389	57700	1.5389
	At the end of the Year 31-Mar-2017	57700	1.5389	57700	1.5389
7	SRHHL INDUSTRIES LIMITED				
	At the beginning of the year 01-Apr-2016	50000	1.3335	50000	1.3335
	At the end of the Year 31-Mar-2017	50000	1.3335	50000	1.3335
8	VINDHYA PAPER MILLS LTD				
	At the beginning of the year 01-Apr-2016	50000	1.3335	50000	1.3335
	At the end of the Year 31-Mar-2017	50000	1.3335	50000	1.3335
9	VASUDEV SHARMA M				
	At the beginning of the year 01-Apr-2016	41800	1.1148	41800	1.1148
	At the end of the Year 31-Mar-2017	41800	1.1148	41800	1.1148
10	LAKSHMI SUBRAMANIAM				
	At the beginning of the year 01-Apr-2016	39100	1.0428	39100	1.0428
	At the end of the Year 31-Mar-2017	39100	1.0428	39100	1.0428
11	PINAKIN CHIMANLAL SHAH				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 13-Jan-2017	443000	11.8155	443000	11.8155
	At the end of the Year 31-Mar-2017	443000	11.8155	443000	11.8155
12	MAHENDRA				
	At the beginning of the year 01-Apr-2016	37500	1.0001	37500	1.0001
	At the end of the Year 31-Mar-2017	37500	1.0001	37500	1.0001

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning (01.04.2016)/ end (31.03.2017) of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
DIRECTORS							
1	S.VRAGURAMAN (MANAGING DIRECTOR)						
	At the beginning of the year			564728	15.06%	564728	15.06%
	Changes during the year	04.11.2016	By purchase	102480	2.02%	102480	2.02%
	At the end of the year			667208	17.08%	667208	17.08%
2	S.V.SRIDHAR (DIRECTOR - COMMERCIAL)						
	At the beginning of the year			341095	9.10%	341095	9.10%
	Changes during the year			-	0.00%	-	0.00%
	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%
KEY MANAGERIAL PERSONNEL (KMP'S)							
	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
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,33,56,395.00	0	0	4,33,56,395.00
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	4,33,56,395.00	-	-	4,33,56,395.00
Change in Indebtedness during the financial year				
* Addition	2,46,64,195.00	0	0	2,46,64,195.00
* Reduction	0	0	0	0
Net Change	0	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	6,80,20,590.00	0	0	6,80,20,590.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	6,80,20,590.00	-	-	6,80,20,590.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole time Directors and/or Manager:

SL.No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		S.V.Raguraman	S.V.Sridhar	S.Niranjan Kumar	
1	Gross salary				
	(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	--	--	--	--
TOTAL (A)		30,00,000	15,00,000	12,60,000	57,60,000
Ceiling as per the Act		--	--	--	--

B. Remuneration to other Directors

SI.No.	Particulars of Remuneration	Name of Directors	Total Amount (Rs)
1	Independent Directors	R.Jaganathan	
	Fee for attending board / committee meetings	10,000/	10,000/
	Commission	--	--
	Others, please specify	--	--
	Total (1)	10,000/	10,000/
2	Other Non - Executive Directors		
	Fee for attending board / committee meetings	--	--
	Commission	--	--
	Others, please specify	--	--
	Total (2)	--	--
	Total (B)=(1+2)	10,000/	10,000/
	Total Managerial Remuneration	10,000/	10,000/
	Overall Ceiling as per section 197(5) the Act, 2013 read with rule 4 of the Companies (appointment and Remuneration of the Managerial Personnel) Rules, 2014	Rs. 1,00,000 per meeting	Rs. 1,00,000 per meeting

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

SI.No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		CEO	Company Secretary	CFO	
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				
Total					

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)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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

Place : Chennai
Date : August 14, 2017

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

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

INDEPENDENT AUDITOR'S REPORT FOR THE
YEAR ENDED 31ST MARCH 2017

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, 2017, 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 2017, and its loss 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 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2017, 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: 14th August 2017

V. Suresh
Partner
M.No. 020580

ANNEXURE REFERRED TO IN OUR REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2017

- (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 2017 explanation that some of the items are of special nature and suitable alternative sources are not available for obtaining comparable quotation, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of clause (v) of the para 3 of the Order are not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under Section 148(1) of the Companies Act, 2013 read with the Companies (cost records and audit) Rules 2014, for any of the products manufactured / services rendered by the Company.
- (vii) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess and other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company, the dues of sales tax / income-tax / customs duty / wealth tax / service tax / excise duty / value added tax/ cess which have not been deposited on account of any dispute are as follows:

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

- viii) The Company does not have any accumulated losses at the end of the financial year. *The Company has incurred cash losses during the financial year covered by our audit .*
- (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: 14th August 2017

V. Suresh
Partner
M.No. 020580

SWETHA ENGINEERING LIMITED
BALANCE SHEET FOR THE YEAR ENDED 31.03.2017

(in Rupees)

	Particulars	Note No.	March 31, 2017	March 31, 2016
	1	2	3	4
I.	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	2	3,74,93,000.00	3,72,87,500.00
	(b) Reserves and surplus	3	1,59,01,235.00	2,55,50,488.00
	(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	2,06,35,246.00	25,00,000.00
	(b) Deferred tax liabilities (Net)		0.00	0.00
	(c) Other Long term liabilities		0.00	0.00
	(d) Long - term provisions	5	42,06,770.00	39,60,638.00
4	Current liabilities			
	(a) Short - term borrowings	6	4,73,85,344.00	4,08,56,395.00
	(b) Trade payables	7	95,71,051.00	54,94,938.00
	(c) Other current liabilities	8	26,41,790.00	67,08,744.00
	(d) Short- term provisions		0.00	0.00
	TOTAL		13,78,34,436.00	12,23,58,703.00
II	ASSETS			
1	Non-current assets			
	(a) Fixed assets			
	(i) Tangible assets	9	3,20,95,120.00	3,69,89,129.00
	(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)	10	46,60,338.00	46,60,338.00
	(d) Long - term loans and advances		0.00	0.00
	(e) Other non - current assets	11	1,17,17,850.00	0.00
2	Current assets			
	(a) Current investments		0.00	0.00
	(b) Inventories	12	1,60,70,673.00	1,39,80,250.00
	(c) Trade receivables	13	4,98,78,266.00	4,25,29,395.00
	(d) Cash and cash equivalents	14	78,93,283.00	75,92,245.00
	(e) Short- term loans and advances	15	1,50,13,513.00	1,65,44,935.00
	(f) Other current assets	16	5,05,393.00	62,411.00
	TOTAL		13,78,34,436.00	12,23,58,703.00

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
Date : 14th August 2017

For and on behalf of the Board

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

SWETHA ENGINEERING LIMITED
Profit and Loss Account for the year ended 31.03.2017

(in Rupees)

	Particulars	Refer Note No.	March 31, 2017	March 31, 2016
	1	2	3	4
I.	Revenue from Operations	17	3,72,06,530.00	5,33,85,519.00
II.	Other income	18	16,85,843.00	14,37,873.00
III.	Total Revenue (I + II)		3,88,92,373.00	5,48,23,392.00
IV.	Expenses:			
	Cost of materials consumed	19	64,08,100.00	1,03,71,331.00
	Purchases of Stock-in-Trade		0.00	0.00
	Changes in inventories of finished goods work-in-progress and Stock- in-Trade	20	3,66,133.00	33,86,294.00
	Employee benefits expense	21	1,52,30,839.00	1,99,46,645.00
	Finance costs	22	72,74,088.00	64,89,561.00
	Depreciation and amortization expense	9	49,43,690.00	69,63,285.00
	Other expenses	23	1,38,17,562.00	1,30,05,213.00
	Total expenses		4,80,40,412.00	6,01,62,329.00
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(91,48,039.00)	(53,38,937.00)
VI.	Exceptional items		(0.00)	(10,26,649.00)
VII.	Profit before extraordinary items and tax (V-VI)		(91,48,039.00)	(63,65,586.00)
VIII.	Extraordinary Items		0.00	0.00
IX.	Profit before tax (VII - VIII)		(91,48,039.00)	(63,65,586.00)
X.	Tax expense:			
	(1) Current tax		0.00	0.00
	(2) Deferred tax (asset)		0.00	0.00
XI.	Profit (Loss) for the period from continuing operations (VII-VIII)		(91,48,039.00)	(63,65,586.00)
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)		(91,48,039.00)	(63,65,586.00)
XVI.	Earnings per equity share:			
	(1) Basic and Diluted		(2.44)	(1.70)

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
Date : 14th August 2017

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 31.03.2017

(in Rupees)

Particulars	Year ended 31st March 2017	Year ended 31st March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before taxation and extraordinary items:	(91,48,039.00)	(63,65,586.00)
ADJUSTMENTS FOR		
ADD: Depreciation	49,43,690.00	69,63,285.00
Interest Paid	72,74,088.00	64,89,561.00
LESS :Interest Received	(16,14,725.00)	(13,05,713.00)
Operating Profit before Working Capital Changes	14,55,014.00	57,81,547.00
Increase/(Decrease) in Trade and Other Receivables	(73,48,871.00)	93,41,528.00
Increase/(Decrease) in Inventories	(20,90,423.00)	42,49,980.00
Increase/(Decrease) in Loans and Advances	(1,06,29,410.00)	1,03,55,307.00
Increase/(Decrease) in Trade Payables and Other Liabilities	(1,86,13,690.00) 2,55,291.00	2,97,28,362.00 (1,67,70,951.00)
Cash generated from Operation	(1,83,58,399.00)	1,29,57,411.00
Direct Taxes	(0.00)	(0.00)
Net Cash from operating Activities	(1,83,58,399.00)	1,29,57,411.00
B. CASH FLOW FROM INVESTING ACTIVITIES:		
On account purchase of fixed assets	(5,50,895.00)	(10,83,859.00)
Interest Received	16,14,725.00	13,05,713.00
Net Cash used in Investing Activities	10,63,830.00	2,21,854.00
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Borrowings	2,46,64,195.00	(65,66,179.00)
Interest Paid	(72,74,088.00)	(64,89,561.00)
Increase in Share Capital	2,05,500.00	0.00
Net Cash used in Financing Activities	1,75,95,607.00	(1,30,55,740.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3,01,038.00	1,23,525.00
OPENING BALANCE OF CASH & CASH EQUIVALENTS	75,92,245.00	74,68,720.00
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	78,93,283.00	75,92,245.00

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

For and on behalf of the Board

(V.SURESH)
PARTNER
M.NO.020580
Place : Chennai
Date : 14th August 2017

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 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 2017, 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 2017	31st March 2016
	Authorised Share Capital		
	50,00,000 (March 2017: 50,00,000) equity shares of Rs.10 Each	5,00,00,000.00	5,00,00,000.00
	2,00,000 (March 2017 : 2,00,000) 13% Cumulative Convertible Preference Shares of Rs.100 each	2,00,00,000.00	2,00,00,000.00
	Issued Share Capital		
	39,20,100 Equity Shares of Rs.10/-	3,92,01,000.00	3,92,01,000.00
	Issued,Subscribed and Fully Paid up		
	37,49,300 (March 2017: 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	0.00	(2,05,500.00)
	Total issued,subscribed and paid up share capital	3,74,93,000.00	3,72,87,500.00

Note: Calls in arrears of Rs.2,05,500 was received on 05.11.2016.

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

Equity Shares	31st March 2017		31st March 2016	
	No. of Shares	in Rs.	No. of Shares	in Rs.
At the Beginning of the year	37,49,300	3,74,93,000.00	37,49,300	3,74,93,000.00
Outstanding at the end of the year	37,49,300	3,74,93,000.00	37,49,300	3,74,93,000.00

(b) Rights/Preferences attached to equity shares

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

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

Particulars	31st March 2017		31st March 2016	
	Numbers	% holding in the Class	Numbers	% holding in the Class
(a) Celltech Consultancy and Marketing (P) ltd	2,80,600	7.48	2,80,600	7.48
(b) Pinakin Chimanlal Shah HUF	4,43,000	11.82	2,00,000	5.3343
(c) Pinakin Hardik HUF	0	0.00	2,43,000	6.4812
(d) S.V.Raguraman	6,67,208	17.80	5,64,728	15.06
(e) S.V.Sridhar	3,41,095	9.10	3,41,095	9.10

Note:3 Reserves and Surplus	31st March 2017	31st March 2016
Securities Premium account		
Balance as per the last financial Statements	2,11,90,827.00	2,11,90,827.00
Capital Reserve		
Forfeited Shares	1,74,000.00	1,74,000.00
Statement of Profit and Loss		
As per last balance sheet	41,85,661.00	1,07,84,049.00
Add/(Less) :adjustment of Assets	(5,01,214.00)	(2,32,802.00)
Add: Profit for the year	(91,48,039.00)	(63,65,586.00)
Closing Balance	(54,63,592.00)	41,85,661.00
Total	1,59,01,235.00	2,55,50,488.00

Note:4 Long Term Borrowings	31st March 2017	31st March 2016
Secured Loans		
Term Loans		
- From Banks	2,06,35,246.00	25,00,000.00
Total	2,06,35,246.00	25,00,000.00

(i) Working Capital Term Loan from Repco Bank, Corporate Branch balance of Rs.49,25,246.00 is repayable in 84 Equated monthly instalments carrying interest rate @ 14% p.a.and the repayment to the loan has commenced From Feb.2017.

(ii) Term Loan of Rs.1,50,00,000.00 was sanctioned by Repco Bank, Corporate Branch on 5.11.2016 carrying interest @ 14% p.a. The Bank has disbursed a sum of Rs.1,32,10,000 which is to be utilized as margin money for availing foreign bank advance/performance guarantees. The loan is repayable in 24 months commencing from the date of final disbursement of term loan.

(iii) Loan against deposit was sanctioned by the Repco Bank, Corporate Branch, on 10.03.2016. The Shall be repaid during the tenure of deposit period i.e. on or before 15.02.2019.

Note No.5 Long Term Provisions	31st March 2017	31st March 2016
Provisions for employee Benefits-Gratuity	42,06,770.00	39,60,638.00

Note No.6 Short Term Borrowings	31st March 2017	31st March 2016
Secured: Overdraft facility - From Bank	4,73,85,344.00	4,08,56,395.00
Total	4,73,85,344.00	4,08,56,395.00

- 1) Secured overdraft of Rs.39886042/- from M/s.Repco Bank, Coprorate Branch is secured by way of continuity mortgage on the title deeds of the company properties located in Chennai (Ambattur, Ambattur Estate and Korattur) and hypothecation of stock in trade, machineries and receivables.
- 2) Secured overdraft of Rs..7499302/- from M/s Repco Bank,Corporate Branch is secured by way of continuity mortgage on the title deeds of the company properties located in Chennai (Ambattur, Ambattur Estate and koratur) and hypothecation of stock in trade, machineries and receivables on overdraft facility is to be repaid before 30th sep 2017.

Note 7: Trade Payables	31st March 2017	31st March 2016
Trade Payables	95,71,051.00	54,94,938.00
Total	95,71,051.00	54,94,938.00

Note 8: Other Current Liabilities	31st March 2017	31st March 2016
Advance from Customers	17,48,648.00	50,21,340.00
Other Short term liabilities	6,017.00	5,52,329.00
Outstanding liabilities	8,87,125.00	11,35,075.00
Total	26,41,790.00	67,08,744.00

NOTE 9 FIXED ASSETS

Sl. No.	ITEM	Gross Block as on 01-04-15	Additions	Deletions	Total	DEPRECIATION				NET BLOCK AS ON 31.03.17	NET BLOCK AS ON 31.03.16
						Up to 31.03.2016	ADJ	for 2016-17	upto 31.03.2017		
1	Building-Residential Property	33,60,210.00	0.00	0.00	33,60,210.00	14,90,149.00	0.00	1,95,842.00	16,85,991.00	16,74,219.00	18,70,061.00
2	Building-Factory	2,11,73,281.00	92,150.00	0.00	2,12,65,431.00	1,52,64,361.00	0.00	7,46,926.00	1,60,11,287.00	52,54,144.00	59,08,920.00
3	Computer	44,70,708.00	0.00	0.00	44,70,708.00	40,99,926.00	3,60,043.00	5,947.00	44,65,916.00	4,792.00	3,70,782.00
4	Crane	26,69,697.00	0.00	0.00	26,69,697.00	16,73,316.00	0.00	0.00	16,73,316.00	9,96,381.00	9,96,381.00
5	Electrical Equipments	55,63,158.00	0.00	0.00	55,63,158.00	42,78,633.00	22,357.00	4,26,295.00	47,27,285.00	8,35,873.00	12,84,525.00
6	Furnitures & Fixtures	24,71,669.00	4,58,745.00	0.00	29,30,414.00	17,86,584.00	9,909.00	2,44,557.00	20,41,050.00	8,89,364.00	6,85,085.00
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	57,64,132.00
8	Office Equipments	23,91,765.00	0.00	0.00	23,91,765.00	23,60,644.00	31,121.00	0.00	23,91,765.00	0.00	31,121.00
9	Plant & machinery	7,36,97,145.00	0.00	0.00	7,36,97,145.00	5,45,69,886.00	47,167.00	28,82,733.00	5,74,99,786.00	1,61,97,359.00	1,91,27,259.00
10	Vehicles	60,01,481.00	0.00	0.00	60,01,481.00	50,50,618.00	30,617.00	4,41,390.00	55,22,625.00	4,78,856.00	9,50,863.00
	TOTAL	12,75,63,246.00	5,50,895.00	0.00	12,81,14,141.00	9,05,74,117.00	5,01,214.00	49,43,690.00	9,05,74,117.00	3,20,95,120.00	3,69,89,129.00
	Previous Year	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	4,31,01,357.00

Note:10 Deferred Tax Asset	31st March 2017	31st March 2016
Depreciation	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 :11 Other Non - Current Assets	31st March 2017	31st March 2016
Deposits with Banks (with maturity more than 12 Months)	1,17,17,850.00	0.00
Total	1,17,17,850.00	0.00

Note:12 Inventories	31st March 2017	31st March 2016
Raw Materials	67,32,923.00	42,76,367.00
Work in Progress	93,37,750.00	97,03,883.00
Total	1,60,70,673.00	1,39,80,250.00

Note :13 Trade Receivables	31st March 2017	31st March 2016
Unsecured and Considered good Outstanding for a period of six months from the date they are due for payment	72,44,990.00	95,44,305.00
Others	4,26,33,276.00	3,29,85,090.00
Total	4,98,78,266.00	4,25,29,395.00

Note:14 Cash and Bank Balances	31st March 2017	31st March 2016
Cash and Cash equivalents		
(i) Bank Balance in - Current Account	40,79,085.00	7,47,351.00
(ii) Cash on Hand	59,725.00	94,894.00
(iii) Other Bank Balances Bank Deposits (held as Margin money for Bank guarantees)	37,54,473.00	67,50,000.00
Total	78,93,283.00	75,92,245.00

Note:15 Short Term Loans and Advances	31st March 2017	31st March 2016
Unsecured and Considered Good		
Balance with Government Authorities	73,66,151.00	1,00,10,617.00
Advance to Suppliers	33,96,492.00	25,35,883.00
Employee Advances	34,57,498.00	32,23,318.00
Deposits	7,93,372.00	7,75,117.00
Total	1,50,13,513.00	1,65,44,935.00

Note:16 Other Current Assests	31st March 2017	31st March 2016
Unsecured and Considered Good Interest Accrued on Deposits, but not due	5,05,393.00	62,411.00
Total	5,05,393.00	62,411.00

Note:17 Revenue from Operations	31st March 2017	31st March 2016
Sale of Products	2,28,41,648.00	3,43,68,201.00
Sale of Services	1,58,27,619.00	2,12,09,934.00
Sub total	3,86,69,267.00	5,55,78,135.00
Less: Excise Duty	(14,62,737.00)	(21,92,616.00)
Net Amount = As per statement of P&L	3,72,06,530.00	5,33,85,519.00

Note:18 Other Income	31st March 2017	31st March 2016
Interest Income on EB Deposit	23,843.00	25,862.00
On Deposits	7,46,163.00	8,67,784.00
On Income Tax	8,44,719.00	4,435.00
Insurance claim received (Tax deducted at source: Current year Rs.83,242/- : Previous year Rs.69,219/-)	71,118.00	1,32,160.00
Net Amount	16,85,843.00	10,30,241.00

Note:19 Cost of Raw Materials Consumed	31st March 2017	31st March 2016
Opening Stock of Raw Material	42,76,367.00	51,40,053.00
Add: Purchases during the year	88,64,656.00	95,07,645.00
	1,31,41,023.00	1,46,47,698.00
Less:Closing Stock of Raw Materials	(67,32,923.00)	(42,76,367.00)
Net Amount	64,08,100.00	1,03,71,331.00

Note :20 Changes in Inventory of WIP,Stock in Trade etc	31st March 2017	31st March 2016
Work in Progress		
Opening WIP	97,03,883.00	1,30,90,177.00
Less:Closing WIP	(93,37,750.00)	(97,03,883.00)
Net Amount	3,66,133.00	33,86,294.00

Note:21 Employee Benefit Expenses	31st March 2017	31st March 2016
Salaries and Incentives	1,18,58,432.00	1,59,34,595.00
Contribution to approved fund	12,66,976.00	14,46,341.00
Staff Welfare Expenses	21,05,431.00	21,58,077.00
Total Amount	1,52,30,839.00	1,95,39,013.00

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

Note:22 Finance Costs	31st March 2017	31st March 2016
Interest on Secured Overdraft	60,00,057.00	58,52,857.00
Interest on Term Loan	10,07,627.00	6,34,304.00
Interest on Loan against Deposit	2,66,154.00	0.00
Interest – Others	250.00	2,400.00
Total Amount	72,74,088.00	64,89,561.00

Note:23 Other Expenses	31st March 2017	31st March 2016
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	7,300.00	23,770.00
Power and Fuel Charges	13,85,958.00	14,32,940.00
Manufacturing and operating Expenses	27,38,812.00	37,21,340.00
Maintenance Charges	14,65,439.00	9,50,026.00
Overhead Charges	4,33,302.00	1,87,047.00
Project Engineering Charges	14,15,000.00	15,07,500.00
Transportation Charges	2,52,212.00	1,65,260.00
Exchange gain / loss	1,69,780.00	9,182.00
Rates & taxes	3,37,884.00	5,08,608.00
Business Promotion Expenses	6,86,690.00	7,47,361.00
Legal Charges	1,52,500.00	32,000.00
Filing & Listing Fees	20,299.00	11,028.00
Professional Charges	9,66,750.00	4,73,200.00
Service Charges	5,85,287.00	4,30,054.00
Bank Charges	6,67,340.00	2,89,062.00
Conveyance and Travelling expenses	9,92,351.00	7,05,959.00
Insurance	1,81,070.00	2,73,206.00
Miscellaneous Expenses	9,47,911.00	8,01,002.00
Postage and Telephone expenses	2,34,365.00	2,04,982.00
Printing and Stationery	59,312.00	61,814.00
Sitting Fees	10,000.00	1,54,000.00
Carriage outward	0.00	1,54,320.00
Sales tax absorbed	0.00	53,552.00
Total Amount	1,38,17,562.00	1,30,05,213.00

Note: 24 Earnings per Share	31st March 2017	31st March 2016
Net Profit for the year	(91,48,039.00)	(86,64,931.00)
Weighted Average no. of equity shares	37,49,300	37,49,300
Basic EPS	(2.44)	(2.31)
Diluted EPS	0.00	0.00
Face Value per Share	10.00	10.00

Note:25 Contingent Liabilities not provided for	31st March 2017	31st March 2016
Advance and Performance Bank Guarantees (Bank)	33,03,513.00	67,52,788.00
Disputed Ambattur Municipality Tax	18,32,238.00	17,40,618.00

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
Date : 14th August 2017

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

SWETHA ENGINEERING LIMITED

CIN : U27209TN1986PLC013787

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]

31st 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 31st Annual General Meeting of the Company, to be held on Friday, the 15th day of September 2017 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
Ordinary Business	
1	To consider and adopt the audited financial statement of the Company for the financial year ended 31st March 2017, the reports of the Board of Directors and Auditors thereon.
2	To appoint a Director in place of Mr.S.Niranjn Kumar (DIN-00098587) who retires by rotation and being eligible, offer himself for re-appointment.
3	Appointment of M/s.Suresh & Sridharan., Chartered Accountants as the Statutory Auditor of the Company

Signed this _____ day of _____ 2017

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 : U27209TN1986PLC013787

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

ATTENDANCE SLIP 31st 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 31st Annual General Meeting of the Company, to be held on Friday, the 15th day of September 2017 at 11.00A.M. at the registered office of the Company at **Plot No.123-131, Tass Industrial Estate, Ambattur, Chennai - 600098, Tamilnadu, India**

Member/Proxy Signature

Note :

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

ELECTRONIC VOTING PARTICULARS

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

Note : Please refer the details and instructions in the notice of the 31st Annual General Meeting. The Voting period starts from 9.00.A.M. on 12th September 2017 and end on at 05.00PM on 14th September 2017. 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