

37TH ANNUAL REPORT
2022-23



SWETHA ENGINEERING
LIMITED

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CORPORATE INFORMATION
37TH 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. K Rajesh & Co
Chartered Accountants
4G, 4th Block,
Jains Sunderbans Apartments,
Guruswamy Street
Nolambur, Chennai, 600095

REGISTERED & CORPORATE OFFICE

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

REGISTRARS AND SHARE TRANSFER AGENTS & DEMATERIALISATION OF SHARES

M/s.Cameo Corporate Services Limited,
“Subramaniam Building”
No.1, Club House Road, Chennai-600 002
Phone No. 044-2846 0390-94
Email id: investor@cameoindia.com / cameo@cameoindia.com

SWETHA ENGINEERING LIMITED

CIN No: U27209TN1986PLC013787

Plot No. 123-131, Tass Indl. Estate, Ambattur, Chennai – 600 098
Ph.+91-044-26252191/ 26253191 E-Mail: accounts@swethaengineering.com

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 37th Annual General Meeting of the Members of **SWETHA ENGINEERING LIMITED** will be held on Wednesday, 27th day of September, 2023 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 statements of the Company for the financial year ended 31st March, 2023 along with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr.Nagarajan Varun (DIN:05157357), who retires by rotation and being eligible, offers himself for re-appointment.

Special Business:

3. Confirmation of the variation in the terms of appointment of Mr.S.V.Raguraman (DIN:00098566), as Chairman & Managing Director of the Company and if thought fit to pass the following resolution as a **Special Resolution**

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 36th Annual General Meeting held on 28th Day of September 2022 and pursuant to the provisions of Section 196, 197, 198 and 203 read Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and such other approvals as may be necessary in this regard, consent and ratification of the members of the Company be and is hereby accorded for variation in the terms of appointment and remuneration of Mr.S.V.Raguraman (DIN:00098566), as Chairman & Managing Director of the Company of the Company with effect from 01/01/2023 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.Raguraman (DIN:00098566)

- a) Consolidated Salary of Rs.2,50,000/- (Rupees Two Lakhs Fifty Thousand Only) per month or otherwise as 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 in force.

- b) Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Chairman & Managing 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.Raguraman (DIN:00098566) shall be liable to retire by rotation and if re-appointed, the same shall not be treated as break in the service as Chairman & Managing Director.

RESOLVED FURTHER THAT during the tenure as the Chairman & Managing Director, Mr.S.V.Raguraman (DIN:00098566) shall be entitled to be paid / reimbursed by the Company all costs, charges and expenses as may be incurred by him for the purpose of or on behalf of the Company 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."

4. Confirmation of the variation in the terms of appointment of Mr.S.V.Sridhar (DIN:00098576) as Whole-time Director and if thought fit to pass the following resolution as a **Special Resolution**

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 35th Annual General Meeting held on 29th September, 2021 and pursuant to the provisions of Section 196, 197, 198 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), and such other approvals as may be necessary in this regard, consent and ratification of the members of the Company be and is hereby accorded for variation in the terms of appointment and remuneration of Mr.S.V.Sridhar (DIN:00098576), as Whole-time Director of the Company of the Company with effect from 01/01/2023 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.2,25,000/- (Rupees Two Lakhs Twenty Five Thousand Only) per month or 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 in force.
- b) Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Chairman & Managing 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

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."

5. Confirmation of variation in the terms of appointment of Mr.S.Niranjan Kumar (DIN:00098587) as Whole-time Director and if thought fit to pass the following resolution as an **Ordinary Resolution**

“RESOLVED THAT in partial modification of resolution passed in this regard by the members of the Company at 36th Annual General Meeting held on 28th September, 2022 and pursuant to the provisions of Section 196, 197,198 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) and such other approvals as may be necessary in this regard, consent and ratification of the members of the Company be and is hereby accorded for variation in the terms of appointment and remuneration of Mr.S.Niranjan Kumar (DIN:00098587), Whole-time Director of the Company of the Company with effect from 01/01/2023 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.Niranjan Kumar (DIN:00098587)

- a) Consolidated Salary of Rs.1,40,000/- (Rupees One Lakh Forty Thousand Only) per month or 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 in force.
- b) Notwithstanding the foregoing, where in any financial year during the currency of the tenure of the Chairman & Managing 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.Niranjan Kumar (DIN:00098587) 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

RESOLVED FURTHER THAT during the tenure as the Whole-time Director, Mr.S.Niranjana Kumar (DIN:00098587) 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
Chairman & Managing Director
(DIN: 00098566)

Place : Chennai
Date :25/08/2023

NOTES

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No.33/2020 dated September 28, 2020, Circular No.39/2020 dated December 31, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.10/2021 dated June 23, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022 and Circular No.10/2022 dated December 28, 2022 physical attendance of the Members to the AGM venue is not required and Annual General Meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM) as the ministry has permitted companies to conduct General Meetings through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars, the ensuing Annual General Meeting of the Company is being convened and conducted through VC. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. A statement pursuant to Section 102(1) of the Companies Act, 2013("Act") relating to the Special Business to be transacted at the meeting is annexed hereto.
3. In compliance with the Circulars, the Annual Report 2022-23, the Notice of the 37th 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 37th AGM and the Annual Report 2022-23 will also be available on the Company's website, <https://www.swethaeng.com> and on the website of CDSL <https://www.evotingindia.com>.
4. 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.
5. The Equity Shares 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 Exchanges in India.
6. 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.

- 7.** 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.
- 8.** The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, September 23, 2023 to Wednesday, September 27, 2023 (both the days inclusive).
- 9.** 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.
- 10.** 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.
- 11.** The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No.33/2020 dated September 28, 2020, Circular No.39/2020 dated December 31, 2020, Circular No.02/2021 dated January 13, 2021, Circular No.10/2021 dated June 23, 2021, Circular No.19/2021 dated December 08, 2021, Circular No.21/2021 dated December 14, 2021, Circular No.02/2022 dated May 05, 2022 and Circular No.10/2022 dated December 28, 2022 (collectively "MCA Circulars").
- 12.** 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 two (2) days 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>
- 13.** 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.
- 14.** 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.

- 15.** 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 Mr.M.Sudhakar, Practicing Advocate, Chennai having Enrolment number: MS.3908/2021, as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- 16.** 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 atleast 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.
- 17.** 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.
- 18.** 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.
- 19.** 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.
- 20.** 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 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020, as extended from time to time.

THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The voting period begins on Sunday, the 24th September, 2023 and ends on Tuesday, the 26th September, 2023. 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 Wednesday, 20th day of September, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular **no. SEBI/HO/CFD/CMD/CIR/P/2020/242** dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easy / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System My easi Tab.

<p>with CDSL Depository</p>	<ol style="list-style-type: none"> 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System My easi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<ol style="list-style-type: none"> 1) If you are already registered for NSDL 'IDeAS' facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during

	the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2: Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
 - 2) Click on “Shareholders” module.
 - 3) 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.
 - 4) Next enter the Image Verification as displayed and Click on Login.
 - 5) 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.

6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	<p>Enter your 10digit 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.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (x) 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.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) 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.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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 mandatory 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; accounts@swethaengineering.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.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.

7. 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 atleast 05(five) **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 **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.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM 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.
10. 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 may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

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 update your email id & mobile no. with your respective **Depository Participant (DP)**

3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.

By Order of the Board of Directors
For SWETHA ENGINEERING LIMITED
S.V.Raguraman
Chairman & Managing Director
(DIN: 00098566)

Place : Chennai
Date :25/08/2023

The information required under Part I and Section II, Part II of Schedule V of the Companies Act, 2013 forming part of explanatory statement of resolutions proposed under Item No.3, 4 and 5

I. General Information				
1.	Nature of industry	Manufacturing of Heavy Engineering Equipments, Spares, Assembly		
2.	Date of commencement of commercial production	09/12/1986		
3.	Financial performance based on given indicators	During the year 2022-23 the Turnover was Rs.6.98 crores, Net loss was Rs.38.06 lakhs.		
4.	Foreign investments or collaborators, if any	The Company has not entered into any foreign collaboration and no direct capital investment has been made in the company in the last three financial years.		
II. Information about the appointee				
1.	Name and Designation of the Director	S.V.Raguraman	S.V.Sridhar	S.Niranjankumar
2.	Background details	Holds Diploma in Mechanical Engineering. He has handled manufacturing of equipments for turnkey projects related to paper, cement and chemical industry. He is one of the key person handling the production process in the company.	Holds Bachelor degree in Commerce. He has handled erection, installation and commissioning of Equipment's to paper cement and processing industry. He is one of the key person handling the marketing and overall financial functions of the company.	Holds Bachelor degree in Chemical Engineering. He is a part of the company's Board since 1998 and has been dedicating his substantial time in the technical area of production involving design and processing of equipment.
3.	List of Directorship in other companies	Nil	Nil	Nil
4.	Membership/Chairmanship of committees across other companies	Nil	Nil	Nil
5.	Past remuneration paid (FY 2021-22)	30,00,000	24,00,000	15,00,0000
6.	Recognition or awards	NA	NA	NA
7.	Job profile and his/her suitability	Apart from required qualification, having long term association with the company with rich experience in factory Production Operations of the Company	Apart from required qualification, having long term association with the company with rich experience in Marketing and Commercial Operations of the Company	Apart from required qualification and long term association with the company have rich experience in Technical and Marketing Operations of the Company

8.	Remuneration proposed	Details of proposed remuneration are provided in the respective Resolution.	Details of proposed remuneration are provided in the respective Resolution.	Details of proposed remuneration are provided in the respective Resolution.
9.	Comparative remuneration with respect to industry, size of company, profile of the position and person	The current remuneration being paid as the Managing Director (having regard to the profile and the position held) is equal or lower than the remuneration being paid by the companies' comparable size in the industry in which the Company operates.	The current remuneration being paid (having regard to the profile and the position held) is equal or lower than the remuneration being paid by the companies' comparable size in the industry in which the Company operates.	The current remuneration being paid (having regard to the profile and the position held) is equal or lower than the remuneration being paid by the companies' comparable size in the industry in which the Company operates.
10.	Pecuniary Relationship with the Company and Other Managerial Person in the Company	Besides the remuneration proposed, and shareholding of 7,27,408 equity shares in the Company, there is no other pecuniary relationship.	Besides the remuneration proposed, and shareholding of 3,41,095 equity shares in the Company there is no other pecuniary relationship.	Besides the remuneration proposed, and shareholding of 12,500 equity shares in the Company there is no other pecuniary relationship.

III. Other information		
1.	Reasons of loss or inadequate profits	Decline in Demand for Capital Goods , rise in input Cost
2.	Steps taken or proposed to be taken for improvement	Diversification to Custom based products (CNC Components), Manufacture of Spares and Assembly, Manpower Supply, Warehousing
3.	Expected increase in productivity and profits in measurable term`	Sales is expected improve by 40 to 50% of Previous last 2 years turn over and profitability is expected to improve by 8-10% of Sales

IV. Disclosures	
1.	all elements of <u>remuneration</u> package such as salary, benefits, bonuses, stock options, pension, etc., of all the Directors; Remuneration consists of only fixed salary
2.	(ii) details of fixed component. and performance linked incentives along with the performance criteria; Nil (iii) service contracts, notice period, severance fees; and Appointments are for a fixed term.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

Name of the Director	Nagarajan Varun
DIN No	05157357
Age/Date of Birth	40 years/21-02-1983
Date of Appointment	28/12/2020
Qualifications	Bachelor of Computer Applications
Expertise	10 years of Experience in Marketing management
Terms and Conditions of Re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr.Nagarajan Varun who was appointed as a Non-Executive at the General Meeting held on December 28, 2020, is liable to retire by rotation and eligible for reappointment.
Remuneration (including sitting fees, if any) last drawn (FY 2022-23)	Nil
Remuneration proposed to be paid	Nil
Shareholding in the Company including shareholding as a beneficial owner as on March 31, 2023	Nil
Relationship with other Directors / Key Managerial Personnel	Nil
Number of meetings of the Board attended during the financial year 2022-23	4
Directorships of other Boards as on March 31, 2023 (Indian Companies)	BHAVYA CONSULTANCY SERVICES LIMITED ENVYWELL SOLUTION AND SERVICES LIMITED
Membership / Chairmanship of Committees of other Boards as on March 31, 2023	Nil
Listed entities from which the Director has resigned in the past three years	Nil

By Order of the Board of Directors
For SWETHA ENGINEERING LIMITED

S.V.Raguraman
Chairman & Managing Director
(DIN: 00098566)

Place : Chennai
Date :25/08/2023

BOARD'S REPORT

Dear Members,

Your Company's Board of Directors are pleased to present the 37th Annual Report of the Company, along with Audited Accounts, for the Financial Year ended 31st March, 2023.

FINANCIAL SUMMARY AND HIGHLIGHTS:

The Company's financial performance for the year ended 31st March, 2023 is summarized below:

Particulars	2022-23	2021-22
Sales and Other Income	6,98,64,910.00	6,49,11,833.00
Less : Expenditure	6,23,85,242.00	5,83,83,299.00
Less: Interest Charges	64,02,124.00	56,23,165.00
Less: Depreciation	48,84,201.00	62,67,546.00
Profit/(Loss) before exceptional and extraordinary items and tax	(38,06,657.00)	(53,62,177.00)
Tax Expenses		
Current tax	0.00	0.00
Deferred tax	1,64,462.00	1,88,926.00
Profit/(Loss) after Tax	(39,71,119.00)	(51,73,251.00)
Profit/(Loss) carried to Balance Sheet	(39,71,119.00)	(51,73,251.00)
Profit/(Loss) brought forward	(87,24,789.00)	(35,51,538.00)
Balance Carried to Balance Sheet	(1,26,95,907.00)	(87,24,789.00)
Basic Earnings per Share	(1.06)	(1.38)

SALES:

During the financial year 2022-23, the company registered total revenue (Sales and Other income) for the financial year under review were Rs.698.65/- Lakhs as against Rs. 649.12/- Lakhs for the previous financial year . There is an increase in the sales of 7.63%.

PROFITABILITY:

The Profit/(loss) after tax for the year is Rs.(39.72) Lakhs as against profit /(loss) before and after tax for the previous year is Rs.(51.73) Lakhs.

The Company registered marginal increase in the sales and profitability. The company had regular work orders from second half of the financial year 2022-23 and was able to achieve marginal improvement in the profits as compared to the previous year.

MARKET CONDITIONS:

The trend in the Domestic paper Industry which is the main clientele of the Company has started signs of improvement where some of the major paper industries have announced plans of expansion or upgradation or replacement to their existing operations which provide an extra edge in acquiring business for the Company. However the continuity in the trend cycle is uncertain.

SHARE CAPITAL:

The paid up Equity Share Capital as at 31st March, 2023 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 31st March, 2023, 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 is placed on the Company's website and can be accessed at <http://www.swethaeng.com>.

MEETINGS OF THE BOARD OF DIRECTORS:

During the Financial Year 2022-23, the Company held 04 (Four) Board Meetings of the Board of Directors as per Section 173 of Companies Act, 2013 on 31/05/2022, 25/08/2022, 17/11/2022 and 09/02/2023. 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	04	04	Yes	-	-
S.V.Sridhar DIN: 00098576	Whole-time Director	04	04	Yes	-	-
S.Niranjan Kumar DIN: 00098587	Whole-time Director	04	04	Yes	-	-
Nagarajan Varun DIN:05157357	Non Executive Director	04	04	Yes	2	-

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 Director. The composition of the Board of Directors is in compliance with Section 149 of the Companies Act, 2013.

RETIRING BY ROTATION:

In terms of Section 152 of the Companies Act, 2013, Mr.Nagarajan Varun (DIN:05157357) liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors have recommended the re-appointment of Mr.Nagarajan Varun (DIN: 05157357) retiring by rotation.

CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors of the Company at its meeting held on 30/05/2022 has varied the terms of appointment of Mr.S.V.Raguraman (DIN:00098566) as Chairman & Managing Director with effect from 01/06/2022 up to his remainder of his current term.

The tenure of Mr.S.Niranjan Kumar (DIN:00098587), as Director Technical of the Company expired on 21st October, 2022. The Board of Directors of the Company at its meeting held on 25/08/2022 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, 2022 which was approved by the shareholders at the 36th AGM held on 28th September 2022.

The Board of Directors of the Company at its meeting held on 09/02/2023 has varied the terms of appointment of Mr.S.V.Raguraman (DIN:00098566), Chairman & Managing Director, Mr.S.V.Sridhar (DIN:00098576), Mr.S.Niranjana Kumar (DIN:00098587) Whole-time Directors for the remainder of their current terms. The approval of shareholders for the same is being sought at the ensuing AGM. Except from the above, there were no appointment of additional, alternate 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 shall 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 31st March, 2023, 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 31st March, 2023 and of the Loss 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.

CORPORATE SOCIAL RESPONSIBILITY:

As the Company does not fall under the criteria specified in Section 135(1) of the Companies Act, 2013, the provisions 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.

CORPORATE GOVERNANCE AND COMMITTEES OF THE BOARD OF DIRECTORS:

The Equity Shares 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). The status of the Company as on date is an unlisted Company and accordingly, 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 which 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.

The Company is expecting to improve its Profitability and Reserves in the coming years and once the Company fits in the criteria set out by any of the exchanges, the Equity Shares of the Company will be enlisted with any of the recognized Stock Exchanges in India.

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 does not fall under the criteria prescribed to mandatorily constitute Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

STAKE HOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013. The 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 25/08/2022 and 09/02/2023 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, 2022 to 31st March, 2023.

The Composition and Attendance at the Meeting:

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

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, 2023 there was no complaint received and also no investor complaint was pending as on 31st March, 2023.

GENERAL BODY MEETINGS:

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

Year	Date	Time	Venue
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
2020-21	29.09.2021	11.00AM	Registered Office of the Company at Plot No. 123-131, Tass Industrial Estate, Mahatma Gandhi Road, Ambattur, Chennai , 600098, Tamilnadu, India
2021-2022	28.09.2022	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 i.e. 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	17,68,827	47.1775	2072
Electronic – NSDL	38,200	0.0189	20
Electronic – CDSL	19,42,273	51.8036	90
Total	37,49,300	100.00	2182

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

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 [14 OF 2013]:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Internal Complaints Committee (‘ICC’) is in place for all works and offices of the Company to redress complaints received regarding sexual harassment. The following is a summary of sexual harassment complaints received and disposed of during the Financial Year 2022-23:

No. of complaints at the beginning of the year	:	NIL
No. of complaints received during the year	:	NIL
No. of complaints disposed off during the year	:	NIL
No. of complaints at the end of the year	:	NIL

**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 36th AGM held on September 28, 2022, Mr.Kannanrao Rajesh, Chartered Accountant, bearing Mem.No:230920, having office at 4G, 4th Block, Jains Sunderbans Apartments, Guruswamy Street, Nolambur, Chennai, 600095, Tamilnadu, India, was appointed as Statutory Auditors of the Company for a term of Five (05) Years, to hold office from the conclusion of the 36th Annual General meeting (for the financial year 31.03.2022) to till the conclusion of 41st Annual General Meeting (for the financial year 31.03.2027) of the Company on remuneration to be decided by a Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

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, 2023 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 – I**.

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 recommended any Dividend for the year under review. For the financial year ended 31st March, 2023, 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 during the period from 31st March, 2023 till the date of drafting of this Boards' 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, 2023.

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, 2023 is Rs.7,00,38,468/-

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 is attached herewith as **Annexure-II**, which forms a part of this report.

RISK MANAGEMENT:

The Board of Directors of the Company believe that the elements of risk affecting the Company are minimal. However, the Board has established adequate risk mitigation measures which are reviewed periodically to ascertain its adequacy and effectiveness.

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 steady dedication. No employees of the Company are 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**

S.V.Raguraman
Chairman & Managing Director

(DIN-00098566)

S.V.Sridhar
Whole-time Director

(DIN- 00098576)

Place : Chennai
Date :25/08/2023

**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	2022-23		2021-22	
	IN USD	In Rs.	IN USD	In Rs.
EARNINGS				
a) Supply of Equipment	Nil	Nil	Nil	Nil
b) Service of Equipment	2,00,730.00	1,58,43,031.00	1,95,036.00	1,48,03,255.00
c) Total (a+b)	2,00,730.00	1,58,43,031.00	1,95,036.00	1,48,03,255.00
OUTGO				
a) Raw Material	20,887.00	17,46,039.00	23,884.27	18,12,816.00

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 arm's 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:

Sl 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 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	2022-23	To avail Technical advise	16,05,000	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		To avail Financial advisory	7,05,000		
S.V.Muralidharan (Site Engineer) relative of Directors	Service Charges		To avail site supervision	5,37,000		

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

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

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

Place: Chennai
Date: 25/08/2023

INDEPENDENT AUDITORS' REPORT

To
The Members of SWETHA ENGINEERING LIMITED

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of SWETHA ENGINEERING LIMITED, Chennai ('the Company'), which comprise of Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the statement of changes in equity and the statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as financial statements).

In our opinion and to the best of my information and according to the explanations given to me, 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, 2023, and its loss, 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 (SAs) 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 my 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 Code of Ethics. We believe that the audit evidence is sufficient and appropriate to provide a basis for my audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming my 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 Board's Report including annexures to the Board's Report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those

charged with governance as required under SA 720 'The Auditors responsibilities relating to other information'.

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, changes in equity 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 skepticism 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 my 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the financial statement

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 for the financial year ended 31st March 2023 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("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.

2. As required by Section 143(3) of the Act, based on my audit I report, to the extent applicable that:

- (a) We have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
- (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
- (c) The Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the statement of Cash Flow 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 2023, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2023, 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 my separate Report in "**Annexure B**".
- (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 my opinion and to the best of my information and according to explanations given to me:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 24 to the financial statements.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever.
- Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (a) and (b) above, contain any material misstatement.

For K Rajesh & Co
Chartered Accountant
Firm Registration No. 105754

K. Rajesh
Proprietor
Membership.No.230920
UDIN: 23230920BGVEDN6033

Place: Chennai
Date: 25th August 2023

Annexure – A-to the Independent Auditors’ Report on Standalone Financial Statements of Swetha Engineering Limited

(Referred to in paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of my report of even date to the members of Swetha Engineering Limited on the Financial Statements for the year ended 31st March, 2023)

- i.** In respect of the Company’s Property Plant and Equipment
 - a.** The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b.** As informed to us, 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 the 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 verification by the management between the book records and physical verification.
 - c.** According to the information and explanations given to us and based on the records produced, the title deeds of the immovable properties held by the Company are in the name of the Company.
 - d.** The company has neither revalued its Property, Plant and Equipment during the year. Thus the sub clause (d) of (i) of Para3 is not applicable to the company.
 - e.** As per the information and explanation provided to us, no proceedings have been initiated or are pending against the company as at 31st March 2013for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Thus the sub clause (e) of (i) of para 3 is not applicable to the Company.
- ii.** As informed to me, the management has conducted physical verification of inventory at reasonable intervals. In my opinion, the coverage and the procedure of such verification by the management are appropriate. No material discrepancies were noticed on such physical verification.
- iii.** a) According to information and explanation given to us and the records of the Company examined by me, the Company has neither granted any loans secured or unsecured nor made investment in companies, firms, Limited Liability Partnerships or any other parties in the register maintained under section 189 of the Companies Act,2013. Accordingly, the provision to sub clauses (a), (b), (c), (d) & (e) of Clause iii of the Order are not applicable to the Company.
 - b) There are no investments made during the year. Hence the said clause of the order is not applicable.
- iv.** According to information and explanation given to us, the company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under section 185 and 186 of the Act. Therefore, the clause (iv) of para 3 of the order is not applicable to the company.

- v.** According to the information and explanation given to me and the records of the Company examined by me, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is 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.a)** According to the information and explanations given to me and based on the records of the company examined by me, in my opinion the Company, has been regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and Cess and any other material statutory dues as applicable to the company with the appropriate authorities. According to the information and explanations given to me and there was no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty and Cess were in arrears as at 31st March 2023 for a period of six months from the date they become payable.

(b) According to the information and explanations given to me and based on the records of the Company examined by me, the dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Cess which have not been deposited on account of any dispute are as follows:

Name of the Statute/Nature of Dues	Period of Dues	Demand	Amount paid under protest/ Deposit against appeal	Forum where dispute is Pending
Property Tax	1998-1999	10,81,410.00	Nil	Taxation Appeal Committee, Greater Chennai Corporation
Entry Tax	2007-2008	2,27,239.00	2,27,239.00	High Court of Madras

- viii.** According to the information and explanations given to us and based on the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- ix.** On the basis of verification of records, on an overall examination of the financial statements of the Company and according to the information and explanations given to me,

- a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The company is not declared as wilful defaulter by any bank or Financial Institution or any other lender.
- c) The company has not borrowed new term loans during the year. Therefore, requirement of this clause is not applicable to the Company.
- d) The company has not utilized any funds raised on short term basis for long term purposes. Therefore, requirement of this clause is not applicable to the Company.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Therefore, requirement of this clause is not applicable to the Company.
- f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Therefore, requirement of this clause is not applicable to the Company.
- x. (a) According to the information and explanations given to us and based on the records, the Company has not raised any money during the year by way of initial public offer or further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the records, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of my knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the Management, no material fraud on the Company has been noticed or reported during the year.

(b) As there are no frauds, hence sub para (b) of clause (xi) of the order is not applicable to the company.

c) As represented to us by the management, no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of records of the Company, the transactions entered with related parties are in compliance with provisions of section 177 and 188 of the Companies Act where applicable and the details of such transactions are

disclosed in the Financial Statements as required by the applicable accounting standards and Companies Act,2013.

- xiv.** a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of this audit report, for the period under audit have been considered by us.
- xv.** According to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- xvi.** According to the information and explanations given to us and based on the information provided to me and records verified by me, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, requirement to report on Clause 3(xvi) (a),(b),(c) and (d)of the Order is not applicable to the Company.
- xvii.** The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- xviii.** There has been no resignation of the statutory auditor during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- xix.** According to the information and explanations given to me and on the basis of the financial ratios disclosed in note no.27(x) to the financial statements ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company.
- xx.** According to the explanation given to us and based on our scrutiny of the books of accounts, section 135 of the companies Act 2013 is not applicable for the financial year ended March 31, 2023 and hence the said clause of the order is not applicable
- xxi.** The Company is not required to prepare consolidated financial statements and hence the provision of clause (xxi) of the Order is not applicable.

**For K Rajesh & Co
Chartered Accountant
Firm Registration No.105754**

**K Rajesh
Proprietor
Membership.No.230920
UDIN: 23230920BGVEDN6033**

Place: Chennai
Date: 25th August 2023

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS OF SWETHA ENGINEERING LIMITED

Referred to in paragraph II (f) under 'Report on Other Legal and Regulatory Requirements' of my report of even date to the members of Swetha Engineering Limited on the Financial Statements for the year ended 31st March,2023)

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

- 1.** We have audited the internal financial controls over financial reporting of **M/S.SWETHA ENGINEERING LIMITED** ("the Company") as of 31st March 2023 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

MANAGEMENTS RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

- 2.** 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

- 3.** My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my 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.
- 4.** My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 Ind AS financial statements, whether due to fraud or error. I believe that the audit evidence I have obtained is sufficient and appropriate to

provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

5. We believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. 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

7. 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

8. 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 31st March 2023, 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 K Rajesh & Co
Chartered Accountant
Firm Registration No. 105754**

**K. Rajesh
Proprietor
Membership.No.230920
UDIN: 23230920BGVEDN6033**

Place: Chennai
Date: 25th August 2023

SWETHA ENGINEERING LIMITED
CIN NO:U27209TN1986PLC013787
BALANCE SHEET AS AT MARCH 31, 2023

Particulars		Note No.	Mar 31,2023	Mar 31,2022
ASSETS				
1	NON CURRENT ASSETS			
	a) Property Plant and Equipment	2	37357669.00	36370036.00
	b) Capital Work in Progress	2A	0.00	1770000.00
	c) Other Intangible Assets		0.00	0.00
	d) Financial Assets		0.00	0.00
	e) Deferred tax assets (net)	3	4271052.00	4435514.00
	f) Other Current Assets	4	4971644.00	4136644.00
	Total Non-Current Assets		46600365.00	46712194.00
2	CURRENT ASSETS			
	(a) Inventories	5	70761226.00	15790400.00
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	6	33953322.00	42229383.00
	(iii) Cash and Cash Equivalents	7	5924683.00	15163306.00
	(iv) Loans		0.00	0.00
	(v) Other Financial Assets		0.00	0.00
	(c) Other Current Assets	8	18381396.00	13389967.00
	Total Current Assets		129020627.00	86573056.00
	Total Assets		175620992.00	133285250.00
EQUITY AND LIABILITIES				
EQUITY				
	(a) Equity Share capital	9	37493000.00	37493000.00
	(b) Other Equity	10	8668920.00	12640039.00
	Total Equity		46161920.00	50133039.00
LIABILITIES				
1	NON-CURRENT LIABILITIES			
	a) Financial Liabilities			
	Long-term borrowings	11	31182966.00	16111940.00
	b) Provisions	12	5127717.00	5019175.00
	c) Deferred Tax Liability (net)		0.00	0.00
	d) Other Non-Current Liabilities		0.00	0.00
	Total Non-Current Liabilities		36310683.00	21131115.00
2	CURRENT LIABILITIES			
	a) Financial Liabilities			
	(i) Borrowings	13	40777533.00	55746280.00
	(ii) Trade payables	14	10326504.00	3280728.00
	b) Other current liabilities	15	41877088.00	2826824.00
	c) Provisions	16	167264.00	167264.00
	Total Non-Current Liabilities		93148389.00	62021096.00
	Total Equity and Liabilities		175620992.00	133285250.00

Significant accounting policies
See accompanying notes to the financial statements

1

For and on behalf of Board

As per our Report of even date
For K Rajesh & Co
Chartered Accountants
FIRM REG NO.105754

S.V.RAGURAMAN
Chairman & Managing Director
(DIN No.00098566)

S.V.SRIDHAR
Director-Commercial
(DIN No.00098576)

K.RAJESH
Proprietor
Membership No.230920
UDIN:23230920BGVEDN6033

Place: Chennai
Date:25/08/2023

SWETHA ENGINEERING LIMITED
CIN NO:U27209TN1986PLC013787
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars		Refer Note No.	Mar 31,2023	Mar 31,2022
I.	Revenue from Operations	17	69844195.00	64899773.00
II.	Other income	18	20715.00	12060.00
III.	Total Revenue (I + II)		69864910.00	64911833.00
IV.	Expenses:			
	Cost of materials consumed	19A	8650887.00	11371347.00
	Purchases of Stock-in-Trade			
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19B	-7754374.00	-253319.00
	Employee benefits expenses	20	26388611.00	22709451.00
	Finance costs	21	6402124.00	5623166.00
	Depreciation and amortization expense	22	4884201.00	6267546.00
	Other expenses	23	35100118.00	24555819.00
	Total expenses		73671567.00	70274010.00
V.	Profit before exceptional items and tax (III-IV)		-3806657.00	-5362177.00
VI.	Exceptional items-Prior Period Items		0.00	
VII.	Profit before tax (V- VI)		-3806657.00	-5362177.00
VIII	Tax expense:			
	(1) Current Tax		0.00	0.00
	(2) Deferred Tax		-164462.00	188926.00
IX	Profit/(Loss) for the period (VII-VIII)		-3971119.00	-5173251.00
X	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
XI	Total Comprehensive Income for the period		-3971119.00	-5173251.00
XIV	Earnings per equity share:		-1.06	-1.38

Significant accounting policies
See accompanying notes to the financial statements

1

For and on behalf of Board

As per our report annexed
For K Rajesh & Co
Chartered Accountants
FIRM REG NO.105754

S.V.RAGURAMAN
Chairman & Managing Director
(DIN No.00098566)

S.V.SRIDHAR
Director-Commercial
(DIN No.00098576)

K.RAJESH
Proprietor
Membership No.230920
UDIN:23230920BGVEDN6033

Place: Chennai
Date:25/08/2023

SWETHA ENGINEERING LIMITED
CIN NO:U27209TN1986PLC013787

Audited Statement of Cash Flows for the year ended on March 31, 2023

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<u>A. CASH FLOW FROM OPERATING ACTIVITIES :</u>		
Net Profit before tax	-3806657.00	-5362177.00
Adjustments for:		
Depreciation and Asset Adjustment	4884201.00	6267546.00
Interest Paid	6402124.00	5623166.00
Interest Received	-20715.00	-12060.00
Loss on Sale of Fixed Asset	6983.00	
Operating Profit before Working Capital Changes	7465936.00	6516475.00
Change in operating assets and liabilities:		
Increase/(Decrease) in Trade and Other Receivables	8276061.00	13203526.00
Increase/(Decrease) in Inventories	-54970826.00	-1331901.00
(Increase) / Decrease in other financial assets	-835000.00	-307500.00
(Increase) / Decrease in other assets	-4991429.00	-1214759.00
Increase/(Decrease)in Trade Payables	7045776.00	-3206481.00
Increase / (Decrease) in other liabilities & provisions	39158806.00	-8090103.00
Increase / (Decrease) in other financial liabilities	0.00	0.00
<u>Cash generated from Operation</u>	1149324.00	5569257.00
Direct Taxes (net)	0.00	
Net Cash from operating Activities (A)	1149324.00	5569257.00
<u>B.CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Payment for property, plant and equipment (PPE) and Intangibles (including Capital work-in-progress) (Net)	-4421600.00	-14589167.00
Sale of Fixed Assets	312783.00	0.00
Interest Received	20715.00	12060.00
Net Cash used in Investing Activities (B)	(4088102.00)	(14577107.00)
<u>C.CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds/ (Repayment) of Long term borrowing (net)	15071026.00	-1585112.00
Proceeds/ (Repayment) of Short term borrowing (net)	-14968747.00	30585726.00
Interest Paid	-6402124.00	-5623166.00
Increase in Share Capital		
Net Cash used in Financing Activities ©	-6299845.00	23377448.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	-9238623.00	14369598.00
Cash and Cash Equivalents		
As at Beginning of the year	15163306.00	793708.00
As at end of the year	5924683.00	15163306.00
Net Increase/ (Decrease) in Cash and Cash Equivalent	-9238623.00	14369598.00

Reconciliation of cash and cash equivalents as per the cash flow statement

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash and cash equivalents	5924683.00	15163306.00
Balance as per statement of Cash Flows	5924683.00	15163306.00

Notes:

a. Cash and cash equivalents represent cash in hand and cash with Scheduled Banks including Term Deposit with original maturity of less than three months.

b. 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.

c. Figures for the previous year has been re-grouped wherever necessary.

For and on behalf of Board

As per our report annexed

For K Rajesh & Co

Chartered Accountants

FIRM REG NO.105754

S.V.RAGURAMAN

Chairman & Managing Director

(DIN No.00098566)

S.V.SRIDHAR

Director-Commercial

(DIN No.00098576)

K.RAJESH

Proprietor

Membership No.230920

UDIN: 23230920BGVEDN6033

Place: Chennai

Date:25/08/2023

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2023

A) EQUITY SHARE CAPITAL

Particulars	Note No.	Amount
Balance as at 1st April 2021		37493000.00
Changes in equity share capital during the year		-
Balance as at the March 31, 2022		37493000.00
Changes in equity share capital during the year		-
Balance as at the March 31, 2023		37493000.00

B) OTHER EQUITY:

Particulars	Note No.	Other Equity			Total
		Securities Premium	Capital Reserve	Retained Earnings	
Balance as at 1st April 2021		21190827.00	174000.00	-3551537.00	17813290.00
Profit for the Year	-	-	-	-5173251.00	-5173251.00
Other Comprehensive Income for the year	-	-	-	0.00	0.00
Transfer from Retained Earnings to General Reserve	-	-	-	0.00	0.00
Dividend	-	-	-	-	0.00
Balance as t 31st March 2022	-	21190827.00	174000.00	-8724788.00	12640039.00
Profit for the Year	-	-	-	-3971119.00	-3971119.00
Other Comprehensive Income for the year	-	-	-	-	0.00
Transfer from Retained Earnings to General Reserve	-	-	-	-	0.00
Dividend	-	-	-	-	0.00
Balance as at 31st March 2023	0.00	21190827.00	174000.00	-12695907.00	8668920.00

The accompanying Notes are an integral part of the financial statements.

For and on behalf of Board

As per our Report of even date

For K Rajesh & Co
Chartered Accountants
FIRM REG NO.105754

S.V.RAGURAMAN
Chairman & Managing Director

S.V.SRIDHAR
Director-Commercial

K.RAJESH
Proprietor

Place: Chennai
Date:25/08/2023

Membership No.230920
UDIN: 23230920BGVEDN6033

CORPORATE INFORMATION:

SWETHA ENGINEERING LIMITED (CIN U27209TN1986PLC013787) (“the Company”) is a public company incorporated and domiciled in India. The registered office and factory of the company 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. The company is also in the business of making components to automotive electronics, engineering and other industries where the applications of CNC Machines are required.

1. SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Preparation of Financial Statements

(i) Statement of Compliance with Ind AS:

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 from time to time and other relevant provisions of the act as applicable.

These financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31st March, 2023. These financial statements for the year ended 31st March 2023 have been approved and authorised for issue by the Board of Directors at its meeting held on 25th August 2023.

(ii) Functional and presentation currency

The financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Company.

(iii) Historical cost of Convention

The financial statements are prepared under the historical cost convention and on an 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.

(iv) Classification of assets and liabilities

All assets and liabilities have been classified as current or non-current as per the Company's Operating cycle and other criteria set out in Schedule III of the Companies Act, 2013.

b. Use of Estimates and Judgements

While preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant Accounting judgements, estimation and assumptions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 are made in the following:

- Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Measurement of defined benefit obligations: Key actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined based on the prevailing market yields of Indian Government Securities as at the Balance Sheet Date for the estimated term of the obligations;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Estimation of useful life of property, plant and equipment and intangible assets and the assessment as to which components of the cost may be capitalized;
- Estimation of current tax expense and payable;

c. Revenue Recognition

Sale of Products:

Revenue is recognised when the Company satisfies performance obligation by transferring promised goods and services (assets) to the customers. Performance obligations are satisfied when the customer obtains control of the goods at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, and customer bears significant risk and rewards of ownership. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, applicable discounts and allowances wherever applicable.

Sale of Services:

Revenue from erection, installation, commissioning, manpower supply, repair and maintenance services is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

Other Income-Interest Income:

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

(ii) Property, Plant and Equipment

Property, plant & equipment are stated at cost less accumulated depreciation thereon. The cost of property, plant & equipment comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Project under commissioning and other capital work-in-progress are carried at cost, comprising direct cost, related incidental pre-operative expenses, and attributed interest.

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation losses. Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(iii) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in Schedule II of the Companies Act, 2013 using the written down method. Depreciation for assets purchased / sold during the period is proportionately charged. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

(iv) Inventories

Inventories are valued at lower of cost (including landed cost, any non-recoverable taxes and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods.

Materials, consumables, components, stores and spares are valued at cost or estimated net realisable value whichever is less by reflecting the fairest possible appropriation to the cost incurred in bringing the items of inventory to their present location and condition.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

(v) 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 denominated in are translated at year end exchange rates.
- ii)** Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise.

(vi) Employee Benefits

i) 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.

ii) 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.

- **Provident Fund:**

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 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.

- (vii) Taxes on Income**

Tax expense comprises of current and deferred tax.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate. 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. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to income taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

- (viii) Provisions ,Contingent Liabilities and Contingent Assets**

- a) Provision**

Provisions are recognised 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 of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement..

- b) Contingent Liability and Asset**

The Company uses significant judgements to disclose contingent liabilities. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

- (ix) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits held with financial institution, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to know cash and which are subject to an insignificant risk of changes in value.

(x) Cash Flow Statement

The Cash Flow Statement is prepared by the “indirect method” set out in Indian Accounting Standard 7(Ind AS 7) on “Statement of Cash Flows” and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash equivalents presented in the Cash Flow Statements consist of cash on hand and balances with bank.

(xi) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(xii) Contract Liabilities

A contract liability is the obligation to transfer goods to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the consideration is received.

(xiii) Earnings per Share

Basic earnings per share are computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year/period.

The weighted average number of equity shares outstanding during the year is adjusted for events, if any, such as bonus issue, bonus elements in a rights issue to existing shareholders, shares split and reverse shares split (consolidation of shares).

Particulars	As at 31-03-2023	As at 31-03-2022
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
Net profit after tax, available for equity shareholders (Rs.)	(39,71,119)	(51,37,251)
Basic and diluted earnings per share (Rs.)	(1.06)	(1.38)

(xiv) Segment Reporting

The company operates only in one business segment viz. “Manufacture and Service of Heavy Engineering Equipment’s”.

SWETHA ENGINEERING LIMITED**Note:2 PROPRERTY,PLANT AND EQUIPMENT**

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2022	Additions	Deductions/ Adjustments	As at 31.03.2023	As at 01.04.2022	For the Year	Disposals	As at 31.03.2023	As at on 31.03.2023	As at on 31.03.2022
Land	5764132.00	0.00	0.00	5764132.00	0.00	0.00	0.00	0.00	5764132.00	5764132.00
Building - Factory	21655418.00	1170012.00	0.00	22825430.00	18925597.00	558050.00	0.00	19483647.00	3341783.00	2729821.00
House Property	3360210.00	0.00	0.00	3360210.00	2537026.00	126209.00	0.00	2663235.00	696975.00	823184.00
Computers and Software	4895017.00	138000.00	0.00	5033017.00	4870630.00	28599.00	0.00	4899229.00	133788.00	24387.00
Crane and Lifting Equipment's	849175.00	0.00	0.00	849175.00	836043.00	0.00	0.00	836043.00	13132.00	13132.00
Electrical Equipment's	6874863.00	141817.00	0.00	7016680.00	5891727.00	349964.00	0.00	6241691.00	774989.00	983136.00
Furniture's & Fixtures	4104182.00	65000.00	0.00	4169182.00	3401394.00	301286.00	0.00	3702680.00	466502.00	702788.00
Office Equipment's	3021149.00	36957.00	0.00	3058106.00	2797817.00	72755.00	0.00	2870572.00	187534.00	223332.00
Plant & machinery	85822398.00	4502094.00	0.00	90324492.00	64200644.00	2813166.00	0.00	67013810.00	23310682.00	21621754.00
Vehicles	10880963.00	137720.00	750000.00	10268683.00	7396593.00	634172.00	430234.00	7600531.00	2668152.00	3484370.00
TOTAL	147227507.00	6191600.00	750000.00	152669107.00	110857471.00	4884201.00	430234.00	115311438.00	37357669.00	36370036.00

Description	Gross Carrying Amount				Depreciation				Net Carrying Amount	
	As at 01.04.2021	Additions	Deductions / Adjustment s	As at 31.03.2022	As at 01.04.2021	For the Year	Disposals	As at 31.03.2022	As at on 31.03.2022	As at on 31.03.2021
Land	5764132.00	0.00	0.00	5764132.00	0.00	0.00	0.00	0.00	5764132.00	5764132.00
Building -Factory	21265431.00	389987.00	0.00	21655418.00	18348041.00	577556.00	0.00	18925597.00	2729821.00	2917390.00
House Property	3360210.00	0.00	0.00	3360210.00	2387964.00	149062.00	0.00	2537026.00	823184.00	972246.00
Computer	4871893.00	23124.00	0.00	4895017.00	4787813.00	82817.00	0.00	4870630.00	24387.00	84080.00
Crane and Lifting Equipment's	849175.00	0.00	0.00	849175.00	836043.00	0.00	0.00	836043.00	13132.00	13132.00
Electrical Equipment's	6543803.00	331060.00	0.00	6874863.00	5447768.00	443959.00	0.00	5891727.00	983136.00	1096035.00
Furniture's & Fixtures	4104182.00	0.00	0.00	4104182.00	2963971.00	437423.00	0.00	3401394.00	702788.00	1140211.00
Office Equipment's	2826296.00	194853.00	0.00	3021149.00	2661143.00	136674.00	0.00	2797817.00	223332.00	165153.00
Plant & machinery	73855575.00	11966823.00	0.00	85822398.00	60888344.00	3312300.00	0.00	64200644.00	21621754.00	12967231.00
Vehicles	9197643.00	1683320.00	0.00	10880963.00	6268838.00	1127755.00	0.00	7396593.00	3484370.00	2928805.00
TOTAL	132638340.00	14589167.00	0.00	147227507.00	104589925.00	6267546.00	0.00	110857471.00	36370036.00	28048415.00

Note2A: Capital Work in Progress

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1770000.00	1770000.00
Add: Additions Capitalised during the year	423971.00	0.00
	-2193971.00	0.00
Closing Balance	0.00	1770000.00

Note 3: DEFERRED TAX ASSET (NET)	March 31,2023	March 31, 2022
The Balance comprises of temporary difference attributable to		
(i) Depreciation	1103489.00	914563.00
(ii)Unabsorbed Business Loss	3332025.00	3332025.00
Total Deferred Tax Asset (A)	4435514.00	4246588.00
Deferred Tax Asset/ (Liability) on Depreciation (Companies Act,2013 and Income Tax Act,1961)	(164462.000)	188926.00
Net Deferred Tax Asset	4271052.00	4435514.00

Note 4: OTHER CURRENT ASSETS	March 31,2023	March 31, 2022
Unsecured and considered good, unless otherwise stated		
Special Advance to Staff	4971644.00	4136644.00
Total	4971644.00	4136644.00

As per the Company Policy Special Advance to Staff 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 31,2023	March 31, 2022
Raw Materials	49372452.00	2156000.00
Work in Progress	21388774.00	13634400.00
Total	70761226.00	15790400.00

Note 6: TRADE RECEIVABLES	March 31,2023	March 31, 2022
Trade Receivables (Unsecured, Considered good)	7582247.00	9464260.00
Trade Receivable (Unsecured, Considered doubtful)	26371074.00	32765123.00
Total	33953321.00	42229383.00

Trade Receivables Ageing Schedule as at 31st March, 2023

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 year	1-2 Years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables-Considered good	7582247.00	0.00	0.00	0.00	0.00	7582247.00
(ii) Undisputed Trade Receivables-Considered Doubtful	0.00	0.00	0.00	0.00	26371075.00	26371075.00

Note 7: CASH AND CASH EQUIVALENTS	March 31,2023	March 31, 2022
Cash and Cash equivalents		
(i) Bank Balance in - Current Account	5654827.00	14908621.00
(ii) Cash on Hand	72361.00	57190.00
(iii) Bank Deposits (held as Margin money for Bank Guarantees)	197495.00	197495.00
Total	5924683.00	15163306.00

Note 8: OTHER CURRENT ASSETS	March 31,2023	March 31, 2022
<i>Unsecured and Considered Good</i>		
Balance with Government Authorities	12477026.00	8171989.00
Advance to Suppliers	1400586.00	1429694.00
Employee Advances and Others	3270585.00	2677263.00
Deposits	1233199.00	1111021.00
Total	18381396.00	13389967.00

Note 9 SHARE CAPITAL	March 31, 2023	March 31, 2022
Authorised Share Capital		
50,00,000 (Previous Year 50,00,000) equity shares of Rs.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
Issued Share Capital		
39,20,100 Equity shares of Rs.10 Each	39201000.00	39201000.00
-		
Subscribed and Fully Paid up		
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, 2023		March 31, 2022	
	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 and restrictions attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs.10/- per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding

c) Shares held by Promoters

Name of the Shareholder	March 31, 2023		Increase/ (Decrease)	March 31, 2022	
	No.of Shares	%		No.of Shares	%
1) S V Raguraman	727408	19.40	0	727408	19.40
2) S V Sridhar	341095	9.10	0	341095	9.10
3) S V Muralidharan	37170	0.99	0	37170	0.99
4) S V Srivathsangan	34300	0.91	0	34300	0.91
5) Rama Raguraman	2450	0.07	0	2450	0.07

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

Particulars	March 31, 2023		March 31, 2022	
	Numbers	% holding in the Class	Numbers	% holding in the Class
1) Pinakin Chimanlal Shah	0	0.00	0	0.00
2) Hardik Shah	443000	11.82	443000	11.82
2) Celltech Consultancy and Marketing Pvt Ltd	280600	7.48	280600	7.48

Note 10: OTHER EQUITY	March 31,2023	March 31, 2022
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	-8724788.00	-3551537.00
Add: Profit for the year	-3971119.00	-5173251.00
Closing Balance	-12695907.00	-8724788.00
TOTAL	8668920.00	12640039.00

a. **Securities Premium Reserve:** This reserve represents amount received in excess of face value of the equity shares recognised as Share Premium. Securities Premium account records the premium component on issue of shares and can be utilised in accordance with the provisions of Companies Act, 2013

b. **Capital Reserve:** This reserve represents amount on account of forfeiture of Equity Shares.

c. **Retained Earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Note 11:NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS	March 31,2023	March 31, 2022
Secured Loans		
Term Loans		
-From Banks (Refer note.13)	29360825.00	13048165.00
HP Loan		
-From Banks	1509688.00	2354234.00
-From Financial Institution and Services	312453.00	709541.00
Total	31182966.00	16111940.00

a) Working Capital Term Loan from Repco Bank, Corporate Branch Balance of Rs.200.00 lakhs was sanctioned on 06.02.2023 Balance as on 31.03.2023 is Rs.1,98,04,355. The loan is repayable in 120 equated monthly instalments carrying interest rate 9.80% pa with repayment commencing from March 2023.

b) Working Capital Term Loan from Repco Bank, Corporate Branch Balance as on 31.03.2023 is Rs.22,89,060.00 is repayable in 60 equated monthly instalments carrying interest rate 11.00% pa with repayment commencing from February 2020.

c) Covid Special Loan of Rs.90.00 lakhs was sanctioned by Repco Bank, Corporate Branch carrying interest @11% p.a. Balance as on 31.03.2023 is Rs.72,67,410.00.The loan amount is repayable in 84 Equated monthly instalments with repayment commencing from October 2021.

c) HP Loan availed from ICICI Bank-Balance as on 31.03.2023 is Rs.3,56,033.00 and is repayable in 36 equated monthly instalments carrying interest @ 8.25% p.a.

d) HP Loan availed from ICICI Bank-Balance as on 31.03.2023 is Rs.11,53,335.00 and is repayable in 36 equated monthly instalments carries an interest @ 8.25% p.a.

e) HP Loan availed from Toyota Financial Services India ltd-Balance as on 31.03.2023 is Rs.31,2,453.00 and is repayable in 36 monthly instalments carrying interest @ 8.76%. P.a

f) Security:(Secured HP Loans from Bank / Financial Institutions are secured by the respective Vehicles and Machinery)

g) Default in Repayment of Principal and Interest - NIL

Note 12:NON-CURRENT LIABILITIES PROVISIONS	March 31,2023	March 31, 2022
Provisions for employee Benefits-Gratuity	5127717.00	5019175.00

Provisions made during the Year Rs.1,08,542 (Previous Year Rs.4,69,989.00)

Settled during the Year Rs.1,12,500.00 (Previous Year Rs.Rs.7,04,227.00)

Note 13: FINANCIAL LIABILITIES - BORROWINGS (CURRENT)	March 31,2023	March 31, 2021
Borrowings repayable on demand from banks		
Secured:		
HP Loan	40677643.00	55746280.00
-From Banks	99890.00	0.00
Total	40777533.00	55746280.00

a) Secured Overdraft from Repco Bank, Corporate Branch of Rs.4,06,77,643.00 is secured by way first charges of Equitable Mortgage on the Company's Factory Land and Building and Company's properties located in Chennai (Ambattur, Ambattur Estate and Orator) and hypothecation of Stock and Machinerics .

b) Applicable Rate of Interest is 11% p.a (March 31st 2021 11% p.a)

c) HP Loan availed from SBI Bank-Balance as on 31.03.2023 is Rs.99,890.00 and is repayable in 12 equated monthly instalments.

Note 14: TRADE PAYABLES	March 31,2023	March 31, 2022
Trade Payables		
a.Payable to Micro, Small and Medium Enterprises	3798905.00	1176485.00
b.Payable to creditors other than Micro and Small Enterprises	6527599.00	2104243.00
Total	10326504.00	3280728.00

14.1 Due to Micro, Small and Medium Enterprises

Micro and small enterprises as defined under the Micro Small and Medium Enterprises Development Act 2006 (MSMED

Act) have been identified on the basis of the information available with the Company. The disclosures pursuant to MSMED Act based on the books of account are as under:

Particulars	March 31,2023	March 31, 2022
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The auditors have relied on the information provided by the management.

14.2 TRADE PAYABLES - AGEING SCHEDULE

Particulars	Outstanding from due date of payment					Total
	Not Due	Less than Total 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME	2019625.00	1779280.00	-	-	-	3798905.00
(ii) Others	-	6527599.00	-	-	-	6527599.00
(iii) Disputed dues - MSME	-	-	-	-	-	0.00
(iv) Disputed dues - Others	-	-	-	-	-	0.00
Total	2019625.00	8306879.00	0.00	0.00	0.00	10326504.00

Note 15: OTHER CURRENT LIABILITIES	March 31,2023	March 31, 2022
Advance from Customers	41628650.00	1200000.00
Other Short Term Liabilities	140438.00	933076.00
Outstanding Liabilities	108000.00	693748.00
Total	41877088.00	2826824.00

Note 16: CURRENT LAIBILITIES-PROVISIONS	March 31,2023	March 31, 2022
Provisions for Taxation	167264.00	167264.00

Note 17: REVENUE FROM OPERATIONS	March 31,2023	March 31, 2022
Sale of Products	43123183.00	42513236.00
Sale of Services	26721012.00	22386537.00
Total	69844195.00	64899773.00

Note 18: OTHER INCOME	March 31,2023	March 31, 2022
Duty Drawback Received	4005.00	0.00
Interest Income on Electricity Deposit on income tax	0.00	1720.00
	16710.00	10340.00
Total	20715.00	12060.00

Note 19A: MATERIAL COST	March 31,2023	March 31, 2022
Cost of Raw Materials Consumed		
Opening Stock	2156000.00	1077418.00
Add: Purchases during the year	55867339.00	12449929.00
	58023339.00	13527347.00
Less: Closing Stock	(49372452.00)	(2156000.00)
Net Amount	8650887.00	11371347.00

Note 19B:CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	March 31,2023	March 31, 2022
Work in Progress		
Opening WIP	13634400.00	13381081.00
Less: Closing WIP	(21388774.00)	(13634400.00)
Net Amount	-7754374.00	(253319.00)

Note 20: EMPLOYEE BENEFITS EXPENSE	March 31,2023	March 31, 2022
Salaries and Incentives	22136954.00	18010635.00
Contribution to Approved fund	2050383.00	2100102.00
Staff Welfare Expenses	2201274.00	2598714.00
Total Amount	26388611.00	22709451.00

Note 21: FINANCE COSTS	March 31,2023	March 31, 2022
Interest on Secured Overdraft	4678260.00	3803450.00
Interest on Term Loan	1527195.00	1649907.00
Interest on Hire Purchase	195316.00	155298.00
Interest to Others	1353.00	14511.00
Total Amount	6402124.00	5623166.00

Note 22: DEPRECIATION AND AMORTISATION EXPENSE	March 31,2023	March 31, 2022
Depreciation on property plant and equipment	4884201.00	6267546.00
Total Amount	4884201.00	6267546.00

Note 23: OTHER EXPENSES	March 31,2023	March 31, 2022
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
Bad Debts	4121730.00	0.00
Power and Fuel Charges	2202057.00	1528620.00
Manufacturing and Operating Expenses	16880107.00	12531392.00
Maintenance Charges	1575784.00	1287607.00
Overhead Charges	427849.00	344461.00
Transportation Charges	759464.00	231970.00
Exchange Loss	243084.00	197405.00
Rates and Taxes	685403.00	580921.00
Legal Charges	0.00	30000.00
Sitting fees	10000.00	10000.00
Filing Fees	6677.00	33600.00
Bank Charges	854600.00	1253545.00
Business promotion expenses	1588670.00	846622.00
Conveyance and Travelling expenses	1432522.00	1393538.00
Insurance	233364.00	520740.00
Postage and Telephone expenses	110390.00	87412.00
Printing and Stationery	73569.00	67735.00
Professional Charges	949500.00	830600.00
Service Charges	1262605.00	1373298.00
Miscellaneous Expenses	1574743.00	1298353.00
Total	35100118.00	24555819.00

24. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR

(a) Contingent liability not provided for: Amount in Rs

Particulars	2022-2023	2021-2022
Guarantees given by banks on behalf of the company (Advance and Performance bank Guarantees)	3,83,93,750	2,72,75,000

b) Claims against the company not acknowledged as debt: Amount in Rs

Particulars	2022-2023	2021-2022
Property tax - Ambattur Municipality tax	10,68,896	10,68,896
Entry Tax-Demand Raised	2,27,239	2,27,239
Less: Amount paid	2,27,239	2,27,239
Balance	Nil	Nil

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.

25. RELATED PARTY TRANSACTIONS

The disclosure of related party transactions is presented as per "Indian Accounting Standard (Ind AS) 24 Related Party Disclosures" on an aggregate basis for shareholders, their relatives and companies controlled by shareholders. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties. The disclosure also includes details as prescribed under rule 16A of The Companies (Acceptance of Deposits) Rules, 2014.

a) Name of the related party and nature of relationship

Sl. No	Name of Related Party	Relationship
1	S.V.Raguraman	Chairman and Managing Director
2	S.V.Sridhar	Director- Commercial
3	S.Niranjankumar	Director-Technical

b) Transactions with Key Managerial Personnel / Director / their relatives

Sl. No	Name of Related Party	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Remuneration Paid to Directors	80,15,000	64,90,000
2	Salary Paid	16,05,000	9,60,000
3	Professional/Services Charges	12,42,000	11,82,000

- Sitting fees to Directors is Rs.10,000.00.

26. KEY FINANCIAL RATIOS

Ratio	Numerator	Denominator	Current Period	Previous Period	% of Variance
Current ratio	12,90,20,627	9,30,48,499	1.39	1.40	(0.71%)
Debt-equity ratio	5,66,94,914	5,01,33,038	1.13	0.76	48.68%
Debt service coverage ratio	26,04,739	35,88,143	0.51	0.68	25.00%
Return on equity ratio	(39,71,119)	37,49,300	(1.06)	(1.38)	23.19%

Inventory turnover ratio	86,50,887	4,32,75,813	0.20	0.75	(73.33%)
Trade receivables turnover ratio	6,73,71,984	3,80,91,352	1.77	1.89	(6.35%)
Trade payables turnover ratio	3,41,58,634	68,03,616	5.02	7.36	(31.79%)
Net profit ratio (%)	(39,71,119)	6,98,44,195	(5.69%)	(7.97%)	(28.61%)
Return on capital employed	25,95,467	4,61,61,920	5.62%	0.05%	11140%
Return on investment (Equity)	NA	NA	NA	NA	NA

27. ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- i. The Title deeds of the immovable properties (are held in the name of the Company.
- d. As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- e. The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- f. No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- g. The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- h. There are no transactions with the Companies whose name are struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
- i. All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.
- j. The Company has not operated in any crypto currency or Virtual Currency transactions
- k. During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

28. The figures for the previous year have been re-arranged and regrouped wherever necessary and/ or practicable to make them comparable with those of the current year.

For and on behalf of Board

K Rajesh & Co
Chartered Accountants
Firm Reg No.105754

S.V.RAGURAMAN
Chairman & Managing Director
(DIN No.00098566)

S.V. SRIDHAR
Director-Commercial
(DIN No.00098576)

K.Rajesh
Proprietor
Membership No.230920
UDIN: 23230920BGVEDN6033

Place: Chennai
Date:25/08/2023

SWETHA ENGINEERING LIMITED

CIN: U27209TN1986PLC013787

Regd Off: Plot No.123-131, Tass Industrial Estate, Mahathma Gandhi Road, Ambattur,
Chennai, 600098, Tamil Nadu, India

LETTER TO SHAREHOLDERS FOR KYC UPDATION

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/](mailto: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: 25/08/2023