

35TH ANNUAL REPORT
2020-2021



SWETHA ENGINEERING
LIMITED

INDEX

Contents	Page No.
Notice of 35 th Annual General Meeting-----	1-9
Board Report-----	10-28
Independent Auditors' Report-----	29-35
Balance Sheet as at March 31, 2021-----	36
Statement of Profit and Loss for the year ended on March 31, 2021-----	37
Cash Flow Statement for the year ended on March 31, 2021-----	38
Notes Forming Part of the Financial Statements For the year ended March 31, 2021---	39-53
Letter to shareholders for KYC Updation	54-55

CORPORATE INFORMATION
35TH Annual Report
SWETHA ENGINEERING LIMITED
CIN: U27209TN1986PLC013787

BOARD OF DIRECTORS

Mr.S.V.Raguraman-Chairman & Managing Director
Mr.S.V.Sridhar-Director-Commercial
Mr.S.Niranjan Kumar-Director-Technical
Mr.Nagarajan Varun-Non-Executive Director

BANKERS

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

AUDITORS

M/s.Suresh & Sridharan
Chartered Accountants
PMG Complex, 3rd Floor,
57 Usman Road, T.Nagar,
Chennai-600 017

REGISTERED AND CORPORATE OFFICE

Plot No.123-131
Tass Industrial Estate
Mahatma Gandhi Road
Ambattur, Chennai-600 098
Emailid: info@swethaeng.com / accounts@swethaengineering.com
Website: www.swethaeng.com

REGISTRARS AND SHARE TRANSFER AGENTS and DEMATERIALISATION OF SHARES

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 / cameo@cameoindia.com

SWETHA ENGINEERING LIMITED
CIN: U27209TN1986PLC013787

Registered and Corporate Off: Plot No.123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai, 600098, Tamil Nadu, India
Email id:info@swethaeng.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 35th Annual General Meeting of the Members of **SWETHA ENGINEERING LIMITED** will be held on Wednesday, 29th day of September, 2021 at 11.00 a.m through Video Conferencing / Other Audio Visual Means (VC) at the Registered office of the Company at Plot No.123-131, Tass Industrial Estate, Mahatma 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 2021 and the reports of the Board of Directors and Auditors thereon:
2. To appoint a Director in place of Mr.S.Niranjana Kumar (DIN:00098587), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr.Nagarajan Varun (DIN: 05157357), who retires by rotation and being eligible, offers himself for reappointment

SPECIAL BUSINESS

4. Confirmation the variation in terms of appointment of Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director and if thought fit to pass with or without modification(s), following resolution as an **Ordinary Resolution**

“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded for confirmation the variation in terms of appointment of Mr.S.V.Sridhar (DIN:00098576), Whole-time Director of the Company with effect from September 01, 2021 up to his remainder term on the following terms and conditions including remuneration as set out hereunder, with liberty to the Board of Directors to alter and vary the terms and conditions of the said remuneration as it may deem fit and as may be acceptable to Mr.S.V.Sridhar (DIN:00098576)

- a) Consolidated Salary of Rs.2,00,000/- (Rupees Two Lakhs Only) per month and otherwise set out hereunder, so that the aggregate of salary, allowances and perquisites as specified above or paid additionally in accordance with the rules of the Company in any financial year, which the Board in its absolute discretion pay to the Executive Director from time to time, shall not exceed the limits prescribed from time to time under Sections 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act as may for the time being, be in force

- b) Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the remuneration will be subject to Schedule V to the Companies Act, 2013.
- c) All other terms and conditions as applicable to employees of the Company.

RESOLVED FURTHER THAT Mr.S.V.Sridhar (DIN:00098576) shall be liable to retire by rotation and if re-appointed, the same shall not be treated as break in the service as Whole Time Director.

Overall Remuneration:

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

RESOLVED FURTHER THAT during the tenure as the Whole Time Director, Mr.S.V.Sridhar (DIN:00098576), Shall be entitled to be paid / re-imbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company and be indemnified against all claims and liabilities for acts done in good faith and in the best interest of the company”.

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

By Order of the Board of Directors
For SWETHA ENGINEERING LIMITED

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

Place: Chennai
Date: 31/08/2021

NOTES

1. In view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide its General Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No.22/2020 dated June 15, 2020, General Circular No.33/2020 dated September 28, 2020, General Circular No.39/2020 dated December 31, 2020 and Circular No.02/2021 dated January 13, 2021 (collectively "MCA Circulars"). The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
2. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e.29th day of September, 2021. Members seeking to inspect such documents can send an email to info@swethaeng.com
3. Members whose shareholding is in electronic mode are requested to direct notifications about change of address and updates about bank account details to their respective depository participants(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer point no. 16 for the process to be followed for updating bank account mandate.
4. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no.4 of the accompanying notice is annexed hereto .
5. In compliance with the Circulars, the Annual Report 2020-21, the Notice of the 35th AGM, and instructions for e-voting are being sent only through electronic mode to those members whose email addresses are registered with the Company / depository participant(s). Members may also note that the Notice of the 35th AGM and the Annual Report 2020-21 will also be available on the Company's website, <https://www.swethaeng.com> and on the website of CDSL <https://www.evotingindia.com>.
6. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at through email at helpdesk.evoting@cdslindia.com for this purpose. If a member is already registered with CDSL for E-voting, such member can use his / her existing User ID and password for casting the vote through remote E-voting and voting at AGM through E-voting system. Mr.S.Niranjn Kumar (DIN:00098587), Whole-time Director of the Company who retires by rotation and if re-appointed, the same shall not be treated as break in the service as Whole-time Director
7. 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. The Company has already obtained requisite approval from the shareholders to enlist the equity shares of the Company with Metropolitan Stock Exchange of India Limited, National Stock Exchange or any other Stock Exchange

8. SEBI has mandated the submission of the 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 participant(s). Members holding shares in physical form are required to submit their PAN details to the RTA.
9. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The form can be downloaded from the Company's website at <https://www.swethaeng.com>. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, Cameo Corporate Services Ltd, in case the shares are held in physical form.
10. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL. The Board has appointed Rabi Narayan Pal Proprietor of M/s.Rabi Narayan & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
12. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 15, 2021 to Wednesday, September 22, 2021 (both the days inclusive).
13. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
14. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
15. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.swethaeng.com>. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
16. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No.14/2020 dated April 8, 2020, General Circular No.17/2020 dated April 13, 2020, General Circular No.20/2020 dated May 5, 2020, General Circular No.22/2020 dated June 15, 2020, General Circular No.33/2020 dated September 28, 2020, General

Circular No.39/2020 dated December 31, 2020 and Circular No.02/2021 dated January 13, 2021 (collectively "MCA Circulars")

17. The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, CDSL, and RTA and will also be displayed on the Company's website, <https://www.swethaeng.com>
18. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice
19. In accordance with the proviso to MCA Notification dated the 10th September, 2018 amending Companies (Prospectus and Allotment of Securities) Rules, 2014 transfers of shares of the Company shall not be processed unless the shares are held in the dematerialized form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized so as to be able to freely transfer them and participate in various corporate actions. Members can contact the Company or M/s.Cameo Corporate Services Ltd for assistance in this regard

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

1. The voting period begins on Sunday, 26th September 2021, (9:00 a.m. IST) and ends on Tuesday, 28th September 2021 (5:00 p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22/09/2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
3. The shareholders should log on to the e-voting website www.evotingindia.com.
4. Click on "Shareholders" module.
5. 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasj](#) using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <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).

8. After entering these details appropriately, click on "SUBMIT" tab.

9. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

10. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the EVSN for the relevant <Company Name> on which you choose to vote.

12. 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.

13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14. 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.

15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

17. If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
18. Shareholders can also cast their vote using CDSL's mobile app "**m-Voting**". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 05 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 05 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the GM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

19. Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@swethaeng.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022-23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

Item No.4: Confirmation the variation in terms of Appointment of Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director

Mr.S.V.Sridhar (DIN: 00098576) is the Promoter and Whole-time Director of the Company and has been devoting his substantial time in the day to day management and growth of the Company. The Board of Directors of the Company at its meeting held on 18/10/2019 has re-appointed Mr.S.V.Sridhar (DIN:00098576), Whole-time Director of the Company for a period of Five (05) years with effect from October 22, 2019 and the same was confirmed by the shareholders by way of Special Resolution at their 34th AGM held on 28/12/2020 in terms of Section 196 (3) of Companies Act, 2013 and Rules made thereunder read with in accordance with norms laid down in Schedule V, Part II, Section II and other applicable provisions of Companies Act, 2013

The Board of Directors of the Company at its Meeting held on 31/08/2021 have approved the remuneration payable to Mr.S.V.Sridhar (DIN:00098576) effective from 01/09/2021.Considering his experience and expertise, the Board of Directors of the Company felt that the remuneration package offered to him is fair, reasonable and also in line with the remuneration package prevailing in the industry. Further the Company has not made any default in repayment any debts or interest payable thereon for a continuous period of 30 days in the preceding financial year.

Accordingly, the Board recommends the members to approve the resolution set out as Item No.4 of the Notice as an Ordinary Resolution with regard to Confirmation the variation in terms of appointment of Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director of the Company with existing terms of appointment with effect from September 01, 2021 upto remainder of his term. In terms of section 190 of the companies Act 2013 a contract of service/ a written memorandum setting out its terms of employment with Executive Director is available for inspection at the registered office of the Company.

Except Mr.S.V.Sridhar (DIN:00098576), being an appointee, and Mr.S.V.Raguraman (DIN:00098566) Managing Director being relative, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.4

By Order of the Board of Directors
For SWETHA ENGINEERING LIMITED

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

Place : Chennai
Date :31/08/2021

BOARD'S REPORT

Dear Members,

Your Company's Directors are pleased to present the 35th Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March 2021.

FINANCIAL SUMMARY AND HIGHLIGHTS

The Company's financial performance for the year ended 31st March 2021 is summarized below.

Particulars	2020-21	2019-20
Sales and Other Income	12,03,26,944.00	15,39,64,324.00
Less : Expenditure	11,58,40,889.00	14,09,11,981.00
Less: Interest Charges	51,80,258.00	56,53,347.00
Less: Depreciation	35,00,547.00	44,97,394.00
Profit/(Loss) before exceptional and extraordinary items and tax	(6,94,203.00)	29,01,602.00
Prior Period Items adjustment In respect of earlier years	0.00	3,65,701.00
Profit/(Loss) before exceptional and extraordinary items and tax	(6,94,203.00)	32,67,303.00
Tax Expenses		
Current tax	0.00	(1,67,624.00)
Deferred tax	(58,432.00)	(4,90,024.00)
Profit/Loss after Tax	(7,52,635.00)	26,10,015.00
Profit carried to Balance Sheet	(7,52,635.00)	26,10,015.00
Profit brought forward	(29,33,605.00)	(55,43,620.00)
Balance Carried to Balance Sheet	(36,86,240.00)	(29,33,605.00)
Basic Earnings per Share	(0.20)	0.70

SALES

During the financial year 2020-21, the company registered total revenue (Sales and Other income) for the financial year under review were Rs.1203.26 lakhs as against Rs.1539.64 lakhs for the previous financial year . There is a decline in the sales of 21.8%.

PROFITABILITY

The Profit/(loss) before and after tax for the year is (Rs.6.94) lakhs as against profit /(loss) before and after tax for the previous year is Rs.32.67 Lakhs and Rs.26.10 lakhs.

The Company registered a lower sales and profit compared to previous year, mainly due to lower sales volumes and drop in net sales realizations in the current year, attributable in entirety to the significant reduction/ withholding of expansion project of major paper industries caused by lockdown imposed in multiple phases by Central / State Governments in India, to contain the spread of COVID-19 pandemic.

OPERATIONS

The lockdown imposed in multiple phases to contain the spread of COVID-19 pandemic, had affected the normal functioning of commercial establishments, schools, colleges and educational institutions. Slowdown in the Indian economy, coupled with poor offtake in export markets due to the pandemic situation, had resulted in significant reduction in demand for Printing and Writing Paper, key segment in which the

Company operates. Due to these factors, Company witnessed significant drop in Revenue and profits during the financial year ended March 31, 2021.

The Company had closed down operations from midnight of March 24, 2020, in response to the nation-wide lockdown to curb the spread of Covid-19 Virus. The Company has taken all necessary precautions in both the units and has arranged for required Masks, Hand Sanitizers, etc., to ensure protection for all its employees.

MARKET CONDITIONS

Paper Industries being the main clientele of the company has reached a trough in the last week of March 2020, amidst the Lockdown of key markets in India and across most parts of the Globe, due to Covid-19 pandemic. This adverse situation continued in the first half FY 2020-21, significantly affecting the production revenue and profitability during the first 2 quarters of the FY 2020-21. The gradual relaxation of lock down initiated by the Government in Q2 was widely expected to trigger a pickup in demand for the paper industry in Q3 which unfortunately did not materialize for the Industry as the budgetary allocations to the expansion , modernization and upgradation of unit/equipments /higher capacity has either been withhold or postponed for future years.

A strong second wave of Covid-19 pandemic and consequent staggered lockdowns in place have affected and halted the demand up-tick that was witnessed in the last quarter of FY 2020-21. Order inflow has once again been impacted due to the consequences of 2nd wave, and hence the outlook for 1st quarter of FY 2021-22 doesn't look promising with stricter lockdowns looming, with rapid spread of the virus.

SHARE CAPITAL

The paid up Equity Share Capital as at March 31, 2021 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, 2021, none of the Directors of the company hold instruments convertible into equity shares of the Company.

ANNUAL RETURN

As required under Section 134(3)(a) of the Act, the Annual Return (including Extracts of the Annual return in form MGT 9 for the FY 2020-21) is put up on the Company's website and can be accessed at <http://www.swethaeng.com>

MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2020-21, the Company held (Five) 05 board meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 16/06/2020, 24/08/2020, 16/10/2020, 04/12/2020 and 20/01/2021. 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	Chairman & Managing Director	05	05	Yes	-	-
S.V.Sridhar DIN: 00098576	Whole-time Director	05	05	Yes	-	-
S.Niranjana Kumar DIN: 00098587	Whole-time Director	05	05	Yes	-	-
R.Jaganathan	Non Executive	05	05	Yes	-	-

DIN: 01675591	Director					
Nagarajan Varun DIN:05157357	Non Executive Director	01	01	Yes	1	-

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company consists of Mr.S.V.Raguraman (DIN:00098566), Chairman & Managing Director, Mr.S.V.Sridhar (DIN:00098576), Mr.S.Niranjan Kumar (DIN:00098587) Whole-time Directors and Mr.Nagarajan Varun (DIN:05157357) Non Executive Directors. 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, Mr.S.Niranjan Kumar (DIN:00098587) and Mr. Nagarajan Varun (DIN: 05157357) liable to retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board of Directors have recommended the re-appointment of Mr.S.Niranjan Kumar (DIN:00098587) and Mr.Nagarajan Varun (DIN: 05157357) retiring by rotation.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr.S.V.Raguraman (DIN:00098566), Managing Director and Mr.S.V.Sridhar (DIN:00098576), Whole-time Director are the Founder Promoters of the Company. The Board of Directors of the Company at its meeting held on 18/10/2019 has re-appointed Mr.S.V.Raguraman (DIN:00098566) as Chairman & Managing Director and Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director of the Company for a further period of Five (05) years with effect from October 22, 2019 the same has been confirmed by the Shareholders at their 34th Annual General Meeting held on 28/12/2020.

The tenure of Mr.S.Niranjan Kumar (DIN:00098587), as Director Technical of the Company will be ended on 21st October, 2020. The Board of Directors of the Company at its meeting held on 24/08/2020 has recommended the re-appointment of Mr.S.Niranjan Kumar (DIN:00098587), as Director Technical of the company for a further period of Two (02) years with effect from 22nd October, 2020, at remuneration recommended by the Board, the same has been confirmed by the Shareholders his Re-appointment at their 34th Annual General Meeting held on 28/12/2020. 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 of Directors of the Company at their meeting held on 16/10/2020 proposed the appointment of Mr.Nagarajan Varun (DIN:05157357) as Non Executive Director and the Shareholders of the Company at their 34th Annual General Meeting held on 28/12/2020 appointed him as Non Executive Director with effect from 28/12/2020

Mr.Jaganathan Ramaiyan (DIN: 01675591), have tendered his resignation and ceased to be Director with effect from 29/12/2020. Your Director wish to express their sincere appreciation for the valuable services rendered by Mr.Jaganathan Ramaiyan (DIN: 01675591) during his tenure as Director of the Company.

The Board of Directors of the Company at its meeting held on 31/08/2021 has varied the terms of appointment of Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director of the Company with effect from 01/09/2021 up to his reminder term, which is subject to the approval of shareholders.

Except from the above, there were no appointment of Additional, alternate and Director and KMP to fill casual vacancy during the year and no Directors have resigned during the year under review

DECLARATION OF INDEPENDENT DIRECTORS

The provisions of Section 149 pertaining to the appointment of Independent Directors do not apply to our Company

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, 2020, 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- (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) that 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.

EXTENSION OF TIME FOR HOLDING ITS ANNUAL GENERAL MEETING

The Board of Directors of the Company at their meeting held on August 24, 2020 has made necessary application to Registrar of Companies, Chennai for extension of time for holding its Annual General Meeting for the financial year ending 31st March 2020 on or before 31/12/2020 and Registrar of Companies, Chennai vide their letter dated September 29, 2020 was pleased to grant extension of time for holding Annual General Meeting for the year financial year 2019-20 upto 31-12-2020

CORPORATE GOVERNANCE AND COMMITTEES OF THE BOARD OF DIRECTORS

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 also 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.

TO ENLIST THE EQUITY SHARES OF THE COMPANY WITH METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED, NATIONAL STOCK EXCHANGE

The Company's Equity Shares was previously traded in Madras Stock Exchange, Coimbatore Stock Exchange and Ahmedabad Stock Exchange. In the recent years, these stock exchanges are closed one by one and the company was placed in the Dissemination Board of National Stock Exchange Limited. Further SEBI in its circular SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 has issued guidelines to all the Exclusively Listed Companies in the Dissemination Board either to get in listed on nationwide stock exchanges after complying with the diluted listing norms of nationwide stock exchanges or to provide exit to investors.

The Board is of the opinion to enlist the equity shares of the Company with Metropolitan Stock Exchange of India Limited, National Stock Exchange or any other Stock Exchange will give opportunities to stake holders to trade their shares in any of the Stock Exchange where the share of the company is listed. In view of above the Board (based on the recommendation of the Shareholders Grievance Committees) recommended for listing of its shares with Metropolitan Stock Exchange of India Limited, National Stock Exchange or any other Stock Exchange in terms of the guidelines in force or any subsequent amended guidelines laid down by SEBI. Accordingly, the Shareholders of the Company at their 32nd Annual General Meeting held on Monday, the 24th day of September 2018 also approved the same.

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 and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

STAKE HOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013. The Board of Directors at their meeting held on 20/01/2021 has re-constituted the Committee by induction of Mr.Nagarajan Varun member consequent to the resignation of R.Jagannathan effect from 29/12/2020

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 02 (Two) times on 24/08/2020 and 20/01/2021 to deliberate on various matters referred above and for redressal of investors complaints. During the year, there was no request for Transfer/Transmission/ Split and consolidation for the period from 1st April 2020 to 31st March 2021

The Composition and Attendance at the Meeting:

Name of the Member	Category	Designation	No of Meetings	
			Held	Attended
R.Jagannathan *	Non Executive Director	Chairman	01	01
S.V.Sridhar	Whole-time Director	Member	02	02
Nagarajan Varun #	Non Executive Director	Chairman	01	01

* Resigned on 29/12/2020

Appointed on 28/12/2020

The Company has been receiving 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, 2021 there was no complaint received and also no investor complaint was pending as on 31st March, 2021.

GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue
2017-18	24.09.2018	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai , 600098, Tamilnadu, India
2018-19	25.09.2019	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai , 600098, Tamilnadu, India
2019-20	28.12.2020	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 and DEMATERIALISATION OF SHARES

The Company has issued one category of securities ie., Equity Shares of Rs.10/- each and the Company has been allotted ISIN Number is INE824E01017. 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 / cameo@cameoindia.com

Your Company confirms that the entire Promoter’s holdings are in electronic form and the same is in line with the directions issued by appropriate authority.

Details of Shares

Type	Number of Shares	% to paid up capital	Number of Holders
Physical	17,69,027	47.182860	2074
Electronic – NSDL	33,800	0.901502	16
Electronic – CDSL	19,46,473	51.915638	91
Total	37,49,300	100.00	2181

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

CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 [14 OF 2013]

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 the Companies (Audit and Auditors) Rules, 2014 and in accordance with the resolution passed by the members at the AGM held on 15/09/2017, M/s.Suresh & Sridharan, Chartered Accountants, bearing firm registration No. 004258S, where appointed as the Statutory Auditors of the Company to hold office till the conclusion of 37th Annual General Meeting of the Company and also to authorize the Board of Directors to fix the remuneration in consultant with the auditors. However, their appointment as Statutory Auditors of the Company is subject to ratification at every Annual General Meeting. Shareholders are informed that consequent to the Companies (Amendment) Act,2017 effective from 7th May 2018, placing the matter relating to appointment of Statutory Auditor for ratification by members at every annual general meeting has been deleted.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory, and needs no further explanation

Further, the Auditors' Report for the financial year ended 31st March 2021 is annexed herewith for your kind perusal and information

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

The Company has entered into various Related Parties Transactions as defined under Section 188 of the Companies Act, 2013 with related parties as defined under Section 2 (76) of the said Act, which were on arm's length basis and were in the ordinary course of the business. There are no related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large. Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is appended to the Board Report as **Annexure – II**

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

In view of loss the Board of Directors have not to recommend any Dividend for the year under review. For the financial year ended 31st March, 2021, 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 2021 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, 2021.

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 employee.

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, 2021 is Rs.4,08,07,878/-

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 element of risk threatening the Company's existence is very minimal.

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.

COMPLIANCE OF SECRETARIAL STANDARDS

In accordance with the provisions of Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India constituted under section 3 of the Company Secretaries Act, 1980 (56 of 1980), and approved as such by the Central Government and your Board hereby submits that with respect to general and Board meetings the applicable secretarial standards had been followed.

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 steadfast 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

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

No application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF. Not Applicable

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

There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

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**

Sd/-

S.V.Raguramann

Managing Director
(DIN-00098566)

Sd/-

S.V.Sridhar

Whole-time Director
(DIN- 00098576)

Place : Chennai
Date :31/08/2021

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	2020-21	2019-20
EARNINGS	In Rs.	In Rs.
a. Supply of Equipment	4,51,387.00	2,26,391.00
b. Service of Equipment	2,06,21,030.00	1,56,86,688.00
c. Total (a=b)	2,10,72,417.00	1,59,13,079.00
OUTGO		
a. Raw Material	0.00	29,37,303.00

FORM NO. AOC.2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

SI No.	Particulars	Details
A	Name(s) of the related party and nature of relationship	Not Applicable
B	Nature of contracts/arrangements/transactions	
C	Duration of the contracts/arrangements/transactions	
D	Salient terms of the contracts or arrangements or transactions including the value, if any	
E	Justification for entering into such contracts or arrangements or transactions	
F	Date of approval by the Board	
G	Amount paid as advances, if any	
H	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions	Total value, if any during the year (INR)	Date(s) of approval by the Board, if any	Amount paid as advances, if any:
Ms.Nethra Raguraman (Chief Executive - Technical) relative of Directors	Salary	2020-21	At Prevailing Market Price	10,40,000	Not Applicable, since the arrangement was entered into in the ordinary course of business and on arm's length	Nil
Gowtham Sridhar (Financial Consultant) relative of Directors	Retainer Fees			6,60,000		
S.V.Muralidharan (Site Engineer) relative of Directors	Service Charges			6,12,263		

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

S.V.Raguraman
Managing Director
DIN-00098566

S.V.Sridhar
Whole-time Director
DIN- 00098576

Place: Chennai
Date: 31/08/2021

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31ST DAY OF MARCH, 2021

[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:	
i)	CIN	U27209TN1986PLC013787
	Demat ISIN CDSL/NSDL	824E01017
	Foreign Company Registration Number/GLN	Not Applicable
ii)	Registration Date	09-12-1986
iii)	Name of the Company	SWETHA ENGINEERING LIMITED
iv)	Category / Sub-Category of the Company	Company limited by Shares, Non Government Company, Public
v)	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
vi)	Whether listed company Yes / No	No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Limited "Subramanian Building" No.1, Club House, Road, Chennai, 600002 Tel: 044 -28460390/91/92

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Equipments for pulp & paper industries	2829	77.99
2	Erection and Commissioning Service	3312	22.01

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held
NIL				

iv. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% Total Shares	Demat	Physical	Total	% Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	1142423	-	1142423	30.4703	1142423	-	1142423	30.4703	-
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	1142423	-	1142423	30.4703	1142423	-	1142423	30.4703	-
2. Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals – PIC	-	-	-	-	-	-	-	-	-

Card Holder									
c) Bodies Corp	-	-	-	-	-	-	-	-	-
d) Bank / FI	-	-	-	-	-	-	-	-	-
e) Any other (Specify)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)=(A)(1)+(A) (2)	1142423	-	1142423	30.4703	1142423	-	1142423	30.4703	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	289000	239325	528325	14.0912	289000	239325	528325	14.0912	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	83949	927152	1011101	26.9677	83949	927152	1011101	26.9677	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	456000	590750	1046750	27.9185	443000	590750	1033750	27.5718	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
HUF	8000	-	8000	0.2133	8000	-	8000	0.2133	-
Non Resident Indians	-	11800	11800	0.3147	-	11800	11800	0.3147	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	901	-	901	0.0240	901	-	901	0.0240	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	837850	1769027	2606877	69.5297	837850	1769027	2606877	69.5296	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	837850	1769027	2606877	69.5297	837850	1769027	2606877	69.5296	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1980273	1769027	3749300	100.00	1980273	1769027	3749300	100.00	-

(ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	727408	19.4011	--	727408	19.4011	--	--
2	S.V.Sridhar	341095	9.0975	--	341095	9.0975	--	--
3.	S.V.Muralidharan	37170	0.9913	--	37170	0.9913	--	--
4	S.V.Srivathsangan	34300	0.9148	--	34300	0.9148	--	--
5	Rama Raguraman	2450	0.0653	--	2450	0.0653	--	--
Total number of shares		1142423	30.47	--	1142423	30.47		--

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

Sl. No		Shareholding at the beginning of		Cumulative Shareholding during the	
		No of shares	% of total shares of	No. of shares	% of total shares of the company
1	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2020 to 31.03.2021			
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer / bonus/ sweat equity etc):				
3	At the End of the year				

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Share holding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	Pinakin Cimanlal Shah	443000	11.8155	443000	11.8155
	Celltech Consultancy and Marketing Private Limited	280600	7.4840	280600	7.4840
	Jagadish Sagarmal Sanwal	100000	2.6671	100000	2.6671
	Ajith Kumar C Patel	70300	1.8750	70300	1.8750
	Rajesh	57700	1.5389	57700	1.5389
	SRHHL Industries Limited	50000	1.3335	50000	1.3335
	Shree Vindhya paper Mills Limited	50000	1.3335	50000	1.3335
	Vasudev Sharma	41800	1.1148	41800	1.1148
	Lakshmi Subramaniam	39100	1.0428	39100	1.0428
	Mahendra	37500	1.0001	37500	1.0001
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
3	At the end of the year				
	Pinakin Cimanlal Shah	443000	11.8155	443000	11.8155
	Celltech Consultancy and Marketing Private Limited	280600	7.4840	280600	7.4840
	Jagadish Sagarmal Sanwal	100000	2.6671	100000	2.6671
	Ajith Kumar C Patel	70300	1.8750	70300	1.8750
	Rajesh	57700	1.5389	57700	1.5389
	SRHHL Industries Limited	50000	1.3335	50000	1.3335
	Shree Vindhya paper Mills Limited	50000	1.3335	50000	1.3335
	Vasudev Sharma	41800	1.1148	41800	1.1148

	Lakshmi Subramaniam	39100	1.0428	39100	1.0428
	Mahendra	37500	1.0001	37500	1.0001

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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	At the beginning of the year				
	S.V.Raguraman	727408	19.4011	727408	19.4011
	S.V.Sridhar	341095	9.0975	341095	9.0975
	S.Niranjan Kumar	12250	0.3200	12250	0.3200
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL			
3	At the end of the year				
	S.V.Raguraman	727408	19.4011	727408	19.4011
	S.V.Sridhar	341095	9.0975	341095	9.0975
	S.Niranjan Kumar	12250	0.3200	12250	0.3200

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,88,50,824	-	-	3,88,50,824
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,88,50,824	-	-	3,88,50,824
Change in Indebtedness during the financial year				
* Addition	52,93,838	-	-	52,93,838
* Reduction	12,87,059	-	-	12,87,059
Net Change	(40,06,779)	-	-	(40,06,779)
Indebtedness at the end of the financial year				
i) Principal Amount	4,28,57,603	-	-	4,28,57,603
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,28,57,603	-	-	4,28,57,603

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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 MD	S.V.Sridhar WTD	S.Niranjan Kumar WTD	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. (b) Value of perquisites u/s 17(2) Income-tax Act, 1961. (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961.	30,00,000	20,40,000	15,00,000	65,40,000
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - Others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	30,00,000	20,40,000	15,00,000	65,40,000

Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors		Total Amount
		R.Jaganathan Non Executive Director	Nagarajan Varun Non Executive Director	
1.	Independent Directors · Fee for attending board committee meetings · Commission Others, please specify	-	-	-
	Total (1)	-	-	-
2.	Other Non-Executive Directors · Fee for attending board committee meetings · Commission · Others, please specify	Rs.8,000	Rs.4,000	Rs.12,000
	Total (2)	Rs.8,000	Rs.4,000	Rs.12,000
	Total (B)=(1+2)	Rs.8,000	Rs.4,000	Rs.12,000
	Total Managerial Remuneration	NA		NA
	Overall Ceiling as per the Act	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER / WTD:

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

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			NIL		
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

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

S.V.Raguraman
Managing Director
DIN-00098566

S.V.Sridhar
Whole-time Director
DIN- 00098576

Place: Chennai
Date: 31/08/2021

To the Members of SWETHA ENGINEERING LIMITED

Report on the Financial Statements

We have audited the financial statements of **SWETHA ENGINEERING LIMITED**, Chennai ('the Company'), which comprises the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, statement of Cash Flow and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and Annexures to the Directors' report (but does not include the financial statements, statements and our auditors' report thereon), of which we obtained the Directors' report and other reports prior to the date of this auditors' report, and the remaining information is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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.

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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate reasonably with them all relationships and other matters reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because

the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Companies (Auditor's Report) Order, 2016 ("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 Order, to the extent applicable.

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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, the Cash Flow Statement and the statement changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March 2021, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2021, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) 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, as amended 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 25 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.
 - iii. There have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**V.Suresh
Partner
Membership.No.020580
UDIN No.21020580AAAAEJ9506**

Place: Chennai
Date: 31st August 2021

ANNEXURE A

(Referred to in Paragraph 1(f) under 'Report on the Legal and Regulatory Requirements' section of our report to the members of Swetha Engineering Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **M/S.SWETHA ENGINEERING LIMITED** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection off frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information under the Companies Act,2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial control s, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors Of the company and (3) provide reasonable assurances regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

Periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**V.Suresh
Partner**

**Membership.No.020580
UDIN No.21020580AAAAEJ9506**

Place: Chennai

Date: 31st August 2021

Annexure - B

Referred to in Paragraph 3 under 'Report on the Legal and Regulatory Requirements' section of our report to the members of Swetha Engineering Limited of even date)

- i. In respect of Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The company has a program of verification to cover all the items of fixed Assets in a phased manner which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program fixed assets were physically verified by the management during the year .According to the information and explanation given to us no material discrepancies were noticed on such physical verification.
- ii. The inventories except stocks lying with third parties, have been physically verified by the management during the year. For stocks lying with third parties at the year end, written confirmation has been obtained.

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.

- iii. According to information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act 2013. Accordingly, the provisions of clause (iii) (a),(b) & (c) of the order are not applicable.
- iv. According to information and explanation given to us no loans, investments or guarantees have been given to the directors of the company. Hence the provisions of Section 185 and 186 of the Act are not applicable to the company.
- v. The Company has not accepted any deposits from the public during the year and does not have any unclaimed deposits as at 31st March 2021 and therefore provisions of clause 3(v) 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 the business activities carried by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- vii. According to the information and explanations given to us and on the basis of our examination of the records in respect to statutory dues,

(a)The Company, has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Service Tax, Goods and Service Tax ,Customs Duty, Excise Duty, Value Added Tax and Cess and any other material statutory dues applicable to it with the appropriate authorities and there was no undisputed amounts which were in arrear as at 31st March 2021 for a period of six months from the date they become payable.

(b) Details of dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, Cess and Goods and Service Tax have not been deposited as on 31st March2021 on account of disputes are given below:

Nature of dues	Amount	Forum where dispute is Pending	Period to which it belongs
Property Tax	10,81,410.00	Taxation Appeal Committee, Greater Chennai Corporation	
Entry Tax	2,27,239.00	High Court of Madras	2007-08

- viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to Financial Institutions, Governments and Banks during the year. Accordingly paragraph 3 (viii) of the Order is not applicable.
- ix. In our opinion and according to the information and explanations given to us, no money was raised by way of initial public offer/ further public offer (including debt instruments) and the term loans availed by the Company have been applied for the purpose for which they were raised.
- x. 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 by the company or no fraud on the company by its officers or its employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanation given to us, the company has paid/ provided managerial remuneration to its Chairman and Directors in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- xii. The company is not a Nidhi company and hence reporting under Clause 3 (xiii) of the Order is not applicable to the company.
- xiii. According to the information and explanation given to us and based on our examination of records of the company, transaction with related parties is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable for all transactions with related parties and the details of related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3 (xiv) of the Order is not applicable to the company.
- xv. The company has not entered into any non-cash transactions with its directors or persons connected with him and hence provision of Section 192 of the Companies Act, 2013 are not applicable.
- xvi. The company is not required to be registered under section 45-IA of the Reserve bank of India Act, 1934.

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

**V.Suresh
Partner
Membership.No.020580
UDIN: UDIN No.21020580AAAAEJ9506**

Place: Chennai

Date: 31st August 2021

SWETHA ENGINEERING LIMITED
Balance Sheet as on 31.03.2021

Particulars		Note No.	Mar 31,2021	Mar 31,2020
I	ASSETS			
	Non-current assets			
1	(a) Fixed assets	2		
	(i) Tangible assets		28048415.00	19251009.00
	(ii) Intangible assets		0.00	0.00
	(iii) Capital Work in Progress		1770000.00	1770000.00
	(iv) Intangible assets under development		0.00	0.00
	(b) Non-current investments		0.00	0.00
	(c) Deferred tax assets (net)	3	4246588.00	4170314.00
	(d) Long -term loans and advances	4	3829144.00	3586330.00
	(e) Other non-current assets		0.00	0.00
2	Current assets			
	(a) Current investments		0.00	0.00
	(b) Inventories	5	14458499.00	46740240.00
	(c) Trade receivables	6	55432911.00	58787497.00
	(d) Cash and Cash Equivalentents	7	793708.00	10051473.00
	(e) Short Term Loans and Advances	8	12175207.00	12108643.00
	(f) Other Current Assets	9	0.00	301968.00
	TOTAL		120754472.00	156767474.00
II	EQUITY AND LIABILITIES			
1	Shareholders' funds			
	(a) Share capital	10	37493000.00	37493000.00
	(b) Reserves and surplus	11	17813293.00	18431222.00
	(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	12	17697050.00	12403212.00
	(b) Deferred tax liabilities (Net)		0.00	0.00
	(c) Other Long term liabilities		0.00	0.00
	(d) Long-term provisions	13	5253413.00	5424418.00
4	Current liabilities			
	(a) Short-term borrowings	14	25160553.00	26447612.00
	(b) Trade payables	15	6487209.00	18973332.00
	(c) Other current liabilities	16	10682690.00	37427414.00
	(d) Short-term provisions	17	167264.00	167264.00
	TOTAL		120754472.00	156767474.00

Significant accounting policies
See accompanying notes to the financial statements

1

S.V.RAGURAMAN S.V.SRIDHAR S.NIRANJANKUMAR
Chairman & Managing Director Director-Commercial Director-Technical

As per our report annexed
For Suresh & Sridharan
Chartered Accountants
FIRM REG NO.004258S

V.SURESH
Partner

Membership No.020580

UDIN No.21020580AAAAEJ9506

Place:Chennai
Date:31/08/2021

SWETHA ENGINEERING LIMITED
Profit and loss statement for the year ended 31.03.2021

Particulars		Refer Note No.	March 31,2021	March 31,2020
I.	Revenue from Operations	18	119813160.00	153445009.00
II.	Other income	19	513784.00	519315.00
III.	Total Revenue (I + II)		120326944.00	153964324.00
IV.	Expenses:			
	Cost of materials consumed	20	23018314.00	82253756.00
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	30194169.00	-32525592.00
	Employee benefits expenses	22	24938544.00	28407294.00
	Finance costs	23	5180258.00	5653347.00
	Depreciation and amortization expense	2	3500547.00	4497394.00
	Other expenses	24	34189315.00	62776523.00
	Total expenses		121021147.00	151062722.00
V.	Profit before exceptional items and tax (III-IV)		-694203.00	2901602.00
VI.	Exceptional items-Prior Period Items		0.00	365701.00
VII.	Profit before tax (V- VI)		-694203.00	3267303.00
VIII	Tax expense:			
	(1) Current Tax		0.00	(167264.00)
	(2) Deferred Tax		76274.00	(490024.00)
IX	Profit/(Loss) for the period from Continuing Operations (VII-VIII)		-617929.00	2610015.00
X	Profit/(loss) from discontinuing operations		0.00	0.00
XI	Tax expense of discontinuing operations		0.00	0.00
XII	Profit/(loss) from Discontinuing operations (after tax) (X-XI)		0.00	0.00
XIII	Profit (Loss) for the period (IX + XII)		-617929.00	2610015.00
XIV	Earnings per equity share:		-0.16	0.70

Significant accounting policies
See accompanying notes to the financial statements

1

As per our report annexed
For Suresh & Sridharan
Chartered Accountants

S.V.RAGURAMAN
Chairman & Managing Director

S.V.SRIDHAR
Director-Commercial

S.NIRANJANKUMAR
Director-Technical

V.SURESH
Partner
Membership No.020580
UDIN No.21020580AAAAEJ9506

Place:Chennai
Date:31/08/2021

SWETHA ENGINEERING LIMITED
Cash Flow Statement for the year ended 31 March 2021

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	-694203.00	3267303.00
<u>ADJUSTMENTS FOR</u>		
ADD: Depreciation and Asset Adjustment	3500547.00	4770561.00
Interest Paid	5180258.00	5653347.00
LESS :Interest Received	-513784.00	-471696.00
Profit on Sale of Fixed Asset	-39437.00	0.00
Operating Profit before Working Capital Changes	7433381.00	13219515.00
Increase/(Decrease) in Trade and Other Receivables	3354586.00	-6323345.00
Increase/(Decrease) in Inventories	32281742.00	-34530455.00
Increase/(Decrease) in Loans and Advances	-7410.00	15908.00
	43062299.00	-27618377.00
Increase/(Decrease)in Trade Payables and Other Liabilities	-39401852.00	48174872.00
<u>Cash generated from Operation</u>	3660447.00	20556495.00
Direct Taxes	0.00	-167264.00
Net Cash from operating Activities	3660447.00	20389231.00
<u>B. CASH FLOW FROM INVESTING ACTIVITIES:</u>		
On account purchase of fixed assets(Net)	-12408517.00	-2367184.00
Sale of Fixed Assets	150000.00	0.00
Interest Received	513784.00	471696.00
Net Cash used in Investing Activities	(11744733.00)	(1895488.00)
<u>C. CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds from Borrowings	4006779.00	-5236430.00
Interest Paid	-5180258.00	-5653347.00
Increase in Share Capital		0.00
Net Cash used in Financing Activities	-1173479.00	(10889777.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	-9257765.00	7603966.00
OPENING BALANCE OF CASH & CASH EQUIVALENTS	10051473.00	2447507.00
CLOSING BALANCE OF CASH & CASH EQUIVALENTS	793708.00	10051473.00

Notes

1) Comparative figures have been regrouped wherever necessary

2) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

S. V. RAGURAMAN S. V. SRIDHAR S. NIRANJANKUMAR
Chairman & Managing Director Director-Commercial Director-Technical

As per our report annexed
For Suresh & Sridharan

(V. SURESH)
Partner

Membership No. 020580
UDIN No. 21020580AAAAAJ9506

Place: Chennai
Date: 31/08/2021

SWETHA ENGINEERING LIMITED

SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

Swetha Engineering Limited ("the Company") is a public company incorporated and domiciled in India. The registered office is located at No.123-131, Tass Industrial Estate, Mahatma Gandhi road, Ambattur, Chennai-600098

The Company is engaged in the business of manufacture and service (Erection, Installation and Commissioning, Repair, Reconditioning and Maintenance) of engineering equipments (Capital Goods, Accessories and Ancillaries) to Pulp and Paper Industries, Cement Industries and other similar such industries.

2. Significant Accounting Policies

a) Basis of Preparation:

The financial statements comply in all material aspects with Indian Accounting Standards (hereinafter referred to as Ind AS) as notified by the Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 (the Act) read with of the Companies (Indian Accounting Standards) Rules 2015] as amended and other relevant provisions of the Act. These accounting policies are applied consistently to all periods presented in the financial statements.

These financial statements for the year ended 31st March 2021 have been approved and authorised for issue by the Board of Directors at its meeting held on 31st Aug 2021.

These financial statements for the year ended 31st March, 2021, comprising of Balance Sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows, are the first financials with comparatives, prepared under Ind AS.

i) Historical cost of Convention:

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 Standard) Rules 2015 and other relevant provisions of the Act used for its statutory reporting requirement in India.

ii) Current /Non-Current Classification:

All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

b) Use of Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements, disclosures relating to contingent liabilities as at the date of Financial Statements and the reported amounts of revenues and expenses during the reporting Year. Estimates and underlying assumptions are reviewed on an ongoing basis. Such Estimates & assumptions are based on management evaluation of relevant facts & circumstances as on date of financial statements. Differences between actual results and estimates are recognized in the year in which the results are known /materialized. Any revision to accounting estimates is recognised prospectively in the current and future period

c) **Revenue Recognition**

Sale of Product:

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

Amounts disclosed as revenue are inclusive of net of returns, trade allowances, rebates, discounts, value added taxes and amounts collected on behalf of third parties.

Sale from Services:

Revenue from erection, installation, commissioning, manpower supply, repair and maintenance services is recognized based on the terms of contract with customers and when the services are rendered by measuring progress towards satisfaction of performance of obligation of such services.

Interest Income:

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d) **Property, Plant and Equipment**

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

The cost of an item of Property, Plant and Equipment shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

An item of PPE that qualifies for recognition as an Asset is measured on initial recognition at cost. Following initial recognition, PPEs are carried at their cost less accumulated depreciation and accumulated impairment losses, if any.

- (i) The cost of an item of PPE comprises purchase price, taxes and duties, net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenditure related to Plans, Designs and Drawings of Buildings or Plant and Machinery is capitalised under relevant heads of PPE if the recognition criteria are met.
- (ii) **Capital Work-in-Progress**
Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation on these assets commences when the assets are ready for their intended use which is generally on commissioning.

Gains and losses on disposals are determined by comparing with carrying amount. These are included in profit or loss with other gains/ (losses).

e) Depreciation and amortization

(i) 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.

(ii) The estimated useful life of the asset followed by the company is given below

Description	Years
a) Factory building and Other Buildings	30
b) Furniture Fixtures	10
c) Electrical Equipments	10
d) Office Equipment	5
e) Vehicles	8
f) Plant and Machinery	15

(iii) Residual Value and useful life are reviewed and adjusted, if appropriate for each reporting period.

(iv) On tangible fixed assets added / disposed of during the year, depreciation is charged on pro-rata basis from the date

(v) Depreciation in respect of tangible assets costing less than Rs.5,000/- is provided at 100%.

f) Basis of valuation of Inventories

Inventories are valued at lower of cost and net realizable value.

(i) 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.

(ii) Cost of finished goods and work in progress comprise of Direct materials, Direct labour and an appropriate proportion of variable and fixed overheads variable and fixed overhead expenditure, which is being allocated on the basis of normal capacity.. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(iii) **GST:**
 GST payable on finished goods is accounted for on clearance of goods. Input Tax Credit on Capital Goods, inputs and Services is accounted in accordance with the input tax credit rules as defined under the GST Act.

(g) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(h) Translation of foreign currency

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of transaction.

- (i) Foreign currency monetary assets and liabilities such as cash, receivables and payables etc are translated at year end exchange rates.
- (ii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as Income and expense in the year in which they arise.

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.

(i) Employee Benefits

(1) Short term obligations:

All employee benefits (Salaries and Wages including non-monetary benefits) that are expected to be settled within 12 months after the end of the period in which the employees render the related services are recognised upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are present current employee benefit obligation in the balance sheet.

(2) Post-employment Obligations:

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior manage; and
- (b) Defined contribution plans such as provident fund & employees' state insurance.

• Gratuity obligations:

For defined benefit plans, in the form of gratuity fund administered under a scheme of Life Insurance Corporation of India, the present value of Gratuity obligation is determined based on actuarial valuation using the projected unit credit method and is recognized as expenses on accrual basis. Actuarial gains / losses arising during the year are recognized in the statement of Profit & Loss.

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability (asset) are recognized in the Statement of Profit and Loss.

• Defined Contribution Plans:

Defined Contribution Plans such as Provident Fund and Employees' State Insurance are charged to the Statement of Profit and Loss as incurred. The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an provident fund organization established by the Central Government of India. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred. The Company has no further payment obligations once the contributions have been paid.

(j) Taxes on Income

Tax expense comprises of current and deferred taxes.

Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Provision for current tax is made in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted by the reporting date and applicable for the period.

Deferred Tax

In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognized only if there is a reasonable / virtual certainty of realization thereof. During the year, the company has recognized deferred tax liability to the extent of Rs.58,432.00 under review.

(k) Segment Reporting

The company operates only in one business segment viz. "Manufacture and Service of Heavy Engineering Equipments".

(l) Provisions and Contingent Liabilities

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding long term benefits) are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes to the Financial Statements. Contingent assets are neither recognized nor disclosed in the financial statements.

SWETHA ENGINEERING LIMITED

Note:2 Fixed Assets

S.No.	ITEM	Gross Block as on 01.04.20	Additions	Deletions	Total	DEPRECIATION				Net Block as on 31.03.2021	Net Block as on 31.03.2020
						Upto 31.03.20	ADJ.	for 2020-21	upto 31.03.2021		
1	Land	5764132.00	0.00	0.00	5764132.00	0.00	0.00	0.00	0.00	5764132.00	5764132.00
2	Building -Factory	21265431.00	0.00	0.00	21265431.00	17844787.00	0.00	503254.00	18348041.00	2917390.00	3420644.00
3	House Property	3360210.00	0.00	0.00	3360210.00	2221924.00	0.00	166040.00	2387964.00	972246.00	1138286.00
4	Computer	4791709.00	80184.00	0.00	4871893.00	4619810.00	0.00	168003.00	4787813.00	84080.00	171899.00
5	Crane and Lifting Equipments	2669697.00	0.00	1820522.00	849175.00	2500398.00	1709959.00	45604.00	836043.00	13132.00	169299.00
6	Electrical Equipments	6326788.00	217015.00	0.00	6543803.00	5258723.00	0.00	189045.00	5447768.00	1096035.00	1068065.00
7	Furnitures & Fixtures	4037449.00	66733.00	0.00	4104182.00	2649986.00	0.00	313985.00	2963971.00	1140211.00	1387463.00
8	Office Equipments	2665888.00	160408.00	0.00	2826296.00	2566948.00	0.00	94195.00	2661143.00	165153.00	98940.00
9	Plant & machinery	65167560.00	8688015.00	0.00	73855575.00	59135279.00	0.00	1753065.00	60888344.00	12967231.00	6032281.00
10	Vehicles	6001481.00	3196162.00	0.00	9197643.00	6001481.00	0.00	267357.00	6268838.00	2928805.00	0.00
	TOTAL	122050345.00	12408517.00	1820522.00	132638340.00	102799336.00	1709959.00	3500547.00	104589925.00	28048415.00	19251009.00
	Capital Work in Progress	0.00	1770000.00	0.00	1770000.00	0.00	0.00	0.00	0.00	1770000.00	1770000.00
	Previous Year	119683161.00	2367184.00	0.00	122050345.00	98028775.00	273167.00	4497394.00	102799336.00	19251009.00	21654386.00

Note:3 Deferred Tax Asset (net)	March 31,2021	March 31, 2020
The Balance comprises of temporary difference attributable to		
(i) Depreciation	838289.00	1328313.00
(ii)Unabsorbed Business Loss	3332025.00	3332025.00
Total Deferred Tax Asset (A)	4170314.00	4660338.00
Deferred Tax Asset on Depreciation (Companies Act,2013 and Income Tax Act, 1961)	76274.00	-490024.00
Net Deferred Tax Asset	4246588.00	4170314.00

Note:4 Long Term Loans and Advances	March 31,2021	March 31, 2020
Special Advance to Staff	3829144.00	3586330.00
Total	3829144.00	3586330.00

As per the Company Policy, Special Advance to staff represents advance represents advance given to employees for medical, housing ,education and other benefits. These advances are adjusted over a period of time.

Note:5 Inventories	March 31,2021	March 31, 2020
Raw Materials	1077418.00	3164990.00
Work in Progress	13381081.00	43575250.00
Total	14458499.00	46740240.00

Note:6 Trade Receivables	March 31,2021	March 31, 2020
Unsecured and Considered good		
Outstanding for a period upto six months from the date they are due	20292333.00	26299690.00
Others	35140578.00	32487807.00
Total	55432911.00	58787497.00

Note:7 Cash and Bank Balances	March 31,2021	March 31, 2020
Cash and Cash equivalents		
(i) Bank Balance in		
- Current Account	335161.00	3420403.00
(ii) Cash on Hand	261052.00	229260.00
(iii) Other Bank Balances	197495.00	6401810.00
Bank Deposits (held as Margin money for Bank Guarantees)		
Total	793708.00	10051473.00

The Deposit amount of Rs.60.00 lakhs held with Repco Bank, Corporate Branch as Bank Guarantee Margin has been liquidated during the year 2020-21 and the proceeds from the deposits was utilised in repaying the term loans availed from the bank.

Note:8 Short Term Loan and Advances	March 31,2021	March 31, 2020
<i>Unsecured and Considered Good</i>		
Balance with Government Authorities	8427781.00	8685235.00
Advance to Suppliers	491285.00	334923.00
Employee Advances and Others	2269953.00	2272453.00
Deposits	986188.00	816032.00
Total	12175207.00	12108643.00

NOTE:9 OTHER CURRENT ASSESTS	March 31,2021	March 31, 2018
<i>Unsecured and Considered Good</i>		
Interest Accrued on Deposits but not due	0.00	301968.00
Total	0.00	301968.00

NOTE: 10 Share Capital	March 31, 2021	March 31, 2020
<u>Authorised Share Capital</u>		
50,00,000 (Previous Year 50,00,000) equity shares of Re.10 Each	50000000.00	50000000.00
2,00,000 (Previous Year 2,00,000) 13% Cumulative Convertible Preference shares of Rs. 100 Each	20000000.00	20000000.00
<u>Issued Share Capital</u>		
39,20,100 Equity shares of Rs.10 Each	39201000.00	39201000.00
<u>Subscribed and Fully Paid up</u>		
37,49,300 (Previous Year 37,49,300) equity shares of Rs.10 each	37493000.00	37493000.00
Total issued,subscribed and paid up share capital	37493000.00	37493000.00

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

Equity Shares	March 31, 2021		March 31, 2020	
	No.of Shares	in Rs.	No.of Shares	in Rs.
At the Beginning of the year	3749300	37493000.00	3749300	37493000.00
Outstanding at the end of the year	3749300	37493000.00	3749300	37493000.00

(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.

© Details of Shareholding more than 5% of the aggregate shares in the company

Particulars	March 31, 2021		March 31, 2020	
	Numbers	% holding in the Class	Numbers	% holding in the Class
1) S.V.Raghuraman	727408	19.40	727408	19.40
2) S.V.Sridhar	341095	9.10	341095	9.10
3) Pinakin Chimanlal Shah	443000	11.82	443000	11.82
4)Celltech Consultancy and Marketing Pvt Ltd	280600	7.48	280600	7.48

Note:11 Reserves and Surplus	March 31,2021	March 31, 2020
Securities Premium account		
Balance as per the last financial Statements	21190827.00	21190827.00
Capital Reserve		
Forfeited Shares	174000.00	174000.00
Statement of Profit and Loss		
As per last balance sheet	(2933605.00)	(5543620.00)
Add:Profit for the year	-617929.00	2610015.00
Closing Balance	-3551534.00	-2933605.00
TOTAL	17813293.00	18431222.00

Note:12 Long Term Borrowings	March 31,2021	March 31, 2020
Secured Loans		
Term Loans		
-From Banks (Refer note.13)	15647325.00	12403212.00
HP Loan		
-From Banks	981000.00	0.00
-From Financial Institution and Services	1068725.00	0.00
Total	17697050.00	12403212.00

- a) Working Capital Term Loan from Repco Bank, Corporate Branch Balance as on 31.03.2021 is Rs.66,47,365.00 is repayable in 60 equated monthly instalments carrying interest rate 11.75% with repayment commencing from February 2020.
- b) Covid Special Loan of Rs.90.00 lakhs was sanctioned by Repco Bank, Corporate Branch carrying interest @11% p.a. The loan amount shall repaid in 84 months with initial principal holiday period of 12 months from the date of sanction/availment. However interest shall be serviced during the holiday period.
- c) HP Loan availed from ICICI Bank of Rs.9,81,000 is repayable in 36 monthly instalments of Rs.31,009 each and it carries an interest @ 8.25% p.a. The repayment to the HP Loan commences from April 2021 onwards.
- d) HP Loan availed from Toyota Financial Services India Ltd of Rs.11,55,000.00 is repayable in 36 monthsly instalments of Rs.36,595 each and it carried and interest @ 8.76%. The repayment to the HP Loan commenced from January 2021.
- e)Security: (Secured HP Loans from Bank / Financial Institutions are secured by the respective Vehicles and Machinery)
- f) Default in Repayment of Principal and Interest - NIL

Note 13:Long Term Provisions	March 31,2021	March 31, 2020
Provisions for employee Benefits-Gratuity	5253413.00	5424418.00

Provisions made during the Year Rs.44,787 (Previous Year Rs.6,52,827.00)
Settled during the Year Rs.215792.00(Previous Year Rs.54,519.00)

Note 14: Short Term Borrowings	March 31,2021	March 31, 2020
Secured:		
Overdraft Facility from Bank	25160553.00	26447612.00
Total	25160553.00	26447612.00

Secured Overdraft from Repco Bank, Corporate Branch of Rs.2,51,60,553/- 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 and Machineries .

Secured Overdraft and Term Loans availed from Repco Bank, Corporate Branch are secured by the company properties and hypothecation of Stock,Machineries and Receivables.

Note 15: Trade Payables	March 31,2021	March 31, 2020
Trade Payables		
a.Total outstanding dues of micro and small enterprises	2100165.00	508831.00
b.Total outstanding dues of other than (a) above	4387044.00	18464501.00
Total	6487209.00	18973332.00

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There is no principal and no interest due thereon and remaining unpaid at the end of the year [Refer Note No.25(i)]

Note 16:Other Current Liabilities	March 31,2021	March 31, 2020
Advance from Customers	7908000.00	34730000.00
Other Short Term Liabilities	1663667.00	2018420.00
Outstanding Liabilities	1111023.00	678994.00
Total	10682690.00	37427414.00

Note 17:Short Term Provisions	March 31,2021	March 31, 2020
Provisions for Taxation	167264.00	167264.00

Note:18 Revenue from Operations	March 31, 2021	March 31, 2020
Sale of Products	93446367.00	124971108.00
Sale of Services	26366793.00	28473901.00
Total	119813160.00	153445009.00

Note:19 Other Income	March 31, 2021	March 31, 2020
Discount Received	0.00	23173.00
Duty Drawback Received	6074.00	2518.00
Interest Income		
on Electricity Deposit	13409.00	21928.00
on Deposits	436083.00	443041.00
on income tax	18781.00	28655.00
Profit on Sale of Fixed Asset	39437.00	0.00
Total	513784.00	519315.00

Note:20 Cost of Raw Materials Consumed	March 31, 2021	March 31, 2020
Opening Stock	3164990.00	1160127.00
Add: Purchases during the year	20930742.00	84258619.00
	24095732.00	85418746.00
Less: Closing Stock	(1077418.00)	(3164990.00)
Net Amount	23018314.00	82253756.00

Note no:21 Changes in Inventory of WIP, Stock in Trade etc	March 31, 2021	March 31, 2020
Work in Progress		
Opening WIP	43575250.00	11049658.00
Less: Closing WIP	(13381081.00)	(43575250.00)
Net Amount	30194169.00	(32525592.00)

Note:22 Employee Benefit Expenses	March 31, 2021	March 31, 2020
Salaries and Incentives	21224261.00	22370347.00
Contribution to Approved fund	1616330.00	2204273.00
Staff Welfare Expenses	2097953.00	3832674.00
Total Amount	24938544.00	28407294.00

Salaries includes remuneration paid/payable to directors of Rs.65,40,000/- (Previous year Rs.64,90,000/-)

Note:23 Finance Costs	March 31, 2021	March 31, 2020
Interest on Secured Overdraft	3358832.00	4665535.00
Interest on Term Loan	1779484.00	981482.00
Interest on Hire Purchase	23510.00	0.00
Interest to Others	18432.00	6330.00
Total Amount	5180258.00	5653347.00

Note:24 Other Expenses	March 31, 2021	March 31, 2020
Payment to Auditor		
(a) as Auditor	60000.00	60000.00
(b) for Taxation Matters	30000.00	30000.00
© for other Services	10000.00	10000.00
(d) for Reimbursement of Expenses	8000.00	8000.00
Packing Materials	0.00	57000.00
Power and Fuel Charges	1612264.00	1935886.00
Manufacturing and Operating Expenses	20513740.00	28269463.00
Maintenance Charges	2021329.00	2652267.00
Overhead Charges	408578.00	201583.00
Transportation Charges	314060.00	2230044.00
Exchange gain/loss	386152.00	325052.00
Rates and Taxes	436782.00	858418.00
Legal Charges	0.00	140000.00
Sitting fees	12000.00	14000.00
Filing Fees	17860.00	25550.00
Adjustment of Assets	0.00	273167.00
Bad Debts	0.00	14301998.00
Bank Charges	605969.00	983605.00
Business promotion expenses	1756014.00	1139908.00
Conveyance and Travelling expenses	1208505.00	1659114.00
Deposits/Advance Written Off	0.00	519335.00
Insurance	239728.00	145005.00
Postage and Telephone expenses	134349.00	132811.00
Printing and Stationery	79370.00	149692.00
Professional Charges	1014100.00	898180.00
Service Charges	2186633.00	3584076.00
Miscellaneous Expenses	1133882.00	2172369.00
Total	34189315.00	62776523.00

25. Additional Information to the Financial Statements

(i) MICRO SMALL AND MEDIUM ENTERPRISES DISCLOSURE

Particulars	2020-21	2019-20
Trade payable pertaining to dues to Micro and Small enterprises (all are within agreed credit period and not due for payment)	64,89,512	1,89,73,3332
(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	NIL	NIL
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	NIL	NIL
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	NIL	NIL
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

(ii) Earnings in Foreign Currency:

Particulars	In USD	In Rs
2020-2021	2,75,754	2,03,10,999
2019-2020	2,29,087	1,59,13,079

(g) 26. Related Party Disclosures

(i) Key Management Personnel (KMP):

Executive Directors

- S.V.Raguraman- Chairman and Managing Director
- S.V.Sridhar- Director- Commercial
- S.Niranjankumar- Director-Technical

Non-Executive Directors

- Varun Nagarajan, Director (w.e.f 28th Dec 2020)

(ii) Relatives of Key Management Personnel

- Gowtham Sridhar (Relative of S.V.Raguraman and S.V. Sridhar) - Retainer Services
- Nethra Raguraman (Relative of S.V.Raguraman and S.V. Sridhar) - Chief Executive-Technical
- S.V.Muralidharan Relative of S.V.Raguraman and S.V. Sridhar) – Chief Project and Factory in Charge

(iii) Related Party Transactions

Particulars	For the year ended	
	31 st March 2021	31 st March 2020
Salary Paid	10,40,000.00	11,15,000.00
Services Received	12,72,263.00	14,34,750.00
Remuneration paid	65,40,000.00	64,90,000.00

Notes:

- Remuneration paid to key management personnel is Rs.65,40,000.00
- Sitting fees to Directors is Rs.12,000.00.

27. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

(a) Contingent liability not provided for:

Amount in Rs

Particulars	2020-2021	2019-2020
Guarantees given by banks on behalf of the company (Advance and Performance bank Guarantees)	68,90,000	97,75,000.00

b) Claims against the company not acknowledged as debt:

Amount in Rs

Particulars	2020-2021	2019-2020
Property tax - Ambattur Municipality tax	10,81,410	10,81,568
Entry Tax-Demand Raised	2,67,446	2,67,446
Less:15% of the Demand Amount paid as per the Court Order dated 1 st Feb 2008	40,117	40,117
Balance	2,27,239	2,27,239

The future cash flows on the above items are determinable only on receipt of the decisions/ judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

27. EARNING PER SHARE:

Particulars		2020-21	2019-20
a)	Weighted Average No. of Equity Shares of Rs.10/- each		
	• No. of Shares at the beginning of the year	37,49,300	37,49,300
	• No. of Shares at the end of the year	37,49,300	37,49,300
	Weighted average number of equity shares outstanding during the year	37,49,300	37,49,300
b)	Net profit after tax, available for equity shareholders (Rs.)	(7,77,884)	26,10,015
c)	Basic and diluted earnings per share (Rs.)	(0.21)	0.70

28. PREVIOUS YEAR FIGURES:

Previous year's figures have been regrouped and rearranged wherever necessary to conform to the current year's classification.

For and on behalf of the Board of Directors

As per the report of even date annexed

S.V.RAGURAMAN
Chairman & Managing Director

For SURESH & SRIDHARAN
CHARTERED ACCOUNTANTS
(FRN No.04258S)

S.V.SRIDHAR
Director-Commercial

S.NIRANJANKUMAR
Director-Technical

V.SURESH,FCA
Partner(Memb.No.020580)
UDIN No.21020580AAAAEJ9506

Place: Chennai
Date:31st August 2021



SWETHA ENGINEERING LIMITED

Registered Office: Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai – 600 098
Emailid: info@swethaeng.com / accounts@swethaengineering.com Website: www.swethaeng.com
CIN: U27209TN1986PLC013787

LETTER TO SHAREHOLDERS FOR KYC UPDATION

31.08.2021

To,
Shareholder/Member

Subject: - Updating the necessary KYC details registered and/or joint holders.

We refer to the SEBI circular no. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, in which SEBI has directed all the listed Companies to update the PAN and BANK ACCOUNT details of all their shareholders holding shares in physical mode through their RTA. Accordingly, your Company has initiated steps for registering the PAN details of all the shareholders (including joint holders, if any) and the BANK ACCOUNT details of the registered shareholder. Further members are also advised that other KYC details such as email id, mobile number, specimen signature and nomination be also updated with the Company/RTA

In this context, holding shares in physical form can update their KYC through Registrar and Share Transfer Agent viz. **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/ cameo@cameoindia.com. Fill in the details as mentioned below in KYC form/request letter and forward the same along with all the supporting documents based on requirements considering to Company/RTA.

A. For updating PAN of the registered and/or joint shareholders

Self- attested legible copy of PAN card (exempted for Sikkim Shareholders)

B. For updating Bank Account details of the registered shareholder

1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed:

- For address proof: Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months).
- Original cancelled cheque leaf containing the Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code with the name of the shareholder.

OR

2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name:

- For address proof: Self- attested legible copy of Aadhar/passport/utility bill (not older than 3 months)
- Original cancelled cheque leaf containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same bank with his signature, name, employee code, designation, bank address stamp, phone no. and date of attestation.

C. For updating the Specimen signature of the registered and/or joint shareholders

- Affidavit duly notarised on non-judicial stamp paper of Rs. 100/-
- Banker's verification (For-General-Change of Signature)
- Original cancelled cheque containing the details, Bank A/c No., Bank Name, type of account, IFSC Code, MICR Code.
- Legible copy of the bank passbook / bank statement specifying the KYC details of the registered shareholder such as the name, address, bank account number etc. duly attested by the officer of the same Bank with his signature, name, employee code, designation, bank address stamp, phone no. and date of attestation. (if the cancelled cheque leaf does not contain shareholder name).

D. For registering Email id:

Email-id of the registered shareholder for all future communication in electronic mode (Go Green Initiative).

E. For registering Mobile No.:

Mobile no. of registered shareholder for future direct communication.

F. For registering Nominee:

You are requested to register the Nomination (Form SH-13) to your folio.

We request you to kindly forward duly filled in KYC form along with copies of supporting documents for all the "Required" remark sat below mentioned address. Single copy of supporting document is sufficient for updating multiple subjects,

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/ cameo@cameoindia.com

For SWETHA ENGINEERING LIMITED

S.V.Raguraman

Managing Director

(DIN- 00098566)

Place : Chennai

Date :31/08/2021