

August 3, 2016

BSE Limited
Department of Corporate Services
Floor 25, P. J. Towers,
Dalal Street,
MUMBAI-400 001.

Scrip Code: 532051

Dear Sir / Madam,

Sub: 21ST Annual General Meeting – Annual Report

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the year 2015-16 as approved by the Shareholders of the Company at their Annual General meeting held on 28.07.2016.

Kindly Acknowledge receipt.

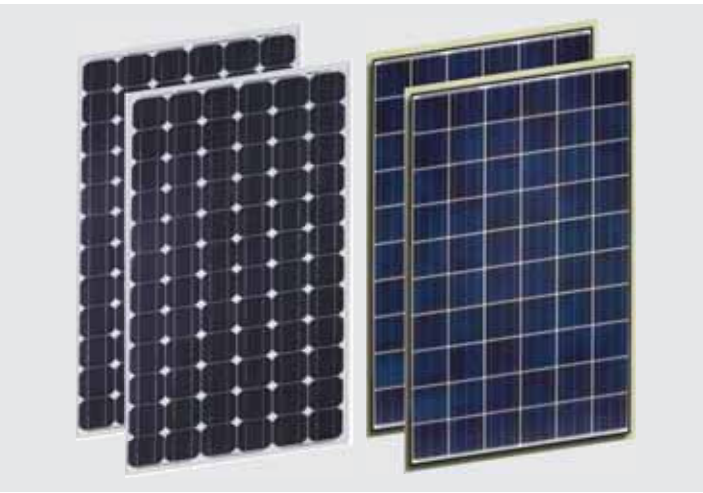
Thanking you,

Yours faithfully,
For SWELECT ENERGY SYSTEMS LIMITED


R.Sathishkumar
Company Secretary



Encl: as above



swelect ENERGY SYSTEMS LIMITED

(Formerly Known as NUMERIC POWER SYSTEMS LIMITED)

TWENTY FIRST ANNUAL REPORT 2015-16

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Mr. V.M. SIVASUBRAMANIAM
(DIN:00017249)

MANAGING DIRECTOR

Mr. R. CHELLAPPAN
(DIN:00016958)

JOINT MANAGING DIRECTOR

Mr. A. BALAN
(DIN:00017091)
(w.e.f. 03.10.2015)

WHOLE TIME DIRECTOR

Mr. V. C. RAGHUNATH
(DIN:00703922)

DIRECTORS

Mr. N. NATARAJAN
(DIN:00017368)

Mr. G. S. SAMUEL
(DIN:05284689)
(w.e.f. 03.10.2015)

Mrs. JAYASHREE NACHIAPPAN
(DIN: 03173327)

Mrs. VASANTHA BALAN
(DIN:05324401)
(up to 03.10.2015)

CHIEF FINANCIAL OFFICER

Mr. P.JAGAN

COMPANY SECRETARY

Mrs. J. BHUVANESWARI
(up to 31.03.2016)

Mr. R. SATHISHKUMAR
(w.e.f. 01.04.2016)

BANKERS

STATE BANK OF MYSORE
Santhome and Industrial Finance Branch,
Chennai.

THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED
Chennai.

HDFC BANK LIMITED
ITC Centre Anna Salai & Mylapore Branch,
Chennai.

BARCLAYS BANK PLC,
Mumbai.

DBS BANK
Bangalore.

YES BANK
Chennai.

STATE BANK OF INDIA
Industrial Finance Branch, Chennai.

ICICI BANK
Mylapore, Chennai.

REGISTERED OFFICE

No.5, Sir P.S. Sivasamy Salai,
Mylapore, Chennai – 600 004
Tel : +91 44 24993266
Fax : +91 44 24995179
Email Id : cg.ird@swelectes.com

PLANT LOCATIONS

No.	Location of Plant	Details of the plant
1.	Coimbatore Kuppepalayam SF No. 166 &169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107.	SWELECT 1.1 MW Solar Plant
2.	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District .	SWELECT 1.5 MW Wind Mill Power Unit
3.	58/3 (14 D, D/1) Salem Main Road, Veerappampalayam PO Idappadi -637105, Salem District.	UNIT 3S
4.	Kollakkudi, Thottiyam Taluk, Trichy District.	SWELECT 10 MW Solar plant

STATUTORY AUDITORS

S.R. Batliboi & Associates LLP
Chartered Accountants,
Tidel Park, 6th & 7th Floor,
A-Block No.4, Rajiv Gandhi Salai,
Taramani, Chennai - 600113.

INTERNAL AUDITORS

S. K. Ram Associates
Chartered Accountants
Old No. 57/2, New No. 103,
P S Sivaswamy Salai, Mylapore,
Chennai - 600004.

SECRETARIAL AUDITOR

Mr. R. Kannan
Practising Company Secretary
Door No. 6A, 10th Street,
New Colony, Adambakkam,
Chennai - 600 088.

COST AUDITOR

Mr. R. Ravichandran
No.16, 3rd Street,
New Colony, Adambakkam,
Chennai - 600 088.

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

Cameo Corporate Services Ltd.
Subramanian Building,
No.1 Club House Road,
Anna Salai, Chennai - 600002.

DIRECTORS' REPORT

Our Valued Shareholders

We have pleasure in presenting the Twenty First Annual Report and the Audited accounts of the Company for the year ended 31st March 2016.

Financial Highlights

(Rs. In Lakhs)

S.No.	Particulars	Standalone		Consolidated	
		For the year ended 31/3/2016	For the year ended 31/3/2015	For the year ended 31/3/2016	For the year ended 31/3/2015
1.	Sales / Income from operations	6187.57	4887.49	21210.62	22756.04
	Less: Taxes and duties	61.34	54.49	575.98	571.45
2.	Net Sales/Income from Operations	6126.23	4833.00	20634.64	22184.59
3.	Other income	3808.56	2478.58	3514.96	2678.21
	Total Income from Operations	9934.79	7311.58	24149.60	24862.80
4.	Total Expenditure	4964.47	4881.94	19113.60	21532.70
5.	Profit Before Depreciation, Interest and Tax	4970.32	2429.64	5036.00	3330.10
6.	Finance Cost	891.40	1059.90	1065.46	1205.30
7.	Depreciation	1017.78	871.71	1739.70	1693.08
8.	Exceptional item	81.67	-203.12	30.00	-203.12
9.	Profit Before Tax	3142.81	294.91	2260.84	228.60
10.	Tax Expense	917.15	161.98	938.62	254.34
11.	Share of Profit / (loss) of associate Company	-	-	-	-11.79
12.	Net Profit / (Loss) for the year	2225.66	132.93	1322.22	-37.53
13.	Transfer to General Reserve	222.57	13.29	222.57	13.29
14.	Interim Dividend	303.18	-	303.18	-
15.	Proposed Final Dividend	101.06	252.65	101.06	252.65
16.	Tax on Dividend	82.29	51.43	82.29	51.43
17.	Equity Capital	1010.58	1010.58	1010.58	1010.58
18.	Reserves and Surplus	65202.43	63463.30	68143.17	66789.23
19.	EPS(Rs.)	22.02	1.32	13.08	-0.37

Major Line of business:

- I - Manufacturing : Solar PV Modules, Solar Inverters and Mounting Structures
- II - Solar Power Generation & Systems Integration
- III - Iron & Steel Foundry Products

Your Company with a strong back drop of 30 years of Power electronics and Power Systems experience is well positioned in the Renewable Energy space with over 50 MW of Solar Photovoltaic EPC experience. With a commanding and deep vertically integrated supply line management to cater its customers with business agility and superior technical know-how; is fully geared to tackle the challenges of the industry.

The drop in crude oil prices was posing a momentary delay in adoption of Solar Power. Also the fluctuations in foreign exchange was posing an inflation on the imported raw materials cost. Predatory and non-sustainable pricing by late entrants is also posing a challenging market environment. Recently, some Government PPA (Power Purchase Agreement) is following reverse bidding mechanism for price discovery on the tariff, which has instigated adventurous bidding by some industry players without long term sustainable business models.

This year the industry did have a bit of market consolidation and dynamics, still your Company saw the opportunity to grow and innovate. Based on its proven business acumen and market intelligence, your Company was able to record a significant growth and a profitable business enterprise.

General review of the Business of the Company:

During the year, your Company achieved a growth of 26.76 % over the previous financial year on (Standalone) total Revenue and income from operations. The Profit After Tax for the current year is Rs.2225.66 lakhs.

Dividend

The Board of Directors had declared an interim dividend of Rs.3/- per equity share [ie. 30% on the paid up equity share capital of Rs.10,10,58,400/- (Rupees Ten Crores Ten Lakhs Fifty Eight Thousand Four Hundred Only)] at its meeting held on 14.03.2016 and the total dividend amount of Rs. 303.18 lakhs was paid to shareholders on 29.03.2016. The Company also paid dividend distribution tax of Rs 61.72 lakhs, on the same.

The Board of Directors have recommended a final Dividend of Re. 1/- per equity share [@ 10% on the equity share capital of Rs.10,10,58,400/- (Rupees Ten Crores Ten Lakhs Fifty Eight Thousand Four Hundred Only)], for the year ended 31st March 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The money outflow for the Company would be Rs.101.06 Lakhs towards final dividend and Rs.20.57 lakhs towards dividend distribution tax.

Share Capital

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2016, it stood at Rs.10,10,58,400/- divided into 1,01,05,840 equity shares of Rs.10/- each.

Transfer to General Reserve

The Company has earned a total profit after tax of Rs.2225.66 lakhs out of which a sum of Rs. 222.57 lakhs has been transferred to General Reserve.

Financial Results of Subsidiary Companies

The financial position of the subsidiary Companies are included in the consolidated financial statements. The List of Subsidiary Companies are also furnished in Annexure - 2.

Scheme of Amalgamations

1. Amalgamation of BS Powertech Solutions Private Limited with Noel Media & Advertising Private Limited.

SWELECT Solar Energy Private Limited is a Wholly Owned Subsidiary of SWELECT Energy Systems Limited. SWELECT Solar Energy Private Limited was holding 100% equity capital in BS Powertech Solutions Private Limited and NOEL Media & Advertising Private Limited. BS Powertech Solutions Private Limited and NOEL Media & Advertising Private Limited are engaged in the business of generation of power from solar energy. The Board of Directors of both the Companies decided to amalgamate these Companies in order to ensure better management of the Company as a single unit and filed a petition before the Hon'ble High Court of Judicature at Madras on 2nd September 2015. The scheme of Amalgamation was sanctioned by the Hon'ble High Court of Madras on 8th January 2016.

2. Amalgamation of Amex Irons Private Limited with Amex Alloys Private Limited.

Amex Irons Private Limited and Amex Alloys Private Limited are the Wholly Owned Subsidiaries of SWELECT Energy Systems Limited. Amex Irons Private Limited is engaged in the business of manufacturing and sale of iron castings and Amex Alloys Private Limited is engaged in the business of manufacturing and sale of machine, alloys castings and patterns. The Board of Directors of these Companies decided to amalgamate Amex Irons Private Limited with Amex Alloys Private Limited, in order to ensure better management of the Company as a single unit. Accordingly a petition for the Scheme of Amalgamation was filed before the Hon'ble High Court of Judicature at Madras on 12th February 2016. The effective date of the scheme of Amalgamation will be 01.04.2015 and the scheme of Amalgamation is yet to be sanctioned by the Hon'ble High Court of Madras.

3. Amalgamation of HHV Solar Technologies Limited with SWELECT Energy Systems Limited.

HHV Solar Technologies Limited is a Wholly Owned Subsidiary of SWELECT Energy Systems Limited. HHV Solar Technologies Limited is engaged in the business of manufacture and supply of off-grid solar photovoltaic modules based on crystalline silicon technology and related solar solutions. In order to ensure better management of the Company as a single unit, it was decided to amalgamate HHV Solar Technologies Limited with SWELECT Energy Systems Limited and filed a petition for the Scheme of Amalgamation before the Hon'ble High Court of Judicature at Madras on 26th April 2016. The effective date of the scheme of Amalgamation will be 01.04.2015 and the scheme of Amalgamation is yet to be sanctioned by the Hon'ble High Court of Madras.

Deposits

The Company did not receive deposits from the public during the year.

Directors

Change in Directors and Key Managerial Personnel

The Board of Directors at their meeting held on 3.10.2015, appointed **Mr. A. Balan** as the Joint Managing Director of the Company for the period of 5 years from 3rd October 2015 to 2nd October 2020 as per the terms and conditions as set out in the resolution, subject to the approval of the shareholders at the ensuing Annual General Meeting.

Mr. G.S. Samuel was appointed as Additional Director of the Company with effect from 3.10.2015 who holds office up to the date of the ensuing Annual General Meeting.

Mr. G.S. Samuel has fulfilled the conditions as specified in Section 149(6) of the Companies Act 2013 and eligible to appoint him as an independent Director of the Company. The Board accordingly recommends a resolution for the approval of shareholders at the ensuing Annual General Meeting.

Mrs. Jayashree Nachiappan, Non-Executive Director, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer herself for re-appointment.

Mrs. Vasantha Balan, Director resigned from the Board with effect from 3.10.2015.

The Profile of Mr. A. Balan, Mr. G.S. Samuel and Mrs. Jayashree Nachiappan, are given separately in the notice of AGM.

Company Secretary

Mrs. J. Bhuvanewari, Company Secretary, resigned on 31.03.2016 and Mr R. Sathishkumar was appointed as Company Secretary and Compliance officer of the Company with effect from 1.4.2016.

Board and Committee Meetings

The Board met 12 times during the year. The details regarding the Board meetings, Audit committee meetings, Corporate Social Responsibility (CSR) committee meeting, Nomination and remuneration committee meeting etc., are given separately in the Corporate Governance report.

Disclosure on Composition of Audit Committee and its recommendation:

The details of Composition of Audit Committee is given in the Corporate Governance Report. The Board has accepted all recommendations of the Audit Committee.

Industrial Relations

During the year under review, the Company enjoyed cordial relationship with workers and employees at all levels.

Code of Conduct

All Directors, Key Management Personnel and senior management of the Company have confirmed compliance with the code of conduct applicable to the Directors and employees of the Company and a declaration in this effect made by the Managing Director is attached with this report.

Details of establishment of vigil mechanism for directors and employees

Vigil mechanism has been established in the Company and the policy on the Vigil mechanism is available on the website of the Company www.swelectes.com. The Audit Committee looks into the complaints if any raised and reports to the Board.

Disclosure under the Sexual Harassment of women at work place (prevention, prohibition and redressal) Act 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-2016.

The members of the Committee are 1. Mrs. S. Indira, 2. Mrs. C. Preethy, 3. Ms. Aarathi Balan and 4. Mr. K. Karthikeyan.

No. of complaints received during the year : Nil

No. of complaints disposed off during the year : Nil

Prevention of Insider Trading

The Company has adopted a Code of Conduct as per the Guidelines issued by the Securities and Exchange Board of India for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Board of Directors and the designated employees have confirmed compliance with the Code.

Statutory Auditors

M/s S.R. Batliboi & Associates LLP, Statutory Auditors of the Company retire at the ensuing Annual General meeting. The Board of Directors at their meeting held on 27.05.2016 recommended their re-appointment for the financial year 2016-2017.

Statutory Auditors Report for the year 2015-2016.

There are no qualifications or observations or remarks made by the Statutory Auditors in their report.

Secretarial Audit Report

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Mr. R. Kannan, Practicing Company Secretary, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is also attached as part of this Report. There are no qualifications or remarks made by the Secretarial Auditor in his Report.

Cost Audit

As per the cost audit rules issued by the Ministry of Corporate Affairs, Cost Audit is not applicable to the Company for the year 2015-2016. However for the financial year 2016-17, the Cost Audit is applicable for the Company. The Board at its meeting held on 27.05.2016 appointed Mr. R. Ravichandran, as the Cost Auditor of the Company for the financial year 2016-17.

Management Discussion and Analysis

Management Discussion and Analysis for the year, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is presented in a separate Section forming part of the Annual Report.

Conservation of energy, technology absorption and foreign exchange earnings and outgo

The Conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of the Board's report and is given in Annexure - 1.

Extract of the Annual Return

The Extract of the annual return in Form No. MGT – 9, is being annexed to the report in Annexure - 2.

Particulars of loans, guarantees or investments under section 186

The Company has provided working capital loan, Guarantee, securities to the wholly owned subsidiary Companies which is permitted under the Companies Act 2013. The details of the loans, Guarantee, and security provided are given in the financial statements.

The details of the investment made by the Company are given in the notes to the financial statement.

Corporate Social Responsibility

The Company undertakes "Corporate Social Responsibility" initiatives directly to the public in improving the quality of life. During the year 2015-16, the Company has undertaken many initiatives through a policy framework for expanding some of the present initiatives and undertaking newer CSR initiatives in the year to come.

The Annual Report on CSR Activities in the prescribed format is given in the Annexure - 4.

Detailed composition of the CSR Committee, number of meetings held during the year under review and other related details are set out in the Corporate Governance Report which forms a part of this Report.

Particulars of contracts or arrangements with related parties

All transactions entered into with the Related Parties during the financial year under the review were on arm's length basis and were in the ordinary course of business. There were no material significant transactions with the Company's Promoters, Directors, Management or their relatives that could have had a potential conflict with the interests of the Company.

All Related party transactions are placed before the Audit Committee and Board for review and approval. Prior omnibus approval is obtained from Audit Committee for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length.

In line with the requirements of the Companies Act, 2013 and Listing Regulation, the Company has formulated a Policy on Related Party Transactions which is also available on Company's website at www.swelectes.com/investor. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

There are no materially significant related party transactions which exceeds 10% of the consolidated turnover of the Company.

Annual Board Evaluation and Familiarizing programme

The Board carried out an annual evaluation of its own performance, the directors and committees of the Board based on the guideline formulated by the Nomination & Remuneration Committee. Board composition, quality and timely flow of information, frequency of meetings, and level of participation in discussions were some of the parameters considered during the evaluation process.

The Company provides details of webcast being conducted by the Institute of Company Secretaries of India and Institute of Chartered Accountant of India to the Independent Directors to facilitate updation on the various amendments in the Companies Act, 2013, rules, notifications etc. In addition the Company is arranging professional consultancy to update and clarify the development / changes in the Acts.

Further, during the year the Independent Directors of the Company met on March 14, 2016 to review the performance of the Non-executive directors, Chairman of the Company and performance of the Board as a whole.

Material Changes and commitments affecting the financial position of the Company which have occurred between 31st March 2016 and 27th May 2016 (date of report).

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year 31st March 2016 and the date of the report 27th May 2016.

Disclosure of Accounting Treatment

The Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable, in the preparation of the financial statements.

Corporate Governance Certificate

A report on Corporate Governance as stipulated under SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, is attached to this Report.

A Compliance Certificate from Mr. R. Kannan, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid regulation is annexed to this report.

Directors' Responsibility Statement

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that year;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the 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.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Declaration by Independent Directors

Pursuant to sub section (6) of Section 149 of the Companies Act, 2013 and Reg. 16(1) (b) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company have given a declaration to the Company that they qualify the criteria of independence as required under the Act and the regulations.

Policy on Nomination and Remuneration and Performance evaluation of Directors, KMP and Senior Management Personnel

The Board based on the recommendation of the Nomination and Remuneration Committee has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy is annexed as Annexure – 6 to this report.

Particulars of Employees:

The information of required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure-3 of the Annual report.

Acknowledgement

Your Board places on record its appreciation of the support and co-operation received from the Government of India, State Governments, Banks, Suppliers, Customers and Vendors, whom your company looks upon as its valued partners in the path of progress. Your Directors also wish to place on record their appreciation for the valuable services rendered by Depositories, Stock Exchanges, and the Registrar and Transfer Agents. Your Directors thank all our valuable Investors who have been with the Company all these years and are also very much pleased to welcome all the new Investors and thank them for their continued patronage and confidence reposed in the Management.

For and on behalf of the Board of Directors

Chennai
May 27, 2016

R. CHELLAPPAN	A.BALAN
Managing Director	Joint Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS:

Industry structure and developments:

Key Highlights

I - Solar PV Modules Manufacturing

SWELECT under its Wholly Owned Subsidiary (WOS) – HHV Solar Technologies Ltd expanded the PV Modules manufacturing capacity to 100 MW and is poised to reach new markets in open category and DCR (Domestic Content Requirement) projects. The Company has implemented the capacity addition by installing a State-of-the-Art assembly line with very advance Taber Stringer machines from Germany and other process machinery from reputed suppliers. The new line was commissioned during the 3rd quarter of FY 2015-16.

II - Solar Power Generation & System Integration (new additions)

- DCR category 10 MW SPV Power plant near Musiri in Trichy District - under the SECI (Solar Energy Corporation of India) VGF program SWELECT was awarded this project and the same was under construction during FY 2014-15. This project has been successfully completed in June 2015 and went fully live from end of Q2 in FY 2015-16. The Power generated is being sold to SECI with a 25 years PPA. The company has also received the first tranche of 6.5 Crores VGF funding from SECI.
- Successful completion of 4 MW Solar Power Generating plant EPC in Karur District for Kovai Medical Centre and Hospital (KMCH) Limited, a leading Multispecialty Hospital in South India on turkey basis including land acquisition and land development, with 5 year Operation and maintenance contract.
- 1 MW of Roof top Solar Photovoltaic Power Plant on Turnkey EPC basis for M/s Indian Oil Corporation at Barauni in Bihar has been initiated during FY 2015-16 and is expected to be completed by 2nd quarter of FY 2016-17.
- SWELECT Energy has been awarded with a 10 MW Grid- connected Solar Power Project by Karnataka Renewable Energy Development Ltd in Kunigal Taluk, Tumkur District, Karnataka, India under Domestic Content Requirement (DCR) category. The project is expected to be completed by 4th quarter of FY 2016-17.
- 100 % acquisition of K J Solar Systems Private Limited (KJSSPL) on 18.02.2016 by SWELECT Solar Energy Private Limited, a wholly owned subsidiary Company of Swelect Energy Systems Limited and commissioning of a 2 MW SPV plant in a record time of less than one month. This project comes under Tamil Nadu preferential tariff of Rs 7.01/KWh generation and evacuated in the TANGEDCO Grid.
- Good number of Medium size Power projects have been completed and commissioned during FY 2015-16 including a 350 KW pay by use model for HPCL, Bangalore.

Business development in new markets

Incorporation of SWELECT Inc., Virginia, USA (a wholly owned subsidiary Company of SWELECT Energy Systems Ltd) and SWELECT Energy Systems LLC (a subsidiary Company of SWELECT Inc., Virginia, USA). This expansion will address the USA market where almost all the States have strong SPO (Solar Power Obligation) mandate.

III – Iron & Steel Foundry Products

The WOS of SWELECT, AMEX Alloys & AMEX Irons have been improving their International market presence and new customers have been added from Germany (BFG) and Italy (AST & OMAL). With the addition of the Investment casting foundry, AMEX has become the only Indian Foundry that has the capability to offer a range of Iron Castings, Steel Castings and Investment castings all under one roof. This ONE-STOP-SOLUTION capability is a Distinction to SWELECT group in the Foundry Industry space.

Awards / Credentials of SWELECT ENERGY SYSTEMS LIMITED

- SD's NO. 1 off grid / roof top solar PV power solution Provider for 2013-15
- IMS accredited company (ISO 9001, ISO 14001 and ISO 18000)
- Registered with MNRE as “Empaneled Inverter Manufacturer”
- SP-1A Grading Accredited Channel Partner for JNNSM by MNRE
- Empaneled as Energy Service Company with Bureau of Energy Efficiency (BEE)
- Empaneled with SECI (Solar Energy Corporation of India) for Implementation of Micro and Mini Solar PV Power Plants for Rural Electrification in India
- Empaneled with PEPC (Project Exports Promotion Council of India)
- Empaneled with ANERT(Agency for Non-conventional Energy and Rural Technology) for solar connect program

Awards / Credentials of HHV SOLAR TECHNOLOGIES LIMITED

- ISO 9001:2008, 14001:2004 and OSHAS 18001:2007 Certified
- IEC Certification for the PV Modules (61215, 61730, 61701)
- Member of Export Promotion Council for EOUs & SEZs for the year 2013-14
- SME Excellence Award in Quality
(In Renewable Energy Manufacturing & Service Sector on the occasion of 1st Annual KSMBOA-Business Excellence & Achievement Awards-2015)
- UL1703, cUL, CEC certificate from Underwriters laboratory for USA, Canada and California.
- MCS Certificate from BRE Global, United Kingdom;
- PID free module's certificate from TUV Rheinland for multiple BoMs.

Awards / Credentials of AMEX ALLOYS

- 2 time Export Excellence Award for the year 2012 and 2013 by Institute of Indian Foundry Men
- 2 time Star Performer Award for the FY 2011-12 and 2012-13 by EEPC – Southern Region
- Best Foundry Award of the year 2011 from Institute of Indian Foundry Men
- Rajiv Gandhi national Quality Award of the year 2008 from Bureau of Indian Standards, New Delhi.

Opportunities and Threats

Entry of small time and unorganised players from overseas with short term business vision are posing a threat to the industry with substandard quality of products and project execution. Lack of enforcement of RPO (Renewable Purchase Obligation) is slowing down the adoption of renewable sources of energy. Cheap Chinese PV Modules and Anti-dumping Duty (ADD) has not been enforced by the Central Govt. which is causing a strain on the domestic manufacturing. The Company is expecting clear policies that are required to safeguard the Solar Investors through standardisation on implementation process.

Segment-wise or product-wise performance (standalone)

The Company's operations represents revenue from Solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar PV inverters and energy efficient lighting systems. Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Comparative segment-wise performance for the current year and previous year.

(Rs.)

	Particulars	31 March 2016	31 March 2015
1.	Segment revenue		
	-- Contract manufacturing	33,503,212	42,794,871
	-- Solar Energy Systems / Services	529,829,287	380,459,601
	-- Others	49,290,519	60,046,276
	Total revenue (net)	612,623,018	483,300,748
2.	Segment results		
	-- Contract manufacturing	3,431,645	5,953,954
	-- Solar Energy Systems / Services	45,757,224	(64,702,220)
	-- Others	41,181,854	20,710,546
	Exceptional items (refer note 40)	8,167,221	(20,311,785)
	Other unallocable income	304,882,513	193,830,752
	Finance Charges	(89,138,481)	(105,989,962)
	Total profits before tax	314,281,976	29,491,285
	Tax expenses	91,715,289	(16,197,663)
	Total profits after tax	222,566,687	13,293,622

Outlook

With the Governments promoting Renewable Energy and increased awareness for sustainable energy future, the outlook for the renewable industry is looking very positive. Your company offers the complete array of services and products across the value chain, is well insulated from the extreme market dynamics which normally is not the case with single Product or Service Company.

With ever evolving business requirements and varied market conditions, your company is continuously striving hard to bring innovative technologies and services to stay ahead of its competitors. Also your company is actively pursuing avenues and international markets to increase its revenue and margins.

Active steps are being taken to cut down the operating costs and improve the efficiencies. A special team is being constituted to come out with different business models and strategies which will benefit the key stakeholders of the company and for the mission and vision of the management.

Your company is also actively looking at good opportunities for both organic and inorganic investments which will ensure a long term sustainability of the enterprise.

Your company with strong focus on technology and long term business vision, is committed to being an investor friendly company following ethical and transparent business practices.

Risks and Concerns

The Company continuously Monitors Business and Operational risks through an efficient Risk Management System. All key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as Production, Foreign Exchange, Insurance, Legal and other issues like health, Safety and Environment.

Risk Management Committee

The Company is not falling under the category as specified in Regulation 21(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. However, the Company constituted Risk Management Committee to continuously monitor business and operations risk through an efficient risk management system.

Forex Management Committee

The Forex Management committee has been reviewing the day to day forex movements and also has been actively taking the forward contracts with specific underlying transactions as per RBI guidelines.

Internal Control Systems and their adequacy

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board & to the Chairman & Managing Director.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal audit function, the Audit Committee undertakes corrective action in the respective areas and thereby strengthens the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Discussion on financial performance with respect to operational performance

Financial Performance (Standalone)

The Management Discussion and Analysis relates to the Standalone audited financial results of the Company for the last five years.

(Rs. In Lakhs)

S.no.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
1	Sales / Income from Operations	56,258.90	11,084.71	5,240.30	4,887.50	6,187.57
2	Less: Taxes and duties	2,794.69	534.88	158.17	54.49	61.34
3	Net Sales / Income from Operations (1-2)	53,464.21	10,549.83	5,082.13	4,833.01	6,126.23
4	Other Income	529.62	4,729.31	2,936.00	2,478.58	3,808.56
5	Net Sales and Other Income (3+4)	53,993.83	15,279.14	8,018.13	7,311.59	9,934.79
6	Employee Cost	5,713.50	2,006.00	597.69	665.75	777.48
7	Other Operating Expenditure	43,255.81	9,131.72	4,363.61	4,216.20	4,186.98
8	Profit before Depreciation, Interest & Tax (5-6-7)	5,024.52	4,141.42	3,056.83	2,429.64	4,970.33
9	Interest	103.71	148.29	116.09	1,059.90	891.40
10	Depreciation and amortisation expense	564.96	458.03	446.23	871.71	1,017.78
11	Exceptional other Income **	-	61,511.77	-	-	-
12	Exceptional item #	-	-	-	-203.12	81.67
13	Profit before tax (8-9-10+11+12)	4,355.85	65,046.87	2,494.51	294.91	3,142.82
14	Profit after tax	3,463.11	51,079.64	2,494.51	132.94	2,225.67

** During the year 2012-13, the Company had consummated slump sale of its UPS business comprising operations in India, Singapore and investment in Srilanka as a going concern on a slump sale basis. The net gain arising from the sale had been disclosed as an 'exceptional other income'.

Refer Note 40 in the standalone financial statements.

Material Developments in Human Resources / Industrial Relations front, including number of people employed:

Human Resources

Employees are vital and most valuable assets. The Company has a favourable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believe in nurturing leaders from within us as far as possible and provide opportunities for growth across all levels and derive our ability to maintain our No.1 position from them. The total staff strength of the Company as on 31.3.2016 is 237.

Welfare / Social Activities

The Company sponsors several sports and social welfare activities to derive internal team building. SWEES EMPLOYEES WELFARE TRUST is a welfare society with its main object of working towards the welfare of its employees.

The Company continued to focus on Corporate Social Responsibility related activities as prescribed by the Companies Act, 2013.

Cautionary Statement

Certain statements in this Management Discussion and Analysis Report describing the Company may be 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board of Directors

Chennai
May 27, 2016

R. CHELLAPPAN A.BALAN
Managing Director Joint Managing Director

SWELECT ENERGY SYSTEMS LIMITED

Report on Corporate Governance

[As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company upholds the core values of transparency, integrity and accountability in all facets of its operations and maintains the highest standards of Corporate Governance in its conduct towards the shareholders, customers, suppliers and the Government. The Company believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of maximizing value for all its stakeholders. It encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

2. BOARD OF DIRECTORS

i) Composition and Category of Directors

The Board of Directors consists of both executive and non-executive directors.

Executive Director : 3

Non-Executive Director : 4

Name of Director	Category	Attendance Particulars			No. of Directorship in other companies		Committee Membership in other companies	Committee Chairmanship in other companies
		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last Annual General Meeting	Private Limited Company	Public Limited Company		
Mr. V.M. Sivasubramaniam	Chairman, Independent non-executive	11	11	Yes	1	-	-	-
Mr. R. Chellappan	Promoter, Managing Director	11	11	Yes	9	2	1	-
Mr.A. Balan*	Promoter, Joint Managing Director	11	6	Not Applicable	5	-	-	-
Mr. N. Natarajan	Independent non-executive	11	11	Yes	-	1	-	2
Mrs. Jayashree Nachiappan	Promoter, non-executive	11	10	Yes	2	-	-	-
Mr. V.C. Raghunath	Promoter, Whole Time Director	11	9	Yes	4	-	-	-
Mr. G. S. Samuel**	Independent non-executive	11	6	Not Applicable	2	1	1	-
Mrs.Vasantha Balan***	Promoter, non-executive	11	5	Yes	-	-	-	-

- * Mr.A.Balan was appointed as Joint Managing Director of the Company w.e.f. 3.10.2015.
 **Mr.G.S.Samuel was appointed as an Additional Director of the Company w.e.f. 3.10.2015.
 ***Mrs. Vasantha Balan resigned from the Board on 3.10.2015.

ii) Details of Board Meetings:

Number of Board meetings held during the Financial Year 2015-2016:11

Date of Meetings						
03.04.2015	28.05.2015	29.07.2015	06.08.2015	29.08.2015	03.10.2015	06.11.2015
16.12.2015	05.02.2016	08.02.2016	14.03.2016			

iii) Disclosure of relationships between Directors inter-se:

None of the Directors are related to each other inter-se except Mr. R. Chellappan and Mr.V.C. Raghunath who are related to each other as father and Son.

iv) Number of shares and convertible instruments held by non- executive directors as on 31.03.2016

Name of the Director	Category	Number of Equity shares	Convertible Instruments
Mr. V.M. Sivasubramaniam	Chairman – Non Executive - Independent	200	Nil
Mr. N. Natarajan	Director - Non Executive - Independent	25	Nil
Mrs. Vasantha Balan	Director – Non- Executive	7056	Nil
Mrs. Jayashree Nachiappan	Director – Non- Executive	100	Nil
Mr. G.S.Samuel	Additional Director – Non Executive - Independent	Nil*	Nil

* As on 27.05.2016 holding 10 Equity shares

- v) Web link where details of familiarization programme imparted to independent directors is disclosed: <http://www.swelectes.com/pdf/familiareprg.pdf>

3. Audit Committee

i) Brief description of terms of reference:

Financials

- Review of the quarterly/half-yearly/annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.

Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.
- Review of vigil mechanism and above all adequacy of internal control systems.
- Evaluation of internal financial controls and risk management systems.

Compliance and other related aspects

- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

ii) Composition, name of members, chairperson, meetings and attendance during the year:

The Audit Committee comprised of 3 Directors as mentioned below:

Name of Members and Chairperson	Category	No. of Meetings held	No. of Meetings attended
Mr. V.M. Sivasubramaniam, Chairperson	Independent non-executive	7	7
Mr. N. Natarajan, Member	Independent non-executive	7	7
Mrs. Jayashree Nachiappan, Member	Non – Executive	7	7

iii) Date of Meetings

11.05.2015	27.05.2015	05.08.2015	05.11.2015	16.12.2015	06.02.2016	14.03.2016
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4. Nomination and Remuneration Committee:

i) Brief description of terms of reference:

- Formulation of the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key managerial personnel and other employees.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on Board diversity.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

ii) The Nomination and Remuneration Committee comprising of 3 Directors as follows:

Name of Members and Chairperson	Category	No. of Meetings held	No. of Meetings attended
Mr. N. Natarajan , Chairperson	Independent non-executive	4	4
Mr. V.M. Sivasubramaniam , Member	Independent non-executive	4	4
Mrs. Jayashree Nachiappan*, Member	Non – Executive	4	1
Mrs.Vasantha Balan**, Member	Non – Executive	4	2

*Mrs.Jayashree Nachiappan, was Inducted as a Member w.e.f. 3.10.2015.

** Mrs.Vasantha Balan, upto 3.10.2015.

iii) Details of Meetings held:

Date of Meetings			
28.05.2015	06.08.2015	03.10.2015	14.03.2016

iv) Evaluation of the performance of Non- Executive Directors and Independent Directors

The Committee while evaluating the performance of the Non- Executive Directors and Independent Directors may take into consideration various factors as mentioned below:

- a) Attendance at Meetings - attendance at Board Meetings, Annual General Meetings, Committee meetings
- b) Other Directorships held by the Non-Executive Directors – in listed or unlisted companies.
- c) Other companies in which Non-Executive Directors is a Chairperson.
- d) Participation at Board/Committee meetings.
- e) Input in strategy decisions.
- f) Review of Financial Statements, risks and business performance.
- g) Time devoted towards discussion with Management.
- h) Review of Minutes – Board Minutes, Committee meeting minutes and Annual General Meeting Minutes.

5) Remuneration of Directors:

- i) **Pecuniary relationship or transactions of the non-executive Directors vis-à-vis the Company:** NIL

ii) Details of remuneration paid to Directors during the year 2015-2016:

(in Rupees)

Name of Directors	Sitting fees	Commission on profits	Salary	Contribution to PF	Perquisites	Total
Mr. R. Chellappan	-	32,24,538	24,15,000	-	5,01,250	61,40,788
Mr.A.Balan	-	8,06,135	10,50,000	-	2,37,500	20,93,635
Mr. V.M. Sivasubramaniam	1,65,000	-	-	-	-	1,65,000
Mr. N. Natarajan	1,45,000	-	-	-	-	1,45,000
Mrs. Vasantha Balan	50,000	-	-	-	-	50,000
Mrs. Jayashree Nachiappan	1,50,000	-	-	-	-	1,50,000
Mr.V.C.Raghunath	-	-	7,95,024	50,412	29,175	8,74,611
Mr.G. S. Samuel	60,000	-	-	-	-	60,000
Total	5,70,000	40,30,673	42,60,024	50,412	7,67,925	96,79,034

Remuneration to Executive Directors:

The Executive Directors are paid remuneration as recommended by the Nomination and Remuneration Committee, Board of Directors and approved by the Shareholders at the General Meetings.

Commission to Non-Executive Independent Directors:

During the year the company has not paid any commission to independent directors.

Criteria of making payments to non-executive directors:

The Non-Executive Directors are being paid Sitting fees for attending the Board and Committee meetings of the Company as detailed below.

Sl.no	Nature of Meeting	Sitting fees for each meeting Rs.
1.	Board	10,000
2.	Audit Committee	5,000
3.	Stakeholders Relationship Committee	5,000

Service contracts, notice period, severance fees:

Name of Executive Director	Designation	Date of current appointment
Mr.R.Chellappan	Managing Director	1st May 2015
Mr.A.Balan	Joint Managing Director	3rd October 2015
Mr.V.C.Raghunath	Whole time Director	28th July 2014

The tenure of office of the Executive Directors is for a period of 5 (five) years from their date of current appointment. The notice period will be as per Company's policy and there is no separate provision for payment of severance fees. Non-Executive Directors are liable to retire by rotation as per the Companies Act, 2013. The terms and conditions of appointment of independent directors are available in the Company's website www.swelectes.com.

The Company has not granted stock options to any director or employee of the company or any other person. The Company's Remuneration Policy is available on the Company's website www.swelectes.com

Separate Meeting of Independent Directors.

The Independent Directors had a separate meeting on 14.03.2016 to review the performance and evaluation of the Board.

6) Stakeholders' relationship committee:

Terms of reference of the Committee includes the following

- Oversee and review all matters connected with the transfer of the Company's securities
- Monitor, redressal of Investor/ Shareholder grievances.
- Monitor implementation of the Company's Code of Conduct for prohibition of Insider Trading

The composition of the Committee is as follows:-

1. Mr. V.M. Sivasubramaniam, Chairperson
2. Mrs. Jayashree Nachiappan, Member
3. Mrs. J. Bhuvanewari, Company Secretary*
4. Mr. R. Sathishkumar, Company Secretary*

* Mrs. J.Bhuvanewari resigned w.e.f. 31.03.2016 and Mr. R. Sathishkumar was inducted as a member w.e.f. 01.04.2016.

i) **Name of non-executive director heading the committee** : Mr. V.M. Sivasubramaniam, Chairman

ii) **Name and designation of compliance officer** : Mr. R. Sathishkumar, Company Secretary & Compliance Officer

Name of Members and Chairperson	Category	No. of Meetings held	No. of Meetings attended
Mr. V.M. Sivasubramaniam, Chairperson	Independent non-executive	4	4
Mrs. Jayashree Nachiappan, Member	Non-executive	4	4
Mrs.J.Bhuvanewari, Member*	Company Secretary & Compliance officer	4	4
Mr.R.Sathishkumar, Member*	Company Secretary & Compliance officer	4	-

* Mrs. J.Bhuvanewari resigned w.e.f. 31.03.2016 and Mr. R. Sathishkumar was inducted as a member w.e.f. 01.04.2016.

Details of Meetings held:

Date of Meetings			
27.05.2015	11.08.2015	05.11.2015	05.02.2016

iii) Details of Investor Complaints received and resolved during the year 2015-2016 are as follows:

Number of shareholders' complaints received	Number not solved to the satisfaction of shareholders	Number of pending complaints
Nil	Nil	Nil

The Company has designated an e-mail ID:cg.ird@swelectes.com for the purpose of registering complaints by investors.

7) General body meetings

i) Location and time, where last three AGMs held:

Year	Venue	Day & Date	Time
18 th AGM 01.04.2012 to 31.03.2013	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	Wednesday, 24th July 2013	2.30 P.M
19 th AGM 01.04.2013 to 31.03.2014	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	Monday, 28th July 2014	11.00 A.M
20 th AGM 01.04.2014 to 31.03.2015	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	Wednesday, 29th July 2015	3.30 P.M

- ii) Whether any special resolutions were passed in the previous three Annual General Meetings: Yes
- iii) Whether any special resolution was passed last year through postal ballot – details of voting pattern: No
- iv) Person who conducted the postal ballot exercise: Not applicable
- v) Whether any special resolution is proposed to be conducted through postal ballot: No
- vi) Procedure for postal ballot: Not applicable

8) MEANS OF COMMUNICATION

- i) The Quarterly Unaudited financial results and the Audited Financial results are published in the newspapers viz. one national daily and vernacular newspaper namely "Business Line" and "The Hindu" (Tamil). The Company's website www.swelectes.com contains a separate dedicated section 'Investors' wherein all data related to quarterly financial results, shareholding pattern, Board of directors, Code of conduct for all Board members and senior management of the company, Compliance Reports on Corporate Governance, Annual Reports and other mandatory information required under listing regulations are available.
- ii) Details regarding Products & Solutions, Customer support offered, Business associates & Partners, Official news Releases, presentation made to media, etc., are also placed on the Company's website.
- iii) Presentations made to institutional investors or to the analysts: Nil
- iv) Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, is circulated to Members and others entitled thereto.
- v) The Report on Corporate Governance forms part of the Annual Report while the Management Discussion and Analysis Report forms part of the Directors' Report.

Email of the Compliance Officer of the Company : company.secy@swelectes.com
Telephone Number : 044-24993266
Fax Number : 044-24995179

9) GENERAL SHAREHOLDERS' INFORMATION

- i) AGM : TWENTY FIRST ANNUAL GENERAL MEETING
ii) Day, Date and time : Thursday the 28th July 2016 at 3.30 P.M
iii) Venue : Savera Hotel, 'Samavesh Hall'
No. 146, Dr. Radhakrishnan Road, Mylapore,
Chennai-600 004.
iv) Financial year : 01.04.2015 to 31.03.2016
v) Date of Book closure : From: Friday 22nd July 2016
To: Thursday 28th July 2016
[Both days inclusive]
vi) Dividend Payment Date : Between 4th August 2016 and 12th August 2016.

vii) The Company's equity shares are listed on the following Stock Exchanges:		viii) Details of Annual Listing Fees paid for the year 2016-17:	
BSE Limited Floor 25, P. J. Towers, Dalal Street, MUMBAI - 400 001. Stock Code: 532051	National Stock Exchange of India Limited Registered Office: "Exchange Plaza", Bandra – Kurla Complex, BANDRA (E), MUMBAI – 400 051. Stock Code: SWELECTES	Name of Stock Exchange	Date of Payment
		BSE Limited	09.04.2016
		National Stock Exchange of India Limited	14.04.2016

ix) Market Price Data: High, Low during each month in the last financial year 01.04.2015 to 31.03.2016.

Nominal value of Share: Rs.10/- each				
Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-15	639.00	506.00	642.40	505.25
May-15	605.00	508.00	600.00	507.50
Jun-15	525.00	447.00	524.05	445.15
Jul-15	529.00	445.00	514.40	448.00
Aug-15	538.60	360.00	535.00	354.90
Sep-15	434.00	352.30	433.15	353.10
Oct-15	447.70	382.50	450.05	383.50
Nov-15	422.00	362.00	425.00	351.20
Dec-15	517.90	370.30	518.00	368.10
Jan-16	483.90	375.50	481.95	368.50
Feb-16	477.90	350.10	474.00	350.10
Mar-16	435.00	370.00	430.00	368.00

x) Performance in comparison to BSE Sensex and NSE Nifty:

Date	BSE LIMITED		NATIONAL STOCK EXCHANGE OF INDIA LIMITED	
	Company's Market Price(Close) per share Rs.	Sensex points (Close)	Company's Market Price (Close) per share Rs.	Nifty points (Close)
30-Apr-15	584.50	27,011.31	580.05	8,181.50
29-May-15	524.50	27,828.44	528.70	8,433.65
30-Jun-15	478.00	27,780.83	477.65	8,368.50
31-Jul-15	495.40	28,114.56	497.40	8,532.85
31-Aug-15	393.50	26,283.09	394.70	7,971.30
30-Sep-15	411.90	26,154.83	413.95	7,948.90
30-Oct-15	401.10	26,656.83	402.10	8,065.80
30-Nov-15	418.70	26,145.67	419.95	7,935.25
31-Dec-15	473.20	26,117.54	473.85	7,946.35
29-Jan-16	443.80	24,870.69	446.20	7,563.55
29-Feb-16	375.70	23,002.00	371.85	6,987.05
31-Mar-16	377.00	25,341.86	389.70	7,738.40

xi) Trading Suspension during the year 2015-16 : Not Applicable

xii) Registrar to an issue and share transfer agents:

M/s. Cameo Corporate Services Limited, "Subramaniam Building", Fifth Floor, No.1, Club House Road, Chennai – 600 002. Tel: 044-28460390

xiii) Share transfer system:

The share transfer work is being handled by Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Limited. The Company has a Share Transfer Committee comprising of the following members:

- 1) Mr. R. Chellappan, Managing Director
- 2) Mrs. J.Bhuvanewari, Company Secretary*
- 3) Mr.R.Sathishkumar, Company Secretary*

* Mrs. J.Bhuvanewari resigned w.e.f. 31.03.2016 and Mr. R. Sathishkumar was inducted as a member w.e.f. 01.04.2016.

The Share transfers are being approved by the Share transfer Committee and ratified by the Stakeholders relationship Committee and minutes are placed at the Board Meeting. Share transfers are registered and dispatched within a period of 15 days from the date of receipt, if the documents are correct and valid in all respects.

ix) Other Committees of Board:

a) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprising of the following Directors

- 1) Mr. N. Natarajan - Chairman
- 2) Mr. R. Chellappan - Managing Director
- 3) Mr. V.C. Raghunath - Whole-time Director

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Policy of the CSR is available on Company's website www.swelectes.com

The Committee met on 14th March 2016 to discuss and review the amount spent on CSR during the year. The details of CSR activities are furnished in the Directors Report.

b) Risk Management Committee

The Risk management Committee comprising of the following members :

1. Mr. R. Chellappan - Chairman
2. Mr. V.C Raghunath - Whole-time Director
3. Mrs. Jayashree Nachiappan - Director

It is an ongoing process within the organization. The management identifies and monitors the risk and takes proper action to minimize the risk. The Committee will meet as and when situation arises.

The Risk Management Committee will go into the various matters involving transactions of the company in assessing the various issues and recommend in devolving procedure and frame work in terms of the following:

- a) Forex Dealings
- b) Position of collection of Outstanding's from Customers and Extending Credit Facilities to Customers
- c) Inventory Control
- d) Placing of Orders with Suppliers in respect of Critical components and High value items
- e) Borrowings from Bankers by analysing the need and interest charged by the Bankers and recommending the same to the Borrowing Committee of the Board for its consideration
- f) External Borrowings
- g) Capital outlay / Expansion of the company's activities
- h) Statutory Obligations – Compliance, Legal Issues if any
- i) Budgetary allocation and analysis of variation with regard to Budget and actuals
- j) Diversification of activities and manufacture of new line of Products
- k) Review of Internal Control

The Committee may also invite Consultants in the respective area of specialization for discussions if required. At present the Company has not identified any element of risk which may threaten the existence of the company.

c) Investment Committee

The Committee comprising of the following members :

- | | |
|------------------------|----------------------|
| 1. Mr. R. Chellappan | Managing Director |
| 2. Mr. N. Natarajan | Independent Director |
| 3. Mr. V. C. Raghunath | Whole-time Director |

d) Borrowing Committee

The Committee comprising of the following members :

1. Mr. R. Chellappan	Managing Director
2. Mr. V. C. Raghunath	Whole-time Director
3. Mr. A. Balan	Joint Managing Director

e) Forex Management Committee

The Committee comprising of the following members :

1. Mr. R. Chellappan	Managing Director
2. Mr. V. C. Raghunath	Whole-time Director
3. Mr.P.Jagan	Chief Financial officer

f) Distribution of Shareholding as on 31.03.2016

Shareholding of nominal value of Rs.	No. of shareholders						Share Amount (Rs.)					
	Physical	%	Demat	%	Total	%	Physical	%	Demat	%	Total	%
10 - 5,000	235	2.20	9438	88.84	9673	91.06	415550	0.41	7631610	7.55	8047160	7.96
5,001 - 10,000	20	0.19	521	4.90	541	5.09	145000	0.14	3923410	3.88	4068410	4.03
10,001 - 20,000	8	0.08	206	1.94	214	2.01	140000	0.14	3069320	3.04	3209320	3.18
20,001 - 30,000	0	0	56	0.53	56	0.53	0	0	1419300	1.40	1419300	1.40
30,001 - 40,000	1	0.01	19	0.18	20	0.19	40000	0.04	685980	0.68	725980	0.72
40,001 - 50,000	1	0.01	16	0.15	17	0.16	50000	0.05	744650	0.74	794650	0.79
50,001 - 1,00,000	1	0.01	42	0.40	43	0.40	78000	0.08	3099550	3.07	3177550	3.14
1,00,001 and above	0	0	60	0.56	60	0.56	0	0	79616030	78.78	79616030	78.78
Total	266	2.50	10358	97.50	10624	100	868550	0.86	100189850	99.14	101058400	100

g) Dematerialization of shares and liquidity :

The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai, to provide trading of shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE409B01013. As on March 31, 2016, 1,00,18,985 shares of the company, constituting 99.14% were in dematerialized form and the shareholders have liquidity option to trade the securities in the market.

h) Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NIL

i) Disclosures with respect to demat suspense account / unclaimed suspense account: Nil

j) Commodity Price Risk

Risk of price fluctuation on basic raw materials as well as finished goods used in the process will be dealt by the Company through mutual business relationship with vendor and suppliers.

k) Foreign Exchange Risk:

The Risk Management Committee of the Company continuously monitors business and operations risk through an effective risk management system.

l) Hedging activities:

During the year the Company not dealt with the hedging activities.

m) Plant Locations:

Sl.No.	Location	Details of the Unit
1.	SF No 166 &169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore - 641107.	SWELECT 1.1 MW Solar Plant
2.	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District.	SWELECT 0.5 MW Wind Mill Power Unit – 3 Nos.
3.	58/3(14D, D/1) Salem Main road, Veerappampalayam Po Idappadi-637105, Salem District.	UNIT 3S
4.	Kollakudi Village, Thottiyum taluk Musuri, Trichy.	SWELECT 10 MW Solar Plant

n) Address for correspondence:

SWELECT ENERGY SYSTEMS LIMITED,
No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai - 600 004, Tamil Nadu.
Tel: 044-24993266, Fax: 24995179, Email: info@swelectes.com, website: www.swelectes.com.

10) Other Disclosures:

Materially significant related party transactions that may have potential conflict with the interests of the Company at large : Nil

Related party transactions during the year have been disclosed as required under Accounting Standard issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the Company's interest. The Company's major related party transactions are generally with its wholly owned subsidiaries. All related party transactions are negotiated on arm's length basis and are in the ordinary course of business which are intended to the Company's interest. The policy on dealing with related party transactions has been disclosed on the Company's website under the weblink: <http://www.swelectes.com/pdf/relatedpartytransactionpolicy.pdf>

Details of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years: Nil

i) Details of Unclaimed dividend:

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on 29.07.2015 (date of last Annual General Meeting) on the website of the Company www.swelectes.com, and also on the website of the Ministry of Corporate Affairs.

ii) Vigil Mechanism/Whistle Blower Policy:

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman of the Audit committee.

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

The Vigil Mechanism /Whistle Blower Policy has been disclosed on the Company's website under the web link http://www.swelectes.com/pdf/vigil_mechanism_swelect.pdf and circulated to all the Directors / employees.

iii) Code of Conduct:

The Company's Code of Conduct has been complied with by all the members of the Board and senior management of the Company. Code of conduct of Board of Directors and Senior Management Personnel are available in Company's website: <http://www.swelectes.com/investor.html>.

iv) Web link where policy for determining 'material' subsidiary is disclosed:

<http://www.swelectes.com/pdf/materialsubsidiarypolicy.pdf>

11) Details of compliance with mandatory requirements:

The Company has complied with all mandatory requirements laid down under the provision of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12) Adoption of the Discretionary Requirements:

SEBI new listing regulations states that the non mandatory requirements may be implemented as per the discretion of the Company. Details of compliance of non mandatory requirements are listed below:

i) Modified opinion(s) in audit report:

The Company made effort to move towards a regime of financial statements with unmodified audit opinion.

ii) Separate posts of chairperson and chief executive officer

The company has a separate persons to the post of Chairman and Managing Director/CEO.

iii) Reporting of Internal Auditor

The Internal auditor is directly reporting to the Audit Committee.

13) Compliance with the requirement of Corporate Governance report :

The Company has complied with all compliance requirement of Corporate Governance as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

14) Certificate from CEO/CFO

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 27, 2016 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Chennai
27th May 2016

R.Chellappan
Managing Director

A.Balan
Joint Managing Director

DECLARATION – CODE OF CONDUCT

I, R.Chellappan, Managing Director of SWELECT Energy Systems Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2016 affirmed compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Chennai
27 May 2016

R.Chellappan
Managing Director

CORPORATE GOVERNANCE CERTIFICATE

To
The Members,
SWELECT Energy Systems Limited
No.5,Sir P.S. Sivaswamy salai,
Mylapore,
Chennai-600004.

We have examined the compliance of conditions of Corporate Governance by SWELECT Energy Systems Limited, for the year ended on 31st March 2016, as stipulated in the Listing agreement and Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in The listing Agreement and the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

Chennai
27th May 2016

R Kannan
Practising Company Secretary
FCS No: 6718
C P No: 3363

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
SWELECT ENERGY SYSTEMS LIMITED
No.5, Sir P.S. Sivaswamy salai,
Mylapore, Chennai-600004.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s SWELECT ENERGY SYSTEMS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s SWELECT ENERGY SYSTEMS LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2016** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Based on a review of the compliance reports by functional heads of the company including The Plants in various location in India to Top Management/Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it such as the Factories Act 1948 , Payment of Wages Act 1936, Industrial Disputes Act 1947, Minimum Wages Act 1948, Employees Provident Fund Act 1952, Employees State Insurance Act 1948, Public Liability Insurance Act 1991, Environment Protection Act 1986 and Others pollution control and other law.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference with the applicable Financial Laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

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

- I Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the institute of Company Secretaries of India (ICSI).
- II Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered in to by the Company with the Stock Exchange(s) namely Bombay Stock Exchange (BSE) & National Stock Exchange (NSE).

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s SWELECT ENERGY SYSTEMS LIMITED** ("the Company") for the financial year ended on **March 31, 2016** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (f) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (v) The other laws as may be applicable specifically to the company in our opinion
 - (a) Electricity Act;
 - (b) National Tariff Act Policy
 - (c) Essential Commodities Act 1955

I have also examined compliance with the applicable clauses of Listing Agreements entered into by the Company with BSE Limited and NSE Limited and also Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I report that there were no actions / events in pursuance of

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring Compliance thereof by the Company during the year under review and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of audit, and also on review of quarterly compliance reports by respective department heads / company secretary, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with other applicable laws such as Labour Laws and Environmental Laws.

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

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

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

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

Place: Chennai
Date: 27/05/2016

R Kannan
Practicing Company Secretary
FCS No: 6718
C P No: 3363

CEO AND CFO CERTIFICATION

(Pursuant to regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Date: 27.05.2016

The Board of Directors
SWELECT Energy Systems Limited
No.5, Sir P. S. Sivasamy Salai,
Mylapore,
Chennai – 600 004.

Certification by Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief we hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2015 – March 2016 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of controls were noted.
5. We have indicated to the auditors and the Audit Committee that:
 - (a) There are no significant changes in internal control over financial reporting during the year.
 - (b) There are no significant changes in accounting policies during the year.
 - (c) There have been no instances of fraud.

R. CHELLAPPAN
Managing Director

P.JAGAN
Chief Financial Officer

ANNEXURES TO THE DIRECTORS' REPORT

Annexure 1

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, FOREIGN EXCHANGE ETC.

A.	CONSERVATION OF ENERGY	<p>The Company strives towards continually improving the systems and processes to enable the conservation of energy. Swelect has the OHSAS certification which covers the ISO 14001 Environmental Management as well.</p> <p>Further, the following steps have been taken to ensure energy conservations:</p> <ol style="list-style-type: none"> 1. Energy efficient lighting and power usage reduction measures across all offices and facilities 2. Continued capacity addition of Solar based Power generation Systems on all the building rooftops 3. Machines in the production area run on individually installed solar systems with battery backup 4. Installation of an innovative Solar based lighting system wherein the direct sunlight is brought into the production area thus saving thousands of watts of lighting units 5. Development of Solar Power Parks under various Central and State schemes 																
B.	RESEARCH & DEVELOPMENT	<ol style="list-style-type: none"> 1. Specific areas in which R&D is carried out by the Company. <ol style="list-style-type: none"> 1. Development of Solar grid Interactive PCUs for various applications with inbuilt high efficiency MPPT Solar Chargers and intelligent controller to ensure maximum energy savings for the user 2. Continual improvement of the design engineering of the solar power parks. 																
	2. Benefits derived as a result of the above	<ol style="list-style-type: none"> 1. Increased energy savings for the end user through solar and high efficient power converters 2. Improved market penetration with indigenous products 3. Empanelment with MNRE as a Solar inverter manufacturer 4. Reduced total cost of ownership of the solar power system 5. Cost optimised revenue model for the solar power parks 																
	3. Future Plan of Action	The company will continue to invest in resources to improve the existing technology and in development of market suitable products.																
	4. Expenditure on R & D (Rs. in Lakhs)	<table border="1"> <thead> <tr> <th></th> <th>2015-16</th> <th>2014-15</th> </tr> </thead> <tbody> <tr> <td>a. Capital</td> <td>10.00</td> <td>41.80</td> </tr> <tr> <td>b. Recurring</td> <td>48.00</td> <td>46.80</td> </tr> <tr> <td>c. Total</td> <td>58.00</td> <td>88.60</td> </tr> <tr> <td>d. Total R&D expenditure as percentage of total turnover</td> <td>0.95</td> <td>1.83</td> </tr> </tbody> </table>		2015-16	2014-15	a. Capital	10.00	41.80	b. Recurring	48.00	46.80	c. Total	58.00	88.60	d. Total R&D expenditure as percentage of total turnover	0.95	1.83	
	2015-16	2014-15																
a. Capital	10.00	41.80																
b. Recurring	48.00	46.80																
c. Total	58.00	88.60																
d. Total R&D expenditure as percentage of total turnover	0.95	1.83																
C.	TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION																	
	1. Efforts made towards Technology absorption, adaptation and innovation	External industry and academic interactions were initiated and carried out to improve the product performance.																
	2. Benefits derived as a result of the above	Higher performance products were introduced in the market.																
	3. Technology imported	Nil																

(Rs. In Lakhs)

D	FOREIGN EXCHANGE EARNINGS AND OUTGO:	2015-2016	2014-2015
	Foreign Exchange Earnings :		
	Export at F.O.B. value	-	-
	Royalty and Technical Services	-	-
	Dividend	-	-
	Foreign Exchange Outflow :		
	Import of Machinery & Advance payments.	-	147.95
	Raw materials	77.57	133.17
	Traded goods	16.72	882.68
	Travelling	3.87	11.23
	Freight and Insurance	-	-
	Interest	-	-
	Dividend	32.05	47.43
	Engineering & consultancy	-	-

ANNEXURE – 2

Form No. MGT- 9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31st March, 2016

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L93090TN1994PLC028578
Registration Date	12/09/1994
Name of the Company	SWELECT ENERGY SYSTEMS LIMITED
Category/Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
Address of the Registered office and contact details	NO.5, SIR P.S.SIVASAMI SALAI, MYLAPORE, CHENNAI, Tamil Nadu - 600004. Email: info@swelectes.com, cg.ird@swelectes.com. Ph: 044-24993266, Fax:044-24995179
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent ,if any	Cameo Corporate Services Ltd. "Subramanian Building", 5 th Floor, No.1, Club House Road, Chennai, Tamil Nadu - 600002. Tel: 044- 28460390, Fax:044 – 28460129 E-mail: murali@cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Power generation using solar energy	40106	33.58%
2	Sale of product - Solar Energy product & accessories	29307	51.39%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ associate	%of Shares Held	Applicable Section
1	AMEX ALLOYS PRIVATE LIMITED, S F No.289/2, Kunnathur Pudur (Po), Sathy Road, Coimbatore, Tamil Nadu-641107	U27310TZ2003PTC010905	Subsidiary Company	100%	Section 2(87)
2	AMEX IRONS PRIVATE LIMITED, S.F.NO.288, Kunnathur Pudur (PO), Sathy Road, Coimbatore, Tamil Nadu-641107	U27310TZ2006PTC012783	Subsidiary Company	100%	Section 2(87)
3	SWELECT GREEN ENERGY SOLUTIONS PRIVATE LIMITED, NO.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004.	U31100TN2010PTC078425	Subsidiary Company	100%	Section 2(87)
4	SWELECT SOLAR ENERGY PRIVATE LIMITED, NO 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004.	U31104TN2008PTC068923	Subsidiary Company	100%	Section 2(87)
5	HHV SOLAR TECHNOLOGIES LIMITED, NO 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004.	U31902TN2007PLC102951	Subsidiary Company	100%	Section 2(87)
6	SWELECT POWER SYSTEMS PRIVATE LIMITED, NO 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004.	U31103TN2012PTC084184	Subsidiary Company	100%	Section 2(87)
7	NOEL MEDIA & ADVERTISING PRIVATE LIMITED NO 5, Sir, P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004.	U40300TN2006PTC061718	Step down subsidiary of SWELECT Energy Systems Limited	100% held by SWELECT SOLAR ENERGY PRIVATE LIMITED	Section 2(87)
8	K J SOLAR SYSTEMS PRIVATE LIMITED Door No K-4, Sidco Industrial Estate, Pollachi Main Road, Coimbatore Tamil Nadu-641021.	U29307TZ2014PTC020856	Step down subsidiary of SWELECT Energy Systems Limited	100% held by SWELECT SOLAR ENERGY PRIVATE LIMITED	Section 2(87)
9	SWELECT ENERGY SYSTEMS PTE LIMITED, 2 Kallang Pudding Road, 02-12 Mactech Building, Singapore-349307	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA), ie., Singapore	Subsidiary Company	100%	Section 2(87)
10	SWELECT Inc. 2773B, Hartland Rd, Falls Church VA, 22043.	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA), ie., USA	Subsidiary Company	100%	Section 2(87)
11	SWELECT Energy Systems Inc. 2773B Hartland Rd, Falls Church, VA, 22043.	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA),ie., USA	Step down subsidiary of SWELECT Energy Systems Limited	100 % held by SWELECT Inc.	Section 2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding as of March 31, 2016

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND PROMOTER GROUP									
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	5705142	0	5705142	56.4539	5699992	0	5699992	56.4029	-0.0510
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0
c.	BODIES CORPORATE	30	0	30	0.0002	30	0	30	0.0002	0
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0	0	0	0	0	0
e.	ANY OTHER	0	0	0	0	0	0	0	0	0
	SUB - TOTAL (A)(1)	5705172	0	5705172	56.4541	5700022	0	5700022	56.4032	-0.0510
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	810770	0	810770	8.0227	801770	0	801770	7.9337	-0.0890
b.	BODIES CORPORATE	0	0	0	0	0	0	0	0	0
c.	INSTITUTIONS	0	0	0	0	0	0	0	0	0
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
e.	ANY OTHER	0	0	0	0					
	SUB - TOTAL (A)(2)	810770	0	810770	8.0227	801770	0	801770	7.9337	-0.0890
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	6515942	0	6515942	64.4769	6501792	0	6501792	64.3369	-0.1400
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	136780	0	136780	1.3534	157232	0	157232	1.5558	0.2024
b.	FINANCIAL INSTITUTIONS/ BANKS	2745	0	2745	0.0271	7800	0	7800	0.0771	0.0500
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0	0	0	0	0	0
d.	VENTURE CAPITAL FUNDS	0	0	0	0	0	0	0	0	0
e.	INSURANCE COMPANIES	0	0	0	0	0	0	0	0	0
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0	0	0	0	0	0
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0	0	0	0	0	0
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
i.	ANY OTHER									
	SUB - TOTAL (B)(1)	139525	0	139525	1.3806	165032	0	165032	1.6330	0.2524

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	208492	800	209292	2.0710	199019	700	199719	1.9762	-0.0948
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1601638	91054	1692692	16.7496	1654069	86154	1740223	17.2199	0.4703
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1160437	0	1160437	11.4828	1152036	0	1152036	11.3997	-0.0831
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0	0	0	0	0	0
d.	ANY OTHER									
	CLEARING MEMBERS	8065	0	8065	0.0798	4013	0	4013	0.0397	-0.0400
	DIRECTORS AND THEIR RELATIVES	225	0	225	0.0022	225	0	225	0.0022	0
	HINDU UNDIVIDED FAMILIES	106085	1	106086	1.0497	89123	1	89124	0.8819	-0.1678
	NON RESIDENT INDIANS	155975	0	155975	1.5434	136075	0	136075	1.3464	-0.1969
	TRUSTS	117601	0	117601	1.1636	117601	0	117601	1.1636	0
	TOTAL	387951	1	387952	3.8388	347037	1	347038	3.4340	-0.4048
	SUB - TOTAL (B)(2)	3358518	91855	3450373	34.1423	3352161	86855	3439016	34.0299	-0.1123
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	3498043	91855	3589898	35.5230	3517193	86855	3604048	35.6630	0.1400
	TOTAL (A)+(B)	10013985	91855	10105840	100.00	10018985	86855	10105840	100.00	0
C.	Shares held by Custodian for GDRs & ADRs									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	TOTAL CUSTODIAN (C)	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	10013985	91855	10105840	100.00	10018985	86855	10105840	100.00	0

ii. Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	CHELLAPPAN.R	4747054	46.9733	0	4747054	46.9733	0	0
2	BALAN A	308094	3.0486	0	308094	3.0486	0	0
3	SARAH V RAJASEKHAR	228200	2.2581	0	228200	2.2581	0	0
4	NACHIAPPAN K.V.	110232	1.0907	0	110232	1.0907	0	0
5	R. VEERAMANI	100000	0.9895	0	100000	0.9895	0	0
6	BHAGYALAKSHMI SUNDARAM	93900	0.9291	0	93900	0.9291	0	0
7	M K BALASUBRAMANIAN	85000	0.8410	0	85000	0.8410	0	0
8	GUNASUNDARI C	82086	0.8122	0	82086	0.8122	0	0

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
9	CHANDRA PARAMASIVAM	80008	0.7917	0	80008	0.7917	0	0
10	JOHN J DHYANCHAND	68900	0.6817	0	68900	0.6817	0	0
11	SHARFUDHEEN A K SHEIK JT1 : IQBAL SHEIK	47400	0.4690	0	47400	0.4690	0	0
12	VATTUR S RAJENDRAN	47100	0.4660	0	47100	0.4660	0	0
13	KASI K GOUNDAN	46800	0.4630	0	46800	0.4630	0	0
14	MIKE K MANICKAM	42600	0.4215	0	40600	0.4017	0	-0.0198
15	MIRUNALINI V C	41962	0.4152	0	41962	0.4152	0	0
16	RICHARD J DHYANCHAND	38900	0.3849	0	38900	0.3849	0	0
17	RAGHUNATH V C	38800	0.3839	0	38800	0.3839	0	0
18	ARTHANARI GOUNDER	36600	0.3621	0	12600	0.1246	0	-0.2375
19	ALFRED VIDYA SAGAR	34938	0.3457	0	34938	0.3457	0	0
20	GEETHA SIVANANDAM	30000	0.2968	0	30000	0.2968	0	0
21	THANGAMANI	29600	0.2928	0	29600	0.2928	0	0
22	MARY BHARATALAKSHMI SAGAR	28332	0.2803	0	21332	0.2110	0	-0.0693
23	SARASWATHI GOUNDAN	27900	0.2760	0	27900	0.2760	0	0
24	K P CHANDRASEKARAN	22500	0.2226	0	22350	0.2211	0	-0.0015
25	CHITRA SIVANANDAM	20000	0.1979	0	20000	0.1979	0	0
26	KARTHIK BALASUBRAMANIAN	18600	0.1840	0	18600	0.1840	0	0
27	MALAR BALASUBRAMANIAN	18600	0.1840	0	18600	0.1840	0	0
28	SUMATHI BALASUBRAMANIAN	18600	0.1840	0	18600	0.1840	0	0
29	RISHII NANDHAN K N	10000	0.0989	0	10000	0.0989	0	0
30	VASANTHA B	7056	0.0698	0	7056	0.0698	0	0
31	S.R.KUMAR	5000	0.0494	0	0	0	0	-0.0494
32	G.RAMASUBRAMANIAN	850	0.0084	0	850	0.0084	0	0
33	AARTHI BALAN	200	0.0019	0	12200	0.1207	0	0.1188
34	JAYASHREE NACHIAPPAN	100	0.0009	0	100	0.0009	0	0
35	SWELECT ELECTRONICS PRIVATE LIMITED	30	0.0002	0	30	0.0002	0	0
36	PREETHA BALAN	0	0	0	12000	0.1187	0	0.1187

iii. Changes in promoters' Shareholding

Sl.No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	MIKE K MANICKAM				
	At the beginning of the year 01-Apr-2015	42600	0.4215	42600	0.4215
	Sale 23-Jul-2015	-2000	0.0197	40600	0.4017
	At the end of the Year 31-Mar-2016	40600	0.4017	40600	0.4017
2	ARTHANARI GOUNDER				
	At the beginning of the year 01-Apr-2015	36600	0.3621	36600	0.3621
	Sale 10-Apr-2015	-24000	0.2374	12600	0.1246
	At the end of the Year 31-Mar-2016	12600	0.1246	12600	0.1246
3	MARY BHARATALAKSHMI SAGAR				
	At the beginning of the year 01-Apr-2015	28332	0.2803	28332	0.2803
	Sale 22-May-2015	-9000	0.0890	19332	0.1912
	Purchase 29-May-2015	2000	0.0197	21332	0.2110
	At the end of the Year 31-Mar-2016	21332	0.2110	21332	0.2110
4	K P CHANDRASEKARAN				
	At the beginning of the year 01-Apr-2015	22500	0.2226	22500	0.2226
	Purchase 10-Apr-2015	100	0.0009	22600	0.2236
	Sale 17-Apr-2015	-600	0.0059	22000	0.2176
	Purchase 01-May-2015	50	0.0004	22050	0.2181
	Purchase 29-May-2015	50	0.0004	22100	0.2186
	Purchase 12-Jun-2015	100	0.0009	22200	0.2196
	Purchase 31-Mar-2016	150	0.0014	22350	0.2211
	At the end of the Year 31-Mar-2016	22350	0.2211	22350	0.2211
5	S.R.KUMAR				
	At the beginning of the year 01-Apr-2015	5000	0.0494	5000	0.0494
	Sale 17-Apr-2015	-5000	0.0494	0	0.0000
	At the end of the Year 31-Mar-2016	0	0.0000	0	0.0000
6	AARTHI BALAN				
	At the beginning of the year 01-Apr-2015	200	0.0019	200	0.0019
	Purchase 10-Apr-2015	12000	0.1187	12200	0.1207
	At the end of the Year 31-Mar-2016	12200	0.1207	12200	0.1207
7	PREETHA BALAN				
	At the beginning of the year 01-Apr-2015	0	0.0000	0	0.0000
	Purchase 10-Apr-2015	12000	0.1187	12000	0.1187
	At the end of the Year 31-Mar-2016	12000	0.1187	12000	0.1187

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

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	HITESH SATISHCHANDRA DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2015	218707	2.1641	218707	2.1641
	Purchase 03-Apr-2015	500	0.0049	219207	2.1691
	Purchase 17-Apr-2015	3756	0.0371	222963	2.2062
	Purchase 24-Apr-2015	4277	0.0423	227240	2.2486
	Purchase 01-May-2015	5945	0.0588	233185	2.3074
	Purchase 08-May-2015	19521	0.1931	252706	2.5005
	Purchase 15-May-2015	2093	0.0207	254799	2.5213
	Purchase 12-Jun-2015	2933	0.0290	257732	2.5503
	Purchase 19-Jun-2015	2924	0.0289	260656	2.5792
	Purchase 26-Jun-2015	253	0.0025	260909	2.5817
	Purchase 10-Jul-2015	1501	0.0148	262410	2.5966
	Purchase 17-Jul-2015	250	0.0024	262660	2.5990
	Purchase 23-Jul-2015	2932	0.0290	265592	2.6281
	Purchase 24-Jul-2015	2000	0.0197	267592	2.6478
	Purchase 31-Jul-2015	6096	0.0603	273688	2.7082
	Purchase 07-Aug-2015	2524	0.0249	276212	2.7331
	Purchase 14-Aug-2015	2086	0.0206	278298	2.7538
	Purchase 28-Aug-2015	2000	0.0197	280298	2.7736
	Purchase 09-Oct-2015	363	0.0035	280661	2.7772
	Purchase 16-Oct-2015	101	0.0009	280762	2.7782
	Purchase 23-Oct-2015	1028	0.0101	281790	2.7883
	Purchase 30-Oct-2015	1025	0.0101	282815	2.7985
	Purchase 13-Nov-2015	4000	0.0395	286815	2.8381
	Purchase 18-Dec-2015	700	0.0069	287515	2.8450
	Purchase 08-Jan-2016	2300	0.0227	289815	2.8677
	At the end of the Year 31-Mar-2016	289815	2.8677	289815	2.8677
2	HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE FUND				
	At the beginning of the year 01-Apr-2015	136780	1.3534	136780	1.3534
	Purchase 10-Apr-2015	4500	0.0445	141280	1.3980
	Purchase 17-Apr-2015	1027	0.0101	142307	1.4081
	Purchase 01-May-2015	3325	0.0329	145632	1.4410
	Purchase 18-Dec-2015	6900	0.0682	152532	1.5093
	Purchase 25-Dec-2015	4700	0.0465	157232	1.5558
	At the end of the Year 31-Mar-2016	157232	1.5558	157232	1.5558

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3	K.SATISH				
	At the beginning of the year 01-Apr-2015	120201	1.1894	120201	1.1894
	At the end of the Year 31-Mar-2016	120201	1.1894	120201	1.1894
4	SWEES EMPLOYEES WELFARE TRUST				
	At the beginning of the year 01-Apr-2015	117600	1.1636	117600	1.1636
	Sale 31-Dec-2015	-117600	1.1636	0	0
	At the end of the Year 31-Mar-2016	0	0	0	0
	HAVING SAME PAN				
4	V C RAGHUNATH (Holding on behalf of SWEES EMPLOYEES WELFARE TRUST)				
	At the beginning of the year 01-Apr-2015	0	0	0	0
	Purchase 31-Dec-2015	117600	1.1636	117600	1.1636
	At the end of the Year 31-Mar-2016	117600	1.1636	117600	1.1636
5	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2015	102000	1.0093	102000	1.0093
	At the end of the Year 31-Mar-2016	102000	1.0093	102000	1.0093
6	SATISHCHANDRA SHANTILAL DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2015	95196	0.9419	95196	0.9419
	Purchase 06-Nov-2015	2500	0.0247	97696	0.9667
	Purchase 29-Jan-2016	4075	0.0403	101771	1.0070
	At the end of the Year 31-Mar-2016	101771	1.0070	101771	1.0070
7	BHANU SATISHCHANDRA DOSHI JT1 : SATISHCHANDRA SHANTILAL DOSHI				
	At the beginning of the year 01-Apr-2015	90000	0.8905	90000	0.8905
	Sale 31-Dec-2015	-10640	0.1052	79360	0.7852
	At the end of the Year 31-Mar-2016	79360	0.7852	79360	0.7852
8	RAMACHANDRAN R				
	At the beginning of the year 01-Apr-2015	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2016	62400	0.6174	62400	0.6174

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9	ESWARA GOUNDAN N				
	At the beginning of the year 01-Apr-2015	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2016	62400	0.6174	62400	0.6174
10	SUNDAR IYER				
	At the beginning of the year 01-Apr-2015	50000	0.4947	50000	0.4947
	Sale 06-Nov-2015	-50000	0.4947	0	0
	At the end of the Year 31-Mar-2016	0	0	0	0
	NEW TOP 10 AS ON (31-Mar-2016)				
11	SURENDRA KUMAR SIROHIYA JT1 : SARLA SIROHIYA				
	At the beginning of the year 01-Apr-2015	30000	0.2968	30000	0.2968
	Purchase 17-Jul-2015	400	0.0039	30400	0.3008
	Purchase 31-Jul-2015	200	0.0019	30600	0.3027
	Purchase 14-Aug-2015	200	0.0019	30800	0.3047
	Purchase 21-Aug-2015	100	0.0009	30900	0.3057
	Purchase 28-Aug-2015	450	0.0044	31350	0.3102
	Purchase 09-Oct-2015	250	0.0024	31600	0.3126
	Purchase 23-Oct-2015	161	0.0015	31761	0.3142
	Purchase 30-Oct-2015	239	0.0023	32000	0.3166
	Purchase 13-Nov-2015	600	0.0059	32600	0.3225
	Purchase 19-Feb-2016	415	0.0041	33015	0.3266
	At the end of the Year 31-Mar-2016	33015	0.3266	33015	0.3266

v. Shareholding of Directors and Key Managerial Personnel;

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	CHELLAPPAN.R				
	At the beginning of the year 01-Apr-2015	4747054	46.9733	4747054	46.9733
	At the end of the Year 31-Mar-2016	4747054	46.9733	4747054	46.9733
2	RAGHUNATH V C				
	At the beginning of the year 01-Apr-2015	38800	0.3839	38800	0.3839
	At the end of the Year 31-Mar-2016	38800	0.3839	38800	0.3839
3	VILLIPALAYAM MARIMUTHU SIVASUBRAMANIAM JT1 : KUPPANNAN SUSEELA				
	At the beginning of the year 01-Apr-2015	200	0.0019	200	0.0019
	At the end of the Year 31-Mar-2016	200	0.0019	200	0.0019
4	JAYASHREE NACHIAPPAN				
	At the beginning of the year 01-Apr-2015	100	0.0009	100	0.0009
	At the end of the Year 31-Mar-2016	100	0.0009	100	0.0009
5	NARAYANASWAMI NATARAJAN				
	At the beginning of the year 01-Apr-2015	25	0.0002	25	0.0002
	At the end of the Year 31-Mar-2016	25	0.0002	25	0.0002
6	A. BALAN				
	At the beginning of the year 01-Apr-2015	308094	3.0500	308094	3.0500
	At the end of the Year 31-Mar-2016	308094	3.0500	308094	3.0500
7	G.S.SAMUEL				
	At the beginning of the year 01-Apr-2015	0	0	0	0
	At the end of the Year 31-Mar-2016	0	0	0	0
8	P. JAGAN,CHIEF FINANCIAL OFFICER				
	At the beginning of the year 01-Apr-2015	0	0	0	0
	At the end of the Year 31-Mar-2016	0	0	0	0
9	J. BHUVANESWARI,* COMPANY SECRETARY				
	At the beginning of the year 01-Apr-2015	0	0	0	0
	At the end of the Year 31-Mar-2016	0	0	0	0

* Resigned on 31.03.2016.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	111,56,97,109	-	-	1,115,697,109
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued and due	3,855,907	-	-	3,855,907
iv) Interest accrued but not due	-	-	-	-
Total	1,119,553,016	-	-	1,119,553,016
Change in Indebtedness During the financial year				
• Addition	100,000,000	-	-	100,000,000
• Reduction	701,766,668	-	-	701,766,668
Net Change	(601,766,668)	-	-	(601,766,668)
Indebtedness at the end of the financial year				
i) Principal Amount	515,679,436	-	-	515,679,436
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued and due	2,106,912	-	-	2,106,912
iv) Interest accrued but not due	-	-	-	-
Total	517,786,348	-	-	517,786,348

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager : (Rs.)

Sl.No	Particulars of Remuneration	Name of MD/WTD/Manager			Total amount
		R. Chellappan	A. Balan*	V. C. Raghunath	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,415,000	1,050,000	845,436	4,310,436
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	501,250	237,500	29,175	767,925
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	3,224,538	806,135	-	4,030,673
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	TOTAL (A)	6,140,788	2,093,635	874,611	9,109,034
	Ceiling as per the Act	Within the limit as per the Companies act 2013			

*appointed w.e.f.03.10.2015

B. Remuneration to Other Directors:

(Rs.)

Particulars of Remuneration	Name of Directors			
	V.M. Sivasubramaniam	N. Natarajan	G.S.Samuel*	Total amount
Independent Directors				
Fee for attending board/ committee meetings	165,000.00	145,000.00	60,000.00	370,000.00
Commission	-	-	NA	-
Others, please specify	-	-	-	-
Total (1)	165,000	145,000	60,000	370,000.00
Other Non-Executive Directors	Jayashree Nachiappan	Vasantha Balan	Total amount	
Fee for attending board/committee meetings	150,000.00	50,000.00	200,000.00	
Commission	NA	NA		
Others, please specify	NA	NA		
Total (2)	150,000.00	50,000.00	200,000.00	
Total Managerial Remuneration (1+2)	315,000.00	195,000.00	570,000.00	
Overall Ceiling as per the Act	Within the limit as per the Companies act 2013			

*appointed w.e.f. 03.10.2015

C. Remuneration to Key Managerial Personnel :

(Rs.)

Sl.No	Particulars of Remuneration	Name of Key Managerial Personnel		Total amount
		J. Bhuvaneshwari -Company Secretary*	P. Jagan - Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	663,959	2,345,785	3,009,744
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit	0	0	0
	- others, specify...	0	0	0
5	Others, please specify	0	0	0
	TOTAL (A)	663,959	2,345,785	3,009,744
	Ceiling as per the Act	NA	NA	NA

*resigned on 31.03.2016.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Annexure - 3

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	<p>1.Mr. R. Chellappan : 33:1 2.Mr.A.Balan* : 11:1 3.Mr. V.C. Raghunath : 5:1</p> <p>4. Mr. V.M. Sivasubramaniam } 5. Mr. N. Natarajan } No remuneration 6. Mr. G. S. Samuel } was paid for the financial 7. Mrs. Jayashree Nachiappan } Year 2015-16. However sitting fees 8. Mrs. Vasantha Balan } paid for the meeting attended.</p> <p>* salary calculated for 6 months since his appointment w.e.f 03.10.2015</p>																					
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	<p>1.Mr. R. Chellappan, MD* : 73.53% 2.Mr.A.Balan, JMD : Not applicable** 3.Mr. V.C. Raghunath, WTD : 22.87% 4.Mr.P.Jagan, CFO : 5.82% 5.Mrs.J.Bhuvanewari, CS : 5.05%</p> <p>* The increase in the remuneration represents commission paid during the year as per section 197 of the Companies Act,2013. **Appointed w.e.f. 3.10.2015.</p>																					
(iii) the percentage increase in the median remuneration of employees in the financial year;	12.07%																					
(iv) the number of permanent employees on the rolls of company;	172																					
(v) the explanation on the relationship between average increase in remuneration and company performance;	The average increase in the remuneration is 15%. The Company maintained the increase of remuneration to employees considering the future projects and performance of the Company.																					
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration of Key Managerial Personnel: 121.19 Lakhs Net profit of the Company for the year: 2225.67 Lakhs. 5.45% of net profit of the Company has been paid as remunerations to KMPs.																					
(vii) a) variations in the market capitalisation of the company, b) price earnings ratio as at the closing date of the current financial year and previous financial year and c) percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;	<p>a) The market Capitalisation as on 31.03.2016 was Rs. 387.41 Crores. (Rs.540.38 Crores as on 31.03.2015).</p> <p>b) Price Earnings ratio of the Company as on 31.03.2016 was 17.41 and as on 31.03.2015 was 405.09.</p> <p>c) The Company had come out with the Initial public offer (IPO) in July 1996 @ Rs 75/- (Paid up Rs 10/- and premium Rs 65/-) per share. As on 31.03.2016 the average market price of BSE and NSE per share is Rs 383.35/-.</p>																					
(viii) average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Percentage increase in the managerial remuneration: 41.41%</p> <p>Average percentage increase already made in the salaries of employees other than the managerial personnel : 22.08%</p>																					
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<table border="1"> <thead> <tr> <th></th> <th>Salary for the year (in Lakhs)</th> <th>% on net profit</th> </tr> </thead> <tbody> <tr> <td>1. Mr. R. Chellappan</td> <td>61.41</td> <td>2.76%</td> </tr> <tr> <td>2. Mr. V.C. Raghunath</td> <td>8.75</td> <td>0.39%</td> </tr> <tr> <td>3. Mr.A.Balan*</td> <td>20.94</td> <td>0.94%</td> </tr> <tr> <td>4. Mr. P. Jagan</td> <td>23.45</td> <td>1.05%</td> </tr> <tr> <td>4. Mrs. J.Bhuvanewari</td> <td>6.64</td> <td>0.30%</td> </tr> <tr> <td colspan="3">Net Profit for the year is 2225.67 Lakhs</td> </tr> </tbody> </table> <p>*Appointed w.e.f. 03.10.2015.</p>		Salary for the year (in Lakhs)	% on net profit	1. Mr. R. Chellappan	61.41	2.76%	2. Mr. V.C. Raghunath	8.75	0.39%	3. Mr.A.Balan*	20.94	0.94%	4. Mr. P. Jagan	23.45	1.05%	4. Mrs. J.Bhuvanewari	6.64	0.30%	Net Profit for the year is 2225.67 Lakhs		
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Net Profit for the year is 2225.67 Lakhs																						
(x) the key parameters for any variable component of remuneration availed by the directors;	Recommended by the Board of Directors and approved by the Shareholders.																					
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	No employee (who is not director) is receiving remuneration in excess of highest paid director during the year.																					
(xii) affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration is as per the remuneration policy of the Company.																					

Details of the employees of the Company – Pursuant to Section 197 (Rule 5) of the Companies Act 2013

(i)	Name of the employee	:	R. Chellappan
(ii)	Designation	:	Managing Director
(iii)	Remuneration received	:	Rs. 61,40,788/- (Rupees Sixty one Lakhs Forty Thousand Seven Hundred and Eighty Eight Only)
(iv)	Nature of employment	:	Whole time employment
(v)	Qualifications	:	B.E., I.E.E.E.
(vi)	Experience	:	32 years
(vii)	Date of commencement of employment	:	12.09.1994
(viii)	Age	:	63 years
(ix)	Last employment held by such employee before joining the company	:	Business
(x)	Percentage of equity shares held by the employee(including spouse)in the company	:	47.78%
(xi)	Whether employee is a relative of any director or manager of the company and if so, name of such director or manager	:	Mr.V.C. Raghunath, Whole Time Director, S/o Mr. R. Chellappan

ANNEXURE - 4

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

The Company seeks to be a good corporate citizen wherever it does business and respects local concerns, customs and traditions. The Company gives more importance to education sector as it believes that Education is the most powerful weapon which can be used to change the world.

The Company formed the Corporate Social Responsibility (CSR) committee on 06.02.2014 which comprises of the following Directors.

- 1) Mr. R. Chellappan - Managing Director
- 2) Mr. N. Natarajan - Independent Director
- 3) Mr. V.C. Raghunath - Whole Time Director

The Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The Policy of the CSR is available on Company's website www.swelectes.com.

The Company is required to spend 2% of the average net profit of the Company as per section 135 of the Companies Act 2013. The amount arrived for the CSR activities was Rs.43,51,766/- for the financial year 2015-2016.

Particulars	Financial year (Amount in Rs.)		
	2012-13	2013-14	2014-15
Net Profit	5,10,79,64,513	24,94,51,119	1,32,93,622
Less :			
Sale of Undertaking	6,15,11,76,802		
Loss of capital nature			
- Sivagangai land written off			-2,03,11,785
Add :			
Income Tax	1,39,67,23,016	-	1,61,97,663
Total	35,35,10,727	24,94,51,119	4,98,03,070
Average Profit for 3 yrs			21,75,88,305
2% on above			43,51,766

The Company spent the following amount towards the CSR activities.

- | | |
|--|---------------|
| 1. Prime Minister National Relief fund | - Rs 10 Lakhs |
| 2. International Justice Mission | - Rs 5 Lakhs |
| 3. Sri Ramcharan Charitable trust | - Rs 2 Lakhs |
| | ----- |
| Total | - Rs 17 Lakhs |
| | ----- |

Apart from the above CSR activities, the Board noted the contribution made amounting to Rs.5 Lakhs to Chief Minister's Flood Relief Fund during flood in Chennai.

The Company couldn't spend the entire amount budgeted for CSR activities, since there was delay in release of subsidy and completed project payments from Government departments. The Company is in the process of evaluating various projects in the coming years.

The Company will continue to support the local initiatives to improve infrastructure as well as support in other corporate social responsibility initiatives.

The Committee met on 14th March 2016 to discuss and review the amount spent on CSR during the year.

Policy on Corporate Social Responsibility

Preamble

Corporate social responsibility may also be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promotes positive social and environmental change.

OBJECTIVE

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.
- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

Definitions

Corporate Social Responsibilities (CSR).

Swelect Energy Systems Ltd (SWEES).

Committee: Directors constituted for the CSR activities.

Average Net Profit as defined in section 198 of the Companies Act, 2013.

Guiding Principles

The Corporate Social Responsibility Committee shall,—

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the SWEES.
- (b) recommend the amount of expenditure to be incurred on the activities and
- (c) monitor the Corporate Social Responsibility Policy of the company from time to time.

Role of the Committee:

The committee makes the recommendations to the Board on CSR Policy. The Board approves the Corporate Social Responsibility Policy for the company and disclose contents of such policy in its report and also places it on the Company's website, if any, in such manner as may be prescribed; and (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.

The Corporate Social Responsibility Committee shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities: Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (a) of sub-section (3) of section 134, specify the reasons for not having spent the amount.

Provided that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of a Company.

Explanation.—for the purposes of this section "average net profit" shall be calculated in accordance with the provisions of section 198 of Companies, Act, 2013.

Our CSR activities includes

- (1) Promoting education, including special education and employment enhancing vocational skill among children, women, elderly and the differently abled and livelihood enhancement projects.
- (2) Training to promote, rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- (3) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- (4) Promising gender equality, empowering women, setting up homes and hostels for women and orphans, setting up of old age homes, day care and such other facility for senior citizen and measure for reducing inequalities faced by socially and economically backward people.
- (5) Measures for the benefit of armed forces veterans, war widows and their dependents.
- (6) Contribution to prime minister's national relief fund or any other fund set up by the Central Govt. for socio-economic development and relief and welfare of the scheduled castes and tribes, other backward classes, minorities and women.
- (7) Rural development projects.
- (8) Clean India Mission.

The Committee will meet once in a year and the proceedings of the meeting will be tabled at the subsequent Board meeting.

Conclusion

A concept whereby Companies decides to contribute to a better society and a cleaner environment and by becoming a good corporate citizen, an organisation can improve its competitive edge in respect of attracting and retaining investors, clients and employees.

Annexure 5
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: ***NIL***
 - (a) Name(s) of the related party and nature of relationship
 - (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 (s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis: ***NIL*** *
 - (a) Name(s) of the related party and nature of relationship
 - (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) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:

* There are no materially significant related party transactions which exceeds 10% of the consolidated turnover of the Company.

For and on behalf of the Board of Directors

Chennai
May 27, 2016

R. CHELLAPPAN
Managing Director

A.BALAN
Joint Managing Director

ANNEXURE – 6

POLICY ON NOMINATION AND REMUNERATION COMMITTEE (NRC)

Preamble

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Nomination and Remuneration Committee consisting of three or more non-executive Directors and out of which not less than one-half shall be independent Directors : provided that the Chairperson of the Company (whether executive or non executive) be appointed as Member of the Committee but shall not chair such Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

Objective

The key objectives of the Committee would be:

- (a) To identify persons who are qualified to become directors and guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Definitions

“Board” means Board of Directors of the Company.

“Company” means “**SWELECT ENERGY SYSTEMS LIMITED.**”

“Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013.

“**Key Managerial Personnel**” (**KMP**) means

- (a) Chief Executive Officer or the Managing Director
- (b) Company Secretary,
- (c) Whole-time Director,
- (d) Chief Financial Officer and
- (e) Such other officer as may be prescribed.

“**Nomination and Remuneration Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“Policy or This Policy” means, “Nomination and Remuneration Policy.” “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional head.

INTERPRETATION Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

Guiding Principles

The Policy ensures that

- (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- (c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Role Of The Committee

The role of the Committee inter alia will be the following:

- (a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- (b) Formulate criteria for evaluation of Independent Directors.
- (c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- (d) To carry out evaluation of every Director's performance.
- (e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- (f) To recommend to the Board policy relating to remuneration for Directors Key Managerial Personnel and Senior Management.
- (g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- (h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- (i) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- (j) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (k) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
- (l) Devising a policy on Board Policy.

Membership

- (a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be independent.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated by the Board of Directors.

Chairman

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (d) Chairman of the Nomination and Remuneration Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

Frequency Of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

Committee Members' Interests

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

Voting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he /she shall be eligible for appointment for one more term of 5 years only.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in Cases such persons serving as a whole –time Director of a listed Company.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PROVISIONS RELATING TO REMUNERATION OF KMP AND SENIOR MANAGEMENT

General:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

1. The remuneration / compensation / commission etc. to KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Key Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board.

Fixed pay:

KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof the Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The sitting fess shall be decided by the Board from time to time after due deliberations.

3. Limit of Remuneration /Commission:

Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013. The Board may however decide from time to time to pay any amount within the ceiling prescribed under the Act.

Minutes Of Committee Meeting

Proceedings of all meetings must be recoded and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

Deviations From This Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Energy Systems Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Swelect Energy Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 of 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2016, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement 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 specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673

Place of Signature: Chennai
Date: 27 May 2016

Annexure referred to in our report of even date

Re: Swelect Energy Systems Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to firms covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to firms covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, value added tax and cess which have not been deposited on account of any dispute.

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Kerla Sales Tax Act, 1963 *	Penalty	666,665	2000-2001	Deputy Commissioner, Commercial Taxes
Delhi Vat Act,2004	Disputed turnover	1,200,684	2006-2007	Commissioner , Appeals
The Central Tax (Assam), Rules 1957	Non submission of F-forms & C-Forms to the Department	1,376,701	2011-2012 & 2012-2013	Application for appeals under progress
The Central Sales tax Act,1956 (Haryana)	Ex-parte order	2,159,861	2010-2011	Joint Excise & Taxation Commissioner, Appeals Haryana
TN VAT Act **	Differential tax payment	19,217,174	2012-2013	Madras High Court
TN VAT Act	Penalty u/s 27(4)(i)	62,571	2012-2013	Madras High Court
TN VAT Act	Penalty u/s 27(3) (c)	27,879,905	2012-2013	Madras High Court
Service tax Act #	Differential tax and Interest	292,336	2011-2012	CESTAT
Direct Taxes @	Disallowances of items	102,674,150	2009-2010 / 2012-2013	CIT Appeals

* Excludes amounts paid under protest amounting to Rs.333,335

** Excludes amounts paid under protest amounting to Rs.2,135,242

Excludes amounts paid under protest amounting to Rs.303,210

@ Excludes amounts paid under protest amounting to Rs.1,40,75,600

- (viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership No.: 083673

Place: Chennai
Date: 27 May 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWELECT ENERGY SYSTEMS LIMITED

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

To the Members of Swelect Energy Systems Limited

We have audited the internal financial controls over financial reporting of Swelect Energy Systems Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: May 27, 2016

SWELECT ENERGY SYSTEMS LIMITED

Balance Sheet as at 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,520,243,383	6,346,329,273
		6,621,301,783	6,447,387,673
Non-current liabilities			
Long-term borrowings	6	357,246,810	891,129,810
Other long-term liabilities	5	140,603,758	6,143,758
Deferred tax liabilities (net)	11	17,861,376	138,444,369
Long-term provisions	7	7,400,000	800,000
		523,111,944	1,036,517,937
Current liabilities			
Short-term borrowings	6	60,682,626	79,942,299
Trade payables	8	59,460,442	25,044,173
Other current liabilities	8	124,286,774	233,851,088
Short-term provisions	7	18,391,044	34,958,620
		262,820,886	373,796,180
Total		7,407,234,613	7,857,701,790
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,378,395,307	1,529,267,717
Intangible assets	10	2,029,487	1,849,592
Capital work-in-progress		25,008	150,840,287
Non-current investments	12	1,837,164,743	1,147,911,543
Long-term loans and advances	14	689,604,967	828,656,521
Other assets	15.2	70,657,989	14,130,652
		3,977,877,501	3,672,656,312
Current assets			
Current investments	17	2,372,205,832	2,517,425,875
Inventories	13	117,493,399	117,459,067
Trade receivables	15.1	219,366,553	224,258,713
Cash and bank balances	16	151,280,284	499,493,521
Short-term loans and advances	14	46,424,123	22,475,566
Other assets	15.2	522,586,921	803,932,736
		3,429,357,112	4,185,045,478
Total		7,407,234,613	7,857,701,790
Summary of significant accounting policies	2		

SWELECT ENERGY SYSTEMS LIMITED

Balance Sheet as at 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan
Managing Director

R.Sathishkumar
Company Secretary

Place: Chennai

Date: 27/05/2016

A.Balan
Joint Managing Director

P. Jagan
Chief Financial Officer

Place: Chennai

Date: 27/05/2016

SWELECT ENERGY SYSTEMS LIMITED

Statement of profit and loss for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations (gross)	18	618,757,298	488,750,112
Less: Excise duty		6,134,280	5,449,364
Revenue from operations (net)		612,623,018	483,300,748
Other income	19	380,855,840	247,857,996
Total revenue		993,478,858	731,158,744
Expenses			
Cost of raw material and components consumed	20	198,572,715	82,100,383
Purchase of traded goods	21	64,919,651	116,503,746
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	21	(14,123,561)	72,152,375
Employee benefits expense	22	77,747,551	66,575,253
Other expenses	23	167,480,446	150,031,292
Depreciation and amortisation expense	24	101,777,633	87,170,924
Finance costs	25	90,989,668	106,821,701
Total expenses		687,364,103	681,355,674
Profit before tax and exceptional items		306,114,755	49,803,070
Add / Less: Exceptional items (Also refer note 40)		8,167,221	(20,311,785)
Profit before tax		314,281,976	29,491,285
Tax expenses			
Current tax		168,012,259	638,213
Add/Less: MAT credit (entitlement) / availed		44,286,024	(638,213)
Deferred Tax (credit) / charge		(120,582,994)	16,197,663
Total tax expense		91,715,289	16,197,663
Profit for the year		222,566,687	13,293,622
Earnings per equity share (nominal value of share Rs.10/- (31 March 2015: Rs.10/-))	26	22.02	1.32
Summary of significant accounting policies	2		

SWELECT ENERGY SYSTEMS LIMITED

Statement of profit and loss for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan
Managing Director

R.Sathishkumar
Company Secretary

Place: Chennai

Date: 27/05/2016

A.Balan
Joint Managing Director

P. Jagan
Chief Financial Officer

Place: Chennai

Date: 27/05/2016

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	31 March 2016	31 March 2015
A. Cash flow from operating activities:		
Profit before taxation	314,281,976	29,491,285
Adjustments to reconcile profit before tax to net cash flow s:		
Depreciation/amortisation	101,777,633	87,170,924
Profit on sale of tangible assets	-	1,253,798
Unrealised foreign exchange (gain) / loss, net	1,738,326	2,282,956
Net gain from the sale of current investment	(233,537,539)	(57,767,367)
Dividend income - mutual fund	(3,751,104)	(22,551,454)
Provision for bad and doubtful debts	2,500,000	-
Liabilities no longer required, w ritten back	(1,508,201)	(2,258,735)
Interest expense	89,140,173	105,989,962
Recovery tow ards Land w ritten off and income from transfer of Solar power undertaking at Velakoil (Refer Note 40)	(8,167,221)	20,311,785
Interest income	(136,593,571)	(155,472,817)
Operating profit before working capital changes	125,880,472	8,450,337
Movement in working capital :		
Decrease in trade receivables	2,392,160	116,363,568
(Increase) in loans and advances	(104,105,179)	(321,639,162)
(Increase) / Decrease in inventories	(34,332)	55,887,053
Increase / (Decrease) in trade payables, other current and long term liabilities	161,746,003	(27,004,807)
Increase in provisions	8,277,141	851,066
Working Capital changes - Pursuant to BTA (Refer Note 40)	136,268,025	-
Cash flow generated from / (used in) operations	330,424,290	(167,091,945)
Taxes paid, net	(63,729,459)	(47,806,575)
Net cash flow generated from / (used in) operating activities (A)	266,694,831	(214,898,520)
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(620,547,827)	(315,964,686)
Proceeds from sale of tangible assets	-	13,200,447
Redemption / (Investment) in current investments	378,757,582	400,061,804
Investment in subsidiaries (net) and others	(59,253,200)	(77,525,700)
Redemption in bank deposits (having original maturity of more than three months)	281,074,138	507,426,908
Interest received	150,977,263	162,902,902
Dividend received on mutual fund	3,751,104	23,396,829
Recovery tow ards Land w ritten off and income from transfer of Solar power undertaking at Velakoil	8,167,221	-
Net cash flow generated from investing activities (B)	142,926,281	713,498,504
C. Cash flow from financing activities:		
(Repayment) of short-term borrow ings	(19,259,673)	(91,520,202)
Repayment from long-term borrow ings	(580,758,000)	283,671,810
Interest paid	(90,889,168)	(103,289,145)
Dividend paid	(55,582,120)	(90,952,560)
Dividend tax paid	(11,315,174)	(15,457,388)
Net cash flow (used in) from financing activities (C)	(757,804,135)	(17,547,486)
Net decrease / (increase) in cash and cash equivalents (A + B + C)	(348,183,023)	481,052,498
Cash and cash equivalents at the beginning of the year	496,251,311	15,198,813
Closing cash and cash equivalents (Refer Note 2 below)	148,068,288	496,251,311

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

a) The reconciliation to the cash and bank balances as given in note 16 is as follows:

	31 March 2016	31 March 2015
Cash and Cash equivalents (Refer Note 16)	151,280,284	499,493,521
Less: Unpaid dividend accounts*	(3,211,996)	(3,242,210)
Cash and cash equivalents at the end of the year	148,068,288	496,251,311

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

b) Components of cash and cash equivalents

Balances with banks:		
On current accounts	15,614,543	9,553,479
Cash on hand	134,245	168,489
Deposits with original maturity of less than 3 months	132,319,500	486,529,343
	148,068,288	496,251,311

Note:

1. Increase in capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
2. The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration number 101049W/E300004
Chartered Accountants

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan A.Balan
Managing Director Joint Managing Director

R.Sathishkumar P. Jagan
Company Secretary Chief Financial Officer

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

1. Nature of operations

SWELECT ENERGY SYSTEMS LIMITED ('the Company') was incorporated as a Public Limited Company on September 12, 1994. The Company is engaged in the business of manufacturing and trading of Solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters and energy efficient lighting systems.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis under the historical cost convention.

The accounting policies, adopted in the preparation of financial statements are, except when disclosed otherwise consistent with those used in the previous years.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to the accounting estimates is recognised prospectively in the current and future years.

(c) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost, less accumulated depreciation/amortisation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets comprise of goodwill and computer software.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the year during which such expenses are incurred.

Gains and losses arising from derecognition of tangible assets and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of the profit and loss when the asset is derecognised.

(d) Depreciation and amortisation

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management as follows:

Building	30 years
Plant and machinery (other than Windmills & Solar Plant)	15 years
Windmills (included under Plant and Machinery)	22 years
Solar Plant	25 years
Office equipment	5 years
Electrical equipment	10 years
Computers	3 years
Furniture and fittings	10 years
Vehicles (Motor cars/Motor Vehicles)	8 years / 10 years

Useful lives/ depreciation rates

Considering the applicability of Schedule II, the management has estimated the useful lives and residual values of all its fixed assets.

The management, supported by independent assessment by professionals has estimated, the useful lives of the following classes of assets.

- The useful lives of certain Solar Plant and Machinery to 25 years, respectively. These lives are higher than those indicated in schedule II.

Leasehold improvements are amortised using the straight-line method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Intangible assets are amortised using the straight-line method over a period of five years.

(e) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Inventories

Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress, finished goods	Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded goods	Lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract. The Company collects sales taxes and valued added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence they are excluded from the revenue.

Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Sale of power

Income from sale of power

Revenue from sale of power from renewable energy sources is recognised in accordance with the price agreed under the provisions of the power purchase agreement entered into with Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) and other customers. Such revenue is recognised on the basis of actual units generated and transmitted.

Income from Sale of Renewable Energy Certificates

The revenue from sale of Renewable Energy Certificates (REC) is recognised on delivery thereof or sale of right therein, as the case may be, in accordance with the terms of contract with the respective buyer.

Income from service

Revenue from maintenance contracts and installation contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Service tax is excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend

Revenue is recognised when the Company's right as a shareholder/unit holder to receive payment is established by the reporting date.

(i) Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(j) Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent of the pre-payment.

- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to statement of profit and loss, and are not deferred.
- (iii) Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

(k) Income taxes

Provision for income tax is made for current and deferred taxes. Provision for current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than those arising from undertakings enjoying tax holiday benefits, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against the future taxable profits.

At each balance sheet date the Company reassesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(l) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

(m) Leases

Leases where, the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

(n) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(o) Provision for warranty

Provisions for warranty related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty related costs is revised annually. A provision is recognised for expected warranty claims on product sold, based on past experience of the levels of repairs and returns. Assumptions used to calculate the provision for warranties are based on the current sales levels and current information available about returns based on the average warranty period for the product portfolio of the Company.

(p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and on hand, including cheques on hand and short-term investments with an original maturity of three months or less.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost / inventory of the respective asset. All other borrowing costs are expended in the period they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

(s) Government grants

Grants from the government are recognised when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

3 Share capital

	<u>31 March 2016</u>	<u>31 March 2015</u>
Authorised shares		
20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each	101,058,400	101,058,400
Total issued, subscribed and fully paid-up share capital	101,058,400	101,058,400

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
Outstanding at the end of the year	10,105,840	101,058,400	10,105,840	101,058,400

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs.3/- (31 March 2015 Rs.Nil) and proposed dividend was Rs.1/- (31 March 2015: Rs. 2.50/-).

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

4 Reserves and surplus

Capital reserve

Balance as per the last financial statements

15,263,880

15,263,880

Movement during the year

-

-

Closing balance

15,263,880

15,263,880

Securities premium account

Balance as per the last financial statements

18,268,300

18,268,300

Movement during the year

-

-

Closing balance

18,268,300

18,268,300

General reserve

Balance as per the last financial statements

1,787,957,365

1,786,628,003

Add: amount transferred from surplus balance in the statement of profit and loss

22,256,669

1,329,362

Closing balance

1,810,214,034

1,787,957,365

Surplus in the statement of profit and loss

Balance as per last financial statements

4,524,839,728

4,543,283,329

Profit for the year

222,566,687

13,293,622

Less: Appropriations

Interim equity dividend

(30,317,520)

-

(Amount per share: Rs.3/- (31 March 2015: Rs. Nil))

Tax on Interim equity dividend

(6,171,913)

-

Proposed final equity dividend

(10,105,840)

(25,264,600)

(Amount per share: Rs.1/- (31 March 2015: Rs. 2.5/-))

Tax on proposed equity dividend

(2,057,304)

(5,143,261)

Transferred to general reserve

(22,256,669)

(1,329,362)

Total appropriations

(70,909,246)

(31,737,223)

Net surplus in the statement of profit and loss

4,676,497,169

4,524,839,728

Total reserves and surplus

6,520,243,383

6,346,329,273

5 Other long-term liabilities

Rental deposit

8,303,758

6,143,758

Deferred government grant (Refer Note 2(s))

132,300,000

-

140,603,758

6,143,758

6 Borrowings

Long term

Short-term

31 March 2016

31 March 2015

31 March 2016

31 March 2015

Secured borrowings

Overdraft facility from bank

-

60,682,626

79,942,299

Term loan from Banks

357,246,810

891,129,810

-

-

357,246,810

891,129,810

60,682,626

79,942,299

The overdraft facility from the Bank is secured against the Fixed Deposits of the Company and it is repayable on demand.

Term loans from Bank I amounting to Rs.260,625,000 (Previous year: Rs.598,000,000) are repayable in 12 installments of Rs. 1,007,813 (Previous year: Rs. 29,406,250 of 16 installments each) each per quarter starting from April 2016 onwards and ends on March 2019, 16 installments of Rs.4,343,750 (Previous year: Rs.4,343,750) each per quarter starting from June 2016 and ends on March 2020 and 4 installments of Rs.6,750,000 each per quarter (Previous year - 16 installments of Rs.6,750,000 each per quarter) starting from April 2016 till May 2017 and 1 installment of Rs.4,000,000 (Previous year: Rs. 4,000,000) payable in May 2017. These loans are secured by a pledge on the investments in mutual funds of the Company .

Term loans from Bank II amounting to Rs.1,94,371,810 (Previous year: Rs. 437,754,810) are for a period of three years with bullet repayment terms. These loans are secured by investments in mutual funds of the Company.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

7 Provisions

	Long-term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (refer note 27)	-	-	598,362	-
Provision for leave benefits	-	-	4,829,538	3,650,759
Total (A)	-	-	5,427,900	3,650,759
Other provisions				
Provision for warranties	7,400,000	800,000	800,000	900,000
Proposed equity dividend	-	-	10,105,840	25,264,600
Provision for tax on proposed equity dividend	-	-	2,057,304	5,143,261
Total (B)	7,400,000	800,000	12,963,144	31,307,861
Total (A)+(B)	7,400,000	800,000	18,391,044	34,958,620

	31 March 2016	31 March 2015
Provision for warranties		
At the beginning of the year	1,700,000	1,700,000
Arising during the year	6,500,000	-
Utilised during the year	-	-
At the end of the year	8,200,000	1,700,000

8 Trade payables and other current liabilities

Trade payables	59,460,442	25,044,173
(refer note below regarding dues to micro, small and medium enterprises)		

Other current liabilities

Interest accrued and due on borrowings	2,106,912	3,855,907
Current maturities of long-term borrowings (Refer note 5a)	97,750,000	144,625,000
Deferred service income	212,657	212,657
Unpaid dividend	3,211,997	3,242,211
Payables for capital purchases	4,368,103	58,378,065
Advance from customers	10,290,712	6,971,328
Statutory dues payables	3,746,393	3,371,860
Rental Deposits Received	2,600,000	13,194,060
	124,286,774	233,851,088
	183,747,216	258,895,261

Note:

There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under "The Micro Small and Medium Enterprises Development Act, 2006". Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

9 Tangible assets

Particulars	Land	Buildings (Refer 9(a & c))	Plant and machinery (Refer 9 (b))	Office & Electrical equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
Cost									
At 1 April 2014	125,143,329	340,576,198	1,097,804,403	47,018,984	4,323,987	45,835,929	16,158,967	4,382,455	1,681,244,252
Additions	8,782,380	-	198,307,096	3,243,416	1,006,038	84,453	97,668	-	211,521,051
Deletions/Adjustment	(23,042,996)	(2,882,807)	(6,686,364)	(13,878,403)	-	-	-	-	(46,500,570)
At 31 March 2015	110,882,713	337,683,391	1,289,425,135	36,383,997	5,330,025	45,920,382	16,256,635	4,382,455	1,846,264,733
Additions	-	5,986,045	704,947,010	4,834,948	380,275	120,846	162,741	-	716,441,865
Deletions (Refer Note 40)	-	(1,914,976)	(832,893,867)	(13,440)	(213,110)	-	-	-	(835,035,393)
At 31 March 2016	110,882,713	341,764,460	1,161,478,278	41,205,505	5,497,190	46,041,228	16,419,376	4,382,455	1,727,671,205
Depreciation									
At 1 April 2014	-	74,549,664	107,529,157	16,978,364	2,446,975	22,256,583	9,649,932	3,465,055	236,875,730
Charge for the year	-	11,157,917	58,146,150	7,234,316	1,436,433	6,382,204	1,788,271	459,831	86,605,122
Deletions/Adjustment	-	(354,030)	(918,871)	(5,210,935)	-	-	-	-	(6,483,836)
As at March 2015	-	85,353,551	164,756,436	19,001,745	3,883,408	28,638,787	11,438,203	3,924,886	316,997,016
Charge for the year	-	11,220,764	78,410,803	4,399,342	1,084,768	4,210,147	1,361,197	359,229	101,046,250
Deletions (Refer Note 40)	-	-	(68,537,851)	(2,217)	(149,689)	-	-	-	(68,767,368)
As at March 2016	-	96,496,704	174,629,388	23,398,870	4,818,487	32,848,934	12,799,400	4,284,115	349,275,898
Net Block									
At 31 March 2015	110,882,713	252,329,840	1,124,666,699	17,382,252	1,446,617	17,281,595	4,818,432	457,569	1,529,267,717
At 31 March 2016	110,882,713	245,267,756	986,848,890	17,806,635	678,703	13,192,294	3,619,976	98,340	1,378,395,307

Notes:

Particulars	Gross block	Depreciation charge for the year	Accumulated Depreciation	Net book value
a. Buildings includes those constructed on leasehold land				
As at 31 March 2016	1,052,105	35,140	105,420	946,685
As at 31 March 2015	1,052,105	35,140	70,280	981,825
b. Plant and machinery includes assets given on operating lease				
(Represent plant and machinery leased for a term of 11 months to the subsidiaries of the company)				
As at 31 March 2016	64,383,799	4,352,984	13,385,777	50,998,022
As at 31 March 2015	65,448,865	4,433,521	9,032,793	56,416,072
c. Buildings include assets given on operating lease				
As at 31 March 2016	192,657,451	6,808,832	13,617,664	179,039,787
As at 31 March 2015	255,238,872	6,808,832	62,581,421	192,657,451

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

10 Intangible assets

Particulars	Goodwill	Computer software	Total
Gross block			
At 1 April 2014	13,816,060	2,653,532	16,469,592
Additions	-	454,128	454,128
Disposals /Adjustment	-	-	-
At 31 March 2015	13,816,060	3,107,660	16,923,720
Additions	-	911,279	911,279
Disposals /Adjustment	-	-	-
At 31 March 2016	13,816,060	4,018,939	17,834,999
Amortisation			
At 1 April 2014	13,816,060	692,266	14,508,326
Charge for the year	-	565,802	565,802
Disposals / Adjustment	-	-	-
At 31 March 2015	13,816,060	1,258,068	15,074,128
Charge for the year	-	731,383	731,383
Disposals / Adjustment	-	-	-
At 31 March 2016	13,816,060	1,989,451	15,805,511
Net block			
At 31 March 2015	-	1,849,592	1,849,592
At 31 March 2016	-	2,029,488	2,029,488

11 Deferred tax liabilities (net)

Deferred tax liability

Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting

Gross deferred tax liability

Deferred tax asset

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

Carry forward business loss and unabsorbed depreciation

Gross deferred tax asset

Deferred tax liabilities (net)

	31 March 2016	31 March 2015
	95,745,504	375,671,903
	95,745,504	375,671,903
	(1,546,803)	(7,783,533)
	(76,337,325)	(229,444,001)
	(77,884,128)	(237,227,534)
	17,861,376	138,444,369

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

12 Non-current investments

Trade investments (valued at cost unless stated otherwise)

Investment in equity instruments of subsidiaries (unquoted)

	31 March 2016	31 March 2015
444,000 (Previous year - 244,000) equity shares of Sw elect Solar Energy Private Limited, Rs.100/- each fully paid	44,400,000	24,400,000
12,232,500 (Previous year - 12,232,500) equity shares of Sw elect Energy Systems Pte. Limited, Singapore Dollar 1/- each fully paid	437,290,241	437,290,241
5,500,000 (Previous year - 5,500,000) of equity shares of Amex Irons Private Limited, Rs.10/- each fully paid	109,500,000	109,500,000
1,000,000 (Previous year - 1,000,000) of equity shares of Amex Alloys Private Limited, Rs.10/- each fully paid	54,118,000	54,118,000
3,739,716 (Previous year - 373,9716) of equity shares of HHV Solar Technologies Limited, Rs.10/- each fully paid	267,443,172	267,443,172
135,000 (Previous year - 135,000) of equity shares of Sw elect Green Energy Solutions Private Limited, Rs.100/- each fully paid	13,500,000	13,500,000
10,000 (Previous year - Nil) equity warrants of SWELECT Inc ,USA, USD 10/- each fully paid	6,885,000	-

Investment in preference shares instruments of subsidiaries (unquoted)

Nil (Previous year - 125,000) of 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, Rs.100/- each fully paid	-	12,500,000
21,616,013 (Previous year - 17,616,013) of 10% Cumulative redeemable preference shares of HHV Solar Technologies Limited, Rs.10/- each fully paid (Refer Note 41)	220,993,130	176,160,130

Investment in Debentures of subsidiary(unquoted)

6,300,000 (Previous year - Nil) of 10% Cumulative convertible debentures of Sw elect Green Energy Solutions Private Limited , Rs.100/- each fully paid (Refer Note 40)	630,000,000	-
	1,784,129,543	1,094,911,543

Non trade investments (valued at cost unless stated otherwise)

Investment in equity instruments (unquoted)

300,000 (Previous year - 300,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	3,000,000	3,000,000
3,520 (Previous year - Nil) equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	35,200	-

Investment in tax free bonds (unquoted)

50,000 (Previous year - 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited	50,000,000	50,000,000
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53,035,200 **53,000,000**

1,837,164,743 **1,147,911,543**

Aggregate amount of unquoted investments 1,837,164,743 1,147,911,543

13 Inventories (valued at lower of cost and net realisable value)

Raw materials and components	67,290,499	81,379,728
Work-in-progress	2,612,290	4,686,405
Finished goods	26,529,213	84,789
Traded goods	21,061,397	31,308,145
	117,493,399	117,459,067

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

14 Loans and advances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured, considered good	136,780	90,054,146	-	-
(A)	136,780	90,054,146	-	-
Security deposit				
Unsecured, considered good	5,916,660	8,225,876	16,701,284	3,654,482
(B)	5,916,660	8,225,876	16,701,284	3,654,482
Loan and advances to related parties (refer note 31)				
Unsecured, considered good	678,987,643	567,541,233	-	-
(C)	678,987,643	567,541,233	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	7,985,295	3,511,884
(D)	-	-	7,985,295	3,511,884
Other loans and advances				
<u>Unsecured, considered good:</u>				
Advance income-tax (net of provision for taxation)	3,299,889	107,582,689	-	-
MAT credit entitlement	-	44,286,024	-	-
Prepaid expenses	-	8,452,506	3,291,624	2,226,007
Loans to employees	-	690,751	510,637	500,600
Balances with government authorities	1,263,995	1,823,296	17,935,283	12,582,592
(E)	4,563,884	162,835,266	21,737,544	15,309,199
<u>Unsecured, considered doubtful:</u>				
Balances with government authorities			3,159,000	3,159,000
Provision for doubtful advance			(3,159,000)	(3,159,000)
(F)	-	-	-	-
Total (A+ B + C + D + E + F)	689,604,967	828,656,521	46,424,123	22,475,566

Loans and advances to related parties include:

Due from subsidiary companies in which Managing director is a director:

	Non-current		Maximum amount outstanding	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
-- Amex Alloys Private Limited	222,881,203	96,221,775	222,881,203	96,221,775
-- Amex Irons Private Limited	171,007,093	153,334,583	171,007,093	153,334,583
-- Noel Media & Advertising Private Limited	56,963,998	63,912,363	56,963,998	101,414,633
-- Sw elect Solar Energy Private Limited	56,800,120	38,905,011	56,800,120	38,905,011
-- Sw elect Green Energy Solutions Private Limited	15,365,955	11,877,371	15,365,955	11,877,371
-- HHV Solar Technologies Limited	138,132,278	203,290,130	138,132,278	205,774,143
-- SWELECT Inc	16,583,225	-	16,583,225	-

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

15 Trade receivables and other assets

15.1 Trade receivables

	Current	
	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	147,286,895	145,832,549
- Unsecured, considered doubtful	2,500,000	-
(A)	149,786,895	145,832,549
Other receivables		
- Unsecured, considered good	72,079,658	78,426,164
Less : Provision for bad and doubtful debts	(2,500,000)	-
(B)	69,579,658	78,426,164
Total (A + B)	219,366,553	224,258,713
Included in trade receivables are:		
Dues from subsidiary companies in which the Managing director is a director:		
-- Noel Media & Advertising Private Limited	17,175,781	17,175,781
-- Amex Alloys Private Limited	104,851,721	104,568,372
-- Amex Irons Private Limited	88,200	2,773,305
-- SWELECT Energy Systems Pte. Limited	648,288	1,185,138

15.2 Other assets

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Unsecured, considered good				
Non - current bank balance (note 16)	495,000	11,356,819	-	-
Deposits with original maturity for more than 3 months but less than 12 months (Refer note below)*	-	-	504,070,790	774,283,109
Interest accrued on fixed deposits	-	-	14,565,935	28,949,627
Others	2,662,989	2,773,833	3,950,196	700,000
Government Grant receivable (Refer Note 2(s))	67,500,000	-	-	-
	70,657,989	14,130,652	522,586,921	803,932,736

* Deposits to the extent of Rs 499,593,763 (Previous year: Rs.734,251,097) have been given as collateral to the banks to facilitate the availment of overdraft, working capital, Buyer's credit, letter of credit and bank guarantee for the Company and Subsidiaries.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

16 Cash and bank balances

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts			15,614,543	9,553,479
On unpaid dividend accounts			3,211,996	3,242,210
Cash on hand			134,245	168,489
Total (A)			18,960,784	12,964,178
Other bank balances				
Deposits with original maturity for more than 12 months (Refer note below)**	495,000	11,356,819	-	-
Deposits with original maturity less than 3 months (Refer note below) #	-	-	132,319,500	486,529,343
Total (B)	495,000	11,356,819	132,319,500	486,529,343
Amount disclosed under other assets (note 15.2)	(495,000)	(11,356,819)	-	-
Total cash and bank balances (A+B)	-	-	151,280,284	499,493,521

Note:

- ** Deposits to the extent of Rs.440,000 (Previous year: Nil) have been given as collateral to the bank for availing the Bank guarantees for the Company.
- # Deposits to the extent of Rs.132,319,500 (Previous year: Nil) have been given as collateral to the bank for availing the cash credit and packing credit facility for the subsidiary Company.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

17 Current investments

	31 March 2016	31 March 2015
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
Nil (Previous year - 202) unit of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend grow th plan	-	202,751
Nil (Previous year -91,319) unit of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	-	9,655,772
Nil (Previous year - 12,000,000) unit of Rs.10/- each fully paid up SBI Debt fund series - 380 Days - Regular grow th plan	-	120,000,000
Nil (Previous year - 21,000,000) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular grow th plan*	-	210,000,000
Nil (Previous year - 21,000,000) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular grow th plan*	-	210,000,000
Nil (Previous year - 21,000,000) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular grow th plan*	-	210,000,000
Nil (Previous year - 8,201,872) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular grow th plan*	-	82,018,720
Nil (Previous year - 3,000,000) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular grow th plan*	-	300,000,000
Nil (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	-	50,000,000
20,000,000 (Previous year - 20,000,000) unit of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - grow th series*	200,000,000	200,000,000
Nil (Previous year - 50,000,000) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - grow th plan*	-	50,000,000
Nil (Previous year - 22,000,000) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular grow th plan*	-	220,000,000
Nil (Previous year - 21,000,000) Unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	-	250,000,000
Nil (Previous year - 594,612.305) Unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment	-	59,637,830
464,502.74 (Previous year - Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Grow th- Regular Plan	135,800,535	-
Nil (Previous year- 979,078.074) Unit of Rs.10/- each fully paid up ICICI Prudential Liquid - Regular Plan - Daily Dividend	-	97,970,076
Nil (Previous year - 195,912.084) Unit of Rs.10/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend	-	196,052,435

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

17 Current investments

	31 March 2016	31 March 2015
Nil (Previous year - 250,138.76) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend	-	251,388,291
4,605,081.71 (Previous year - Nil) Unit of Rs.10/- each fully paid up HDFC Cash Managemnt Fund - Treasury Advantage - Regular - Grow th	145,882,090	-
1,921,876.42 (Previous year - Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Treasury Optimizer - Regular - Grow th **	340,000,000	-
5,965,315.95 (Previous year - Nil) Unit of Rs.10/- each fully paid up JP Morgan India Banking & PSU Debt Fund - Regular - Grow th*	70,000,000	-
20,163,916.17 (Previous year - Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Institutional - Grow th*	340,000,000	-
61,621.0530 (Previous year - Nil) Unit of Rs.10/- each fully paid up HDFC Liquid Fund - Grow th	183,910,885	-
121,918.2370 (Previous year - Nil) Unit of Rs.10/- each fully paid up HSBC Cash Fund - Grow th	183,889,619	-
9,817,676.8220 (Previous year - Nil) Unit of Rs.10/- each fully paid up HSBC Income Fund -STP Grow th*	230,000,000	-
13,525,932.835 (Previous year - Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Grow th*	230,000,000	-
18,031.897 (Previous year - Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund - Institutional Plan - Direct - Grow th	30,602,703	-
17,339,638.209 (Previous year - Nil) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Grow th	281,620,000	-
LIC Endow ment Plus	500,000	500,000
	2,372,205,832	2,517,425,875
Aggregate cost of unquoted investments	2,372,205,832	2,517,425,875

Note:

- * Investments marked have been pledged as collateral securities with banks for availment of term loans. (Refer Note 6).
- ** Investments marked have been pledged partly as collateral securities with a bank to the extent of Rs 15,000,000 for availment of term loans (Refer Note 6).

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

18 Revenue from operations (net)

	31 March 2016	31 March 2015
Revenue from operations		
Sale of products		
Manufactured goods	203,462,475	129,615,957
Traded goods	123,213,390	186,928,658
Sale of services	42,472,326	21,157,694
Sale of power	196,782,368	89,178,535
Other operating revenue		
Scrap sales	836,220	1,822,992
Rental Income (Refer Note 28)	49,290,519	60,046,276
Government - deferred income	2,700,000	-
Revenue from operations (gross)	618,757,298	488,750,112
Less: Excise duty	6,134,280	5,449,364
Revenue from operations (net)	612,623,018	483,300,748

Details of products sold

	31 March 2016	31 March 2015
Manufactured goods sold		
--Contract manufacturing	36,877,368	46,324,654
--Solar Energy Systems	166,585,107	83,291,303
	203,462,475	129,615,957
Traded goods sold		
--Solar Energy Systems	123,213,390	186,928,658
	123,213,390	186,928,658

19 Other income

	31 March 2016	31 March 2015
Interest income on bank deposits	136,593,571	155,472,817
Dividend income from:		
Investment in subsidiary	2,500,000	3,750,000
Net gain from the sale of current investments	233,537,539	57,767,367
Dividend income on current investments - mutual fund	3,751,104	22,551,454
Rental income	-	15,000
Liabilities no longer required, written back	1,508,201	2,258,735
Other non-operating income	2,965,425	6,042,623
	380,855,840	247,857,996

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

20 Cost of raw material and components consumed

	31 March 2016	31 March 2015
Inventories at the beginning of the year	81,379,728	65,114,406
Purchases	184,483,486	98,365,705
	265,863,214	163,480,111
Less: inventories at the end of the year	67,290,499	81,379,728
Cost of raw material and components consumed	198,572,715	82,100,383

Details of raw material and components consumed

Batteries	763,472	1,588,736
Semi-knocked down components	5,185,574	6,419,469
Solar panel and accessories	180,849,096	59,847,851
Others	11,774,573	14,244,327
	198,572,715	82,100,383

Details of inventories at the end of the year

Raw materials and components

Batteries	101,089	811,532
Semi-knocked down components	6,082,732	8,771,957
Solar panel and accessories	48,110,570	58,944,782
Others	12,996,108	12,851,457
	67,290,499	81,379,728

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

21 (Increase) / decrease in inventories

	31 March 2016	31 March 2015
Inventories at the end of the year		
Traded goods	21,061,397	31,308,145
Work-in-progress	2,612,290	4,686,405
Finished goods	26,529,213	84,789
	50,202,900	36,079,339
Inventories at the beginning of the year		
Traded goods	31,308,145	102,646,108
Work-in-progress	4,686,405	4,935,530
Finished goods	84,789	650,076
	36,079,339	108,231,714
	(14,123,561)	72,152,375
Details of purchase of traded goods		
Batteries	302,154	53,186
Solar Energy systems	64,617,497	111,376,118
Others	-	5,074,442
	64,919,651	116,503,746
Details of inventory		
Traded goods		
Batteries	212,678	12,739,107
Solar Energy Systems	17,475,178	11,397,419
Others	3,373,541	7,171,619
	21,061,397	31,308,145
Work-in-progress		
Semi-manufactured UPS Systems	1,338,959	2,695,079
Solar Energy Systems	1,273,331	1,991,326
	2,612,290	4,686,405
Finished goods		
Manufactured UPS Systems	-	84,789
Solar Energy Systems	26,529,213	-
	26,529,213	84,789

22 Employee benefits expense

	31 March 2016	31 March 2015
Salaries, wages and bonus	68,965,618	58,461,333
Contribution to provident and other funds	3,837,820	3,393,797
Gratuity expense (refer note 27)	1,711,137	1,148,134
Staff welfare expenses	3,232,976	3,571,989
	77,747,551	66,575,253

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

23 Other expenses

	31 March 2016	31 March 2015
Sub-contracting and processing expenses	67,005,163	23,949,900
Service and maintenance charges	646,460	1,154,565
Power and fuel	2,361,729	1,955,863
Wheeling charges	6,302,503	5,159,110
Freight and forwarding charges	2,315,643	2,296,853
Rent (refer note 28)	4,731,657	5,300,390
Rates and taxes	5,332,067	7,187,933
Insurance	2,504,095	2,858,150
Repairs and maintenance		
- Plant & Machinery	7,129,715	3,081,434
- Buildings	388,640	568,685
- Others	3,983,749	4,394,720
Corporate social responsibility	1,700,000	3,469,334
Sales promotion	4,124,338	5,218,974
Advertisement	1,032,339	3,599,323
Travelling and conveyance	10,363,785	10,916,526
Communication costs	3,116,510	3,359,207
Printing and stationery	1,694,556	2,253,708
Exchange differences (net)	709,574	2,004,386
Legal and professional fees	11,092,111	13,388,393
Payment to auditor (Refer details below)	4,194,124	3,600,674
Liquidated damages	4,800,000	-
Provision for bad and doubtful debts	2,500,000	-
Bad debts/advances written off	1,627,632	472,813
Investments written off	-	1,475,000
Loss on sale of assets	-	1,253,798
Provision for warranties (net of reversals)	6,500,000	-
Miscellaneous expenses	11,324,056	41,111,553
	167,480,446	150,031,292
Payment to auditor		
As auditor:		
Audit fee	1,700,000	2,100,000
Limited review	900,000	900,000
Internal financial control reporting	700,000	-
Reimbursement of expenses *	894,124	600,674
	4,194,124	3,600,674

* Includes service tax

24 Depreciation and amortisation expense

Depreciation of tangible assets	101,046,250	86,605,122
Amortisation of intangible assets	731,383	565,802
	101,777,633	87,170,924

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

25 Finance costs

	31 March 2016	31 March 2015
Interest	89,140,173	105,989,962
Bank and other charges	1,849,495	831,739
	90,989,668	106,821,701

26 Earnings price per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2016	31 March 2015
Profit after tax as per Statement of Profit & Loss - (A)	222,566,687	13,293,622
	Number of shares	Number of shares
Weighted average number of equity shares - (B)	10,105,840	10,105,840
Basic and diluted earnings per share - total Profit - (A/B)	22.02	1.32

27 Employee benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The following table summarises the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in personnel expenses)

Particulars	31 March 2016	31 March 2015
Current service cost	784,112	619,495
Interest cost on benefit obligations	1,287,198	302,046
Expected return on plan assets	(543,780)	(400,624)
Net actuarial loss recognised in the year	183,607	627,217
Net benefit expense	1,711,137	1,148,134
Actual return on plan assets	(543,780)	(400,624)
Details of provision for gratuity		
Present value of obligations at the end of the year	6,608,287	4,408,025
Less : Fair value of plan assets at the end of the year	(6,009,925)	(4,565,675)
Plan liability/(asset)	598,362	(157,650)
Changes in the present value of the defined benefit obligations are as follows:		
Present value of obligations at the beginning of the year	4,408,025	2,903,387
Interest cost	1,287,198	302,046
Current service cost	784,112	619,495
Benefits paid	(54,655)	(44,120)
Actuarial loss on obligations	183,607	627,217
Present value of obligations at the end of the year	6,608,287	4,408,025

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

27 Employee benefit plans

	31 March 2016	31 March 2015
Changes in the fair value of plan assets are as follows:		
Fair value of planned assets at the beginning of the year	4,565,675	2,325,701
Expected return on plan assets	543,780	400,624
Contributions	955,125	1,883,470
Benefits paid	(54,655)	(44,120)
Fair value of plan assets at the end of the year	6,009,925	4,565,675

Amount for the current and previous four years are as follows:

Year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligations	6,608,287	4,408,025	2,903,387	2,257,421	45,149,623
Plan assets	6,009,925	4,565,675	2,325,701	1,230,149	36,164,797
Deficit / (Surplus)	598,362	(157,650)	577,686	1,027,272	8,984,826
Experience adjustments on plan liabilities / (asset)	183,607	627,217	615,964	(6,508,704)	4,189,414

The principal assumptions used in determining Gratuity and Compensated absences benefit obligations for the Company's plan are shown below:

Particulars	31 March 2016	31 March 2015
Discount rate (p.a)	8.0%	8.0%
Salary Escalation rate (p.a)	5.0%	5.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	598,362	47,650

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligations is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

28 Leases

Operating leases: Company as lessee

Particulars	31 March 2016	31 March 2015
Lease payments for the year	4,517,057	5,300,390
Future minimum rentals payable under operating leases are as follows:		
Not later than one year	1,404	486,217
Later than one year but not later than five years	5,616	-
Later than five years	26,910	-
	33,930	486,217

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

29 Operating leases: Company as lessor

Particulars	31 March 2016	31 March 2015
Lease rent received for the year	49,290,519	60,046,276
Future minimum lease rental receivable under operating lease are as follows:		
Not later than one year	10,454,556	26,886,673
Later than one year but not later than five years	-	13,523,214
Later than five years	-	-
	10,454,556	40,409,887

The Company has entered into non - cancellable operating lease of its buildings (remaining term 12 months).

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

30 Segment information

A. Primary segment information (By Business segments)

The Company's operations represents revenue from Solar power projects, solar and wind power generation , contract manufacturing services, installation and maintenance services, sale of solar PV inverters and energy efficient lighting systems. Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Business (Primary) segments of the Company are:

- a) Contract manufacturing - UPS Systems
- b) Solar Energy Systems / Services
- c) Others

Particulars	31 March 2016	31 March 2015
1. Segment revenue		
-- Contract manufacturing	33,503,212	42,794,871
-- Solar Energy Systems / Services	529,829,287	380,459,601
-- Others	49,290,519	60,046,276
Total revenue (net)	612,623,018	483,300,748
2. Segment results		
Segment profits before finance charges and tax		
-- Contract manufacturing	3,431,645	5,953,954
-- Solar Energy Systems / Services	45,757,224	(64,702,220)
-- Others	41,181,854	20,710,546
Exceptional items (refer note 40)	8,167,221	(20,311,785)
Other unallocable income	304,882,513	193,830,752
Finance Charges	(89,138,481)	(105,989,962)
Total profits before tax	314,281,976	29,491,285
Tax expenses	91,715,289	(16,197,663)
Total profits after tax	222,566,687	13,293,622
3. Segment assets		
-- Contract manufacturing	47,211,960	106,962,130
-- Solar Energy Systems / Services	2,396,567,761	3,533,904,704
-- Others	616,855,217	3,994,893,109
-- Un-allocable assets	4,346,599,675	221,941,847
Total assets	7,407,234,613	7,857,701,790

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

30 Segment information

A. Primary segment information (By Business segments)

Particulars	31 March 2016	31 March 2015
4. Segment liabilities		
-- Contract manufacturing	-	9,300,226
-- Solar Energy Systems / Services	785,932,830	902,117,874
-- Others	-	498,896,017
Total liabilities	785,932,830	1,410,314,117
5. Additions to tangible and intangible fixed assets		
-- Solar Energy Systems / Services	680,807,946	349,147,383
-- Others	36,545,198	13,668,083
Total additions to tangible & intangible fixed assets	717,353,144	362,815,466
6. Depreciation / Amortisation		
-- Contract manufacturing	1,799,579	2,378,394
-- Solar Energy Systems / Services	93,807,744	44,040,600
-- Others	6,170,310	40,751,930
Total depreciation / amortisation	101,777,633	87,170,924

B. Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2016 and year ended 31 March 2015. All tangible and intangible assets are located only in India except trade receivable and investment.

Particulars	Geographical segment			
	31 March 2016		31 March 2015	
	Outside India	India	Outside India	India
Revenues				
Sale to external customer	930,134	612,623,018	-	483,300,748
Additions to tangible and intangible assets	-	717,353,144	-	362,815,466
Segment assets	648,288	7,406,586,325	1,185,138	7,856,516,652

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

31 Related party transactions

1. Names of related parties

Subsidiaries

Sw elect Energy Systems Pte. Limited., Singapore	
SWELECT Inc , USA	
SWELECT Energy Systems Inc , USA	
Sw elect Solar Energy Private Limited	
Amex Alloys Private Limited	
Amex Irons Private Limited	
HHV Solar Technologies Limited	
Noel Media & Advertising Private Limited	
Sw elect Green Energy Solutions Private Limited	
K J Solar Systems Private Limited (w .e.f 11th February 2016)	
Associate	Sw elect - Sunpac Pow er Protection Private Limited (up to 2nd December 2014)
Joint Venture	Sw elect Infrastructure Services Private Limited (up to 27th October 2014)
Enterprises ow ned or significantly influenced by Key Management Personnel or their relatives	Sw elect Electronics Private Limited
	Sw elect Technologies Private Limited
Key Management Personnel	Mr. R. Chellappan - Managing Director
	Mr.A.Balan - Joint Managing Director (w .e.f 3rd October 2015)
	Mr. V.C.Raghunath
Relatives of Key Management Personnel	Mrs. Gunasundari Chellappan
	Mrs. V.C.Mirunalini
	Miss Aarthi Balan
	Miss Preetha Balan

SWELECT ENERGY SYSTEMS LIMITED
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

31 Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Sale of goods										
-- Amex Alloys Private Limited	691,141	2,275,260	-	-	-	305,277	-	-	705,463	2,580,537
-- Amex Irons Private Limited	373,595	176,400	-	-	-	-	-	-	373,595	176,400
-- Amex Irons Private Limited	75,654	86,200	-	-	-	-	-	-	75,654	86,200
-- Neel Media & Advertising Private Limited	-	1,164,065	-	-	-	-	-	-	-	1,164,065
-- Sw elect Green Energy Solutions Private Limited	-	426,595	-	-	-	-	-	-	-	426,595
-- HHV Solar Technologies Limited	92,000	420,000	-	-	-	-	-	-	92,000	420,000
-- K J Solar Systems Private Limited	149,892	-	-	-	-	-	-	-	149,892	-
-- Mr. R. Chellappan	-	-	-	-	14,322	305,277	-	-	14,322	305,277
Sale of capital goods										
-- Neel Media & Advertising Private Limited	-	7,371,716	-	-	-	-	-	-	-	7,371,716
-- Neel Media & Advertising Private Limited	-	7,371,716	-	-	-	-	-	-	-	7,371,716
Purchases of traded goods										
-- Sw elect Energy Systems Pte. Limited, Singapore	105,370,549	16,992,125	-	-	-	-	-	-	105,370,549	16,992,125
-- HHV Solar Technologies Limited	105,370,549	16,988,931	-	-	-	-	-	-	105,370,549	16,988,931
Purchase of capital goods										
-- HHV Solar Technologies Limited	277,858,580	-	-	-	-	-	-	-	277,858,580	-
Sale of Power										
-- Amex Irons Private Limited	33,526,541	27,985,160	-	-	-	-	-	-	33,526,541	27,985,160
-- Amex Alloys Private Limited	29,008,872	27,300,481	-	-	-	-	-	-	29,008,872	27,300,481
-- Amex Alloys Private Limited	3,936,971	-	-	-	-	-	-	-	3,936,971	-
-- HHV Solar Technologies Limited	580,698	684,679	-	-	-	-	-	-	580,698	684,679
Reimbursement of expenses										
-- Amex Irons Private Limited	8,436,448	5,013,060	-	-	-	-	-	-	8,436,448	5,013,060
-- Amex Irons Private Limited	6,543,087	5,013,060	-	-	-	-	-	-	6,543,087	5,013,060
-- Amex Alloys Private Limited	1,303,746	-	-	-	-	-	-	-	1,303,746	-
-- Sw elect Energy Systems Pte. Limited, Singapore	589,615	-	-	-	-	-	-	-	589,615	-
Management services										
-- Sw elect Infrastructure Services Private Limited	-	-	-	5,195,629	-	-	-	-	-	5,195,629
-- Sw elect Infrastructure Services Private Limited	-	-	-	1,325,079	-	-	-	-	-	1,325,079
-- Sw elect Sunpac Power Protection Private Limited	-	-	-	3,870,550	-	-	-	-	-	3,870,550
Rental Income										
-- Amex Alloys Private Limited	17,890,570	12,400,810	-	-	-	-	-	-	17,890,570	12,400,810
-- Amex Irons Private Limited	13,228,078	7,817,708	-	-	-	-	-	-	13,228,078	7,817,708
-- Amex Irons Private Limited	3,830,736	3,830,736	-	-	-	-	-	-	3,830,736	3,830,736
-- HHV Solar Technologies Limited	831,756	737,366	-	-	-	-	-	-	831,756	737,366
-- Neel Media & Advertising Private Limited	-	15,000	-	-	-	-	-	-	-	15,000
Interest Income										
-- Amex Alloys Private Limited	60,030,267	40,955,756	-	-	-	-	-	-	60,030,267	40,955,756
-- Amex Alloys Private Limited	14,459,880	6,837,000	-	-	-	-	-	-	14,459,880	6,837,000
-- Amex Irons Private Limited	14,480,831	11,072,519	-	-	-	-	-	-	14,480,831	11,072,519
-- Sw elect Solar Energy Private Limited	4,210,094	3,744,452	-	-	-	-	-	-	4,210,094	3,744,452
-- HHV Solar Technologies Limited	18,187,132	11,729,745	-	-	-	-	-	-	18,187,132	11,729,745
-- Neel Media & Advertising Private Limited	7,492,797	6,925,296	-	-	-	-	-	-	7,492,797	6,925,296
-- Sw elect Green Energy Solutions Private Limited	1,195,553	653,744	-	-	-	-	-	-	1,195,553	653,744
-- K J Solar Systems Private Limited	3,980	-	-	-	-	-	-	-	3,980	-

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

31 Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Interest Income on Debenture										
-- Sw elect Green Energy Solutions Private Limited	172,602	-	-	-	-	-	-	-	172,602	-
Slump Exchange of Solar business undertaking										
-- Sw elect Green Energy Solutions Private Limited	630,000,000	-	-	-	-	-	-	-	630,000,000	-
	630,000,000	-	-	-	-	-	-	-	630,000,000	-
Rent expense										
-- Mr. R. Chellappan	451,460	510,001	-	-	192,935	192,935	-	-	649,904	702,936
-- Sw elect Green Energy Solutions Private Limited	-	-	-	-	192,935	192,935	-	-	198,444	192,935
Investments write off										
-- Sw elect Infrastructure Services Private Limited	451,460	510,001	-	-	-	-	-	-	451,460	510,001
-- Sw elect Infrastructure Services Private Limited	-	-	-	-	1,475,000	1,475,000	-	-	1,475,000	1,475,000
-- Sw elect - Sunpac Power Protection Private Limited	-	-	-	-	250,000	250,000	-	-	250,000	250,000
	-	-	-	-	1,225,000	1,225,000	-	-	1,225,000	1,225,000
Facility management fees										
-- Sw elect Green Energy Solutions Private Limited	4,440,000	5,015,748	-	-	-	-	-	-	4,440,000	5,015,748
	4,440,000	5,015,748	-	-	-	-	1,423,235	641,321	4,440,000	5,015,748
Remuneration										
-- Mr. R. Chellappan	-	-	-	-	9,109,034	4,309,990	-	-	10,532,269	4,951,311
-- Mr. A. Balan	-	-	-	-	6,140,788	3,538,846	-	-	6,140,788	3,538,846
-- Mr. V. C. Raghunath	-	-	-	-	2,093,635	-	-	-	2,093,635	-
-- Mrs V. C. Muralini	-	-	-	-	874,611	771,144	-	-	874,611	771,144
-- Miss Aarathi Balan	-	-	-	-	-	-	664,185	641,321	664,185	641,321
Consultancy Charges										
-- Miss Preetha Balan	-	-	-	-	-	-	759,050	-	759,050	-
	-	-	-	-	-	-	480,000	-	480,000	-
	-	-	-	-	-	-	480,000	-	480,000	-

SWELECT ENERGY SYSTEMS LIMITED
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

31 Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Balance outstanding as at the year end:										
Trade payables										
-- SWElect Energy Systems Pte. Limited, Singapore	52,765	-	-	-	-	-	-	-	52,765	-
Advance received from related parties										
-- Amex Irons Private Limited	1,131,847	-	-	-	-	-	-	-	52,765	-
-- Amex Alloys Private Limited	823,321	-	-	-	-	-	-	-	1,131,847	-
	308,526	-	-	-	-	-	-	-	823,321	-
									308,526	-
Amounts receivable from related parties										
Trade receivables										
-- Amex Irons Private Limited	801,909,134	707,243,829	-	-	-	-	-	-	801,909,134	707,243,829
-- Amex Alloys Private Limited	88,200	2,775,305	-	-	-	-	-	-	88,200	2,775,305
-- SWElect Energy Systems Pte. Limited, Singapore	104,851,721	104,568,372	-	-	-	-	-	-	104,851,721	104,568,372
-- Neel Media & Advertising Private Limited	648,288	1,185,138	-	-	-	-	-	-	648,288	1,185,138
-- K J Solar Systems Private Limited	17,175,781	17,175,781	-	-	-	-	-	-	17,175,781	17,175,781
	157,501	-	-	-	-	-	-	-	157,501	-
Advances										
-- SWElect Solar Energy Private Limited	56,800,120	38,905,011	-	-	-	-	-	-	56,800,120	38,905,011
-- Amex Irons Private Limited	171,007,093	153,334,583	-	-	-	-	-	-	171,007,093	153,334,583
-- HHV Solar Technologies Limited	138,132,278	203,290,130	-	-	-	-	-	-	138,132,278	203,290,130
-- HHV Solar Technologies Limited - capital advance	-	14,000,000	-	-	-	-	-	-	-	14,000,000
-- Neel Media & Advertising Private Limited	56,963,998	63,912,363	-	-	-	-	-	-	56,963,998	63,912,363
-- Amex Alloys Private Limited	222,881,203	96,221,775	-	-	-	-	-	-	222,881,203	96,221,775
	1,253,771	-	-	-	-	-	-	-	1,253,771	-
-- K J Solar Systems Private Limited	16,583,225	-	-	-	-	-	-	-	16,583,225	-
-- SWELECT Inc, USA	15,365,955	11,877,371	-	-	-	-	-	-	15,365,955	11,877,371
-- SWElect Green Energy Solutions Private Limited										

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

32 Directors' remuneration

	31 March 2016	31 March 2015
Salaries	5,078,361	3,687,394
Commission	4,030,672	622,596
	9,109,033	4,309,990

33 Contingent liabilities

	31 March 2016	31 March 2015
Claims against the Company not acknowledged as debts		
a) Cenvat related matters	595,546	595,546
b) Sales tax related matters	55,032,137	51,495,575
c) Income tax related matters	116,749,750	14,575,600
	172,377,433	66,666,721

34 Derivative instruments and foreign currency exposures

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency	31 March 2016		31 March 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	12,744	648,288	13,225	672,740
	SGD	-	-	15,000	512,398
Unsecured loan given	USD	250,000	16,583,225	-	-
Trade payable	USD	5,269	349,505	1,070	66,972
	EURO	-	-	83,672	5,648,737

35 Value of imports calculated on CIF basis

	31 March 2016	31 March 2015
Raw materials	7,756,800	13,316,644
Traded goods	1,672,346	88,268,194
Capital goods	-	14,794,510
	9,429,146	116,379,348

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

36 Expenditure in foreign currency (on accrual basis)

	31 March 2016	31 March 2015
Travelling	387,356	1,123,284
	387,356	1,123,284

37 Imported and indigenous raw materials

	% of total consumption		Value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Imported	15%	14%	30,654,107	11,114,662
Indigenous	85%	86%	167,918,608	70,985,721
	100%	100%	198,572,715	82,100,383

38 Net dividend remitted in foreign exchange

	31 March 2016	31 March 2015
Final equity dividend		
Period to which it relates	2014-2015	2013-2014
Number of non-resident shareholders	10	7
Number of equity shares of Rs 10/- each held on which dividend was due	582,800	527,000
Amount remitted	1,457,000	4,743,000
Interim equity dividend		
Period to which it relates	2015-16	-
Number of non-resident shareholders	10	-
Number of equity shares of Rs 10/- each held on which dividend was due	582,800	-
Amount remitted	1,748,400	-

39 Capital and other commitments

a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.Nil (31 March 2015: Rs.413,059,895).

b) Commitments relating to lease arrangements, please refer to note 28.

40 Exceptional Items

"Exceptional items represents the effect of transfer as a going concern on slump exchange basis, the 12 MW solar power undertaking at Vellakoil to M/s Swelect Green Energy Solutions Private Limited, a wholly owned subsidiary of the Company for an aggregate consideration of Rs.6,300 lakhs, settled by issue of compulsory convertible debentures of the subsidiary and disclosed as non-current investment in the statement of standalone assets and liabilities. The carrying value of net assets transferred is Rs.6,249 lakhs and the profit recognised of Rs.51.67 lakhs has been disclosed as an exceptional item for the year ended 31 March 2016.

Further, the exceptional items also includes an exceptional item amount of Rs.30 lakhs recovered against cost of land written off during the year ended 31 March 2015 of Rs.203.12 lakhs (net off Rs.27.31 lakhs) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

- 41** The Board of Directors of the Company at its meeting held on 16 December 2015 approved a Scheme of Arrangement ("the Scheme") enabling the merger of one of its subsidiary, namely HHV Solar Technologies Limited ("HHV") with the Company, with effect from 1 April 2015 ("Appointed Date"). The Scheme of Arrangement has been approved by the respective shareholders of subsidiary and the creditors of both the Companies. Pending approval of the scheme of amalgamation by the Hon'ble High Court of Madras and such other statutory / regulatory authority, the scheme has not been given effect to in the standalone financial results. The consolidated financial results appropriately incorporate the results of HHV.
- 42** Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan Managing Director	A.Balan Joint Managing Director
R.Sathishkumar Company Secretary	P. Jagan Chief Financial Officer

Place: Chennai Date: 27/05/2016	Place: Chennai Date: 27/05/2016
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INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Energy Systems Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Swelect Energy Systems Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group Refer Note 33 to the consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses in long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries.

Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs 4906.93 lakhs as at March 31, 2016, and total revenues and net cash outflows of Rs 3817.49 lakhs and Rs 665.93 lakhs for the year ended on that date, in respect of 7 subsidiaries, which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: May 27, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SWELECT ENERGY SYSTEMS LIMITED

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

In conjunction with our audit of the consolidated financial statements of Swelect Energy Systems Limited as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Intellect Design Arena Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for the Financial Statements

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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. 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have maintained 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 March 31, 2016, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these four subsidiaries companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 08673
Place of Signature: Chennai
Date: May 27, 2016

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Balance sheet as at 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,814,317,154	6,678,923,063
		6,915,375,554	6,779,981,463
Preference shares in subsidiary held outside the group		-	40,000,000
Non-current liabilities			
Long-term borrowings	5a	506,243,610	947,383,703
Other long-term liabilities	5b	140,603,758	6,143,758
Deferred tax liabilities (net)	11	55,554,849	176,137,842
Long-term provisions	7	34,010,516	22,700,564
		736,412,733	1,152,365,867
Current liabilities			
Short-term borrowings	6	605,222,541	280,221,439
Trade payables	8	466,543,211	426,191,539
Other current liabilities	8	253,948,881	293,890,740
Short-term provisions	7	29,748,082	37,354,334
		1,355,462,715	1,037,658,052
Total		9,007,251,002	9,010,005,382
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	3,275,966,213	2,452,928,922
Intangible assets	10	6,339,102	3,847,274
Capital work-in-progress		7,651,211	165,935,665
Goodwill on consolidation	36	449,376,796	442,880,333
Non-current investments	12	53,035,200	53,000,000
Long-term loans and advances	14	88,601,090	309,821,672
Other assets	15.2	151,567,140	14,057,000
		4,032,536,752	3,442,470,866
Current assets			
Current investments	16	2,372,205,832	2,517,425,875
Inventories	13	422,076,473	344,184,155
Trade receivables	15.1	704,417,845	552,409,727
Cash and bank balances	17	817,391,739	1,236,730,936
Short-term loans and advances	14	109,856,024	108,712,208
Other assets	15.2	548,766,337	808,071,615
		4,974,714,250	5,567,534,516
Total		9,007,251,002	9,010,005,382
Summary of significant accounting policies	2		

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Balance sheet as at 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

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

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004
Chartered Accountants

For and on behalf of the board of directors

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

R.Chellappan
Managing Director

A.Balan
Joint Managing Director

R.Sathishkumar
Company Secretary

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

SWELECT ENERGY SYSTEMS LIMITED

Consolidated statement of profit and loss for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations (gross)	18	2,121,062,068	2,275,604,369
Less: Excise duty		57,598,494	57,145,128
Revenue from operations (net)		2,063,463,574	2,218,459,241
Other income	19	351,495,782	267,820,931
Total revenue		2,414,959,356	2,486,280,172
Expenses			
Cost of raw material and components consumed	20	380,824,774	1,095,368,484
Purchase of traded goods		910,473,722	322,802,155
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	21	(74,951,937)	39,570,944
Employee benefits expense	22	208,822,251	182,426,394
Other expenses	23	472,709,154	504,083,408
Depreciation and amortisation expense	24	173,969,904	169,308,095
Finance costs	25	120,027,770	129,548,317
Total expenses		2,191,875,638	2,443,107,797
Share in loss of associate company		-	(1,179,233)
Net profit before tax and exceptional items		223,083,718	41,993,142
Add / (less) : Exceptional items (refer note 37)		3,000,000	(20,311,785)
Net profit before tax		226,083,718	21,681,357
Tax expense			
Current tax		171,694,752	6,204,694
Less: MAT credit entitlement for the year		42,750,497	(6,204,694)
Deferred Tax (credit) / charge		(120,582,994)	25,433,825
Total tax expense		93,862,255	25,433,825
Net profit/(loss) for the year		132,221,463	(3,752,468)
Earnings per equity share [nominal value of share Rs.10/- (31 March 2015: Rs.10/-)]			
Basic and diluted earnings per share	31	13.08	(0.41)
Summary of significant accounting policies	2		

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

SWELECT ENERGY SYSTEMS LIMITED

Consolidated statement of profit and loss for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004
Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan
Managing Director

R.Sathishkumar
Company Secretary

Place: Chennai

Date: 27/05/2016

A.Balan
Joint Managing Director

P. Jagan
Chief Financial Officer

Place: Chennai

Date: 27/05/2016

SWELECT ENERGY SYSTEMS LIMITED

Consolidated cash flow statement for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

	31 March 2016	31 March 2015
A. Cash flow from operating activities:		
Profit before taxation	226,083,718	21,681,357
Adjustment to reconcile profit before tax to net cash flow s:		
Depreciation/amortisation	173,969,904	169,308,095
Share of loss in associate company	-	1,179,233
Recovery towards Land written off (Refer Note 37)	(3,000,000)	20,311,785
Loss on sale of tangible assets	-	2,506,988
Provision for bad/doubtful receivables including advances	3,753,228	25,853,100
Unrealised foreign exchange loss /(gain), net	(30,679,355)	(10,486,686)
Liabilities no longer required, written back	(1,577,627)	(40,724,563)
Net gain from sale of current investment	(233,537,539)	(57,767,367)
Dividend income - mutual fund	(3,751,104)	(22,551,454)
Interest expense	106,546,316	120,529,877
Interest income	(90,153,376)	(121,980,690)
Operating profit before working capital changes	147,654,165	107,859,675
Adjustments for changes in working capital:		
(Increase) in trade receivables	(148,254,890)	(160,944,281)
Decrease in loans and advances	72,599,207	1,610,127
(Increase) / Decrease in inventories	(77,892,318)	24,511,118
Increase in trade payables, current and long term liabilities	183,439,237	58,382,514
(Decrease) / Increase in provisions	21,948,417	(20,260,841)
Cash flow generated from operations	199,493,818	11,158,312
Taxes paid, net	(75,768,277)	(58,809,712)
Net cash flow generated from / (used in) operating activities (A)	123,725,541	(47,651,400)
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(908,781,519)	(483,120,650)
Proceeds from sale of current investments	378,757,582	400,061,804
Investment in subsidiaries (net) and others	(46,531,663)	(95,764,768)
Proceeds from sale of tangible assets	7,599,986	37,036,574
Redemption / (Investment) in bank deposits (having original maturity of more than 3 months)	121,486,151	444,617,312
Interest received	103,795,709	127,115,003
Dividend received from investments	3,751,104	22,551,454
Recovery towards Land written off	3,000,000	-
Net cash flow (used in) / generated from investing activities (B)	(336,922,650)	452,496,729
C. Cash flow from financing activities:		
(Repayment) / proceeds of short-term borrowings	325,001,102	21,744,086
(Repayment) / proceeds of Long-term borrowings	(403,802,239)	354,786,259
Interest paid	(108,217,395)	(123,255,245)
Dividend paid	(55,582,120)	(90,952,560)
Dividend tax paid	(11,315,174)	(15,457,388)
Net cash flow (used in) / generated from financing activities (C)	(253,915,826)	146,865,152
Exchange differences on translation of foreign currency cash and cash equivalents (D)	52,336,711	34,060,417
Net (Decrease) / increase in cash and cash equivalents (A + B + C+D)	(414,776,224)	585,770,898
Cash and cash equivalents at the beginning of the year	1,164,262,127	578,491,229
Closing cash and cash equivalents (Refer note 2 below)	749,485,903	1,164,262,127

SWELECT ENERGY SYSTEMS LIMITED

Consolidated cash flow statement for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

a) The reconciliation to the cash and bank balances as given in note 17 is as follows:

	31 March 2016	31 March 2015
Cash and bank balances (Refer Note 16)	817,391,739	1,236,730,936
Less: Term deposit placed with the banks	(64,693,840)	(69,226,599)
Less: unpaid dividend accounts*	(3,211,996)	(3,242,210)
Cash and cash equivalents at the end of the year	749,485,903	1,164,262,127

*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

b) Components of cash and cash equivalents

Balances with banks:		
On current accounts	60,467,537	195,633,634
On deposit accounts	555,393,159	481,691,348
Cash on hand	1,305,707	407,802
Deposits with an original maturity of less than 3 months	132,319,500	486,529,343

Note :

- Capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months amounting to Rs.64,693,840 (Previous year Rs. 69,226,599) are not included under cash and cash equivalents.
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration number 101049W/E300004
Chartered Accountants

For and on behalf of the board of directors

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

R.Chellappan
Managing Director

A.Balan
Joint Managing Director

R.Sathishkumar
Company Secretary

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

Company overview

SWELECT ENERGY SYSTEMS LIMITED ('the Company') was incorporated as a public limited company on 12 September 1994. The Company along with its subsidiaries, together referred to as ('the Group') is engaged in the manufacturing, sale and trading of solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters, energy efficient lighting system, manufacture of iron and aluminum alloy foundry castings and manufacture and sale of Solar Photovoltaic modules.

1. Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements are prepared in accordance with Indian GAAP under the historical cost convention and on an accrual basis. GAAP comprises mandatory accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and relevant requirements/guidelines issued by SEBI. The consolidated financial statements ('CFS') have been prepared in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements notified pursuant to the Companies (Accounting Standards) Rules, 2014, (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years.

- (i) The particulars of subsidiary companies, which are included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage holding as at 31 March 2016	Percentage holding as at 31 March 2016
Swelect Energy Systems Pte. Ltd.	Singapore	100	100
Swelect Solar Energy Private Limited	India	100	100
Subsidiaries of Swelect Solar Energy Private Limited -		-	100
a) BS Powertech Solutions Private Limited (Merged with Noel Media & Advertising Private Limited)	India		
b) Noel Media & Advertising Private Limited		100	-
c) K J Solar Systems Private Limited		100	-
Amex Alloys Private Limited	India	100	100
Amex Irons Private Limited	India	100	100
HHV Solar Technologies Limited	India	100	100
SWELECT Inc.	USA	100	-
Subsidiary of SWELECT Inc.			
a) Swelect Energy Systems Inc.	USA	100	-
Swelect Green Energy Solutions Private Limited	India	100	100

- (ii) The financial statements of the subsidiaries used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March 2016.
- (iii) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealised profits/losses.

- (iv) Any excess/shortage of the cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment is recognised as goodwill/capital reserve in the CFS.
- (v) Intra-group balances, intra-group transactions and unrealised profits / losses have been eliminated to the extent of the Company's proportionate share.
- (vi) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for like transactions and is presented to the extent possible, in the same manner as the Company's separate financial statements.

2. Summary of significant accounting policies

(a) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future years.

(b) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated statement of profit and loss, in which case the increase is recognised in the consolidated statement of profit and loss. A revaluation deficit is recognised in the consolidated statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets comprise of goodwill and computer software.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the year during which such expenses are incurred.

Gains and losses arising from derecognition of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of the profit and loss when the asset is derecognised.

(c) Depreciation and amortisation

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management as follows:

Building	30 years
Plant and machinery (other than Windmills & Solar Plant)	15 years
Windmills (included under Plant and Machinery)	22 years
Solar Plant	25 years
Office equipment	5 years
Electrical equipment	10 years
Computers	3 years
Furniture and fittings	10 years
Vehicles (Motor Cars / Motor Vehicles)	8 years / 10 years

(i) Useful lives/ depreciation rates

Considering the applicability of Schedule II, the management has estimated useful lives and residual values of all its fixed assets. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from the lives prescribed under Schedule II.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

The useful lives of certain Solar Plant and Machinery is 25 years. These lives are higher than those indicated in Schedule II.

Leasehold improvements are amortised using the straight-line method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Intangible assets are amortised using the straight-line method over a period of five years.

Where a depreciable asset is revalued, the additional depreciation relatable to revaluation is adjusted against "Revaluation reserve" by transfer to the consolidated statement of profit and loss from revaluation reserve.

(d) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at the lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated statement of profit and loss.

(f) Inventories

Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress, finished goods	Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded goods	Lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sales of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract. The Group collects sales taxes and valued added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence they are excluded from revenue.

Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Sale of power

Income from sale of power

Revenue from sale of power from renewable energy sources is recognised in accordance with the price agreed under the provisions of the power purchase agreement entered into with Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO) and other customers. Such revenue is recognised on the basis of actual units generated and transmitted.

Income from Sale of Renewable Energy Certificates

The revenue from Renewable Energy certificates (REC) is recognised on delivery thereof or sale of right therein, as the case may be, in accordance with the terms of contract with the respective buyer.

Income from service

Revenue from maintenance contracts and installation contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Group collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Group. Service tax is excluded from the revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the consolidated statement of profit and loss.

Dividend

Revenue is recognised when the Company's right as a shareholder/unit holder to receive payment is established by the reporting date.

(h) Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/liability

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the consolidated statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(i) Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent of the pre payment.
- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to consolidated statement of profit and loss and, are not deferred.
- (iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss and are not deferred.

(j) Income taxes

Provision for income tax is made for current and deferred taxes. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961.

Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than those arising from undertakings enjoying tax holiday benefits, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Group has unabsorbed depreciation or carry forward losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against the future taxable profits.

At each balance sheet date the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the consolidated statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Provision for income-tax has been determined on the basis of the tax laws of the respective countries in which the companies have been incorporated.

(k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

(l) Leases

Leases where, the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the consolidated statement of profit and loss.

(m) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(n) Provision for warranty

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually. A provision is recognised for expected warranty claims on product sold, based on past experience of the levels of repairs and returns. Assumptions used to calculate the provision for warranties are based on the current sales levels and current information available about returns based on the average warranty period for the product portfolio of the Group.

(o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

(p) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term investments with an original maturity of three months or less.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(r) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

(s) Government grants

Grants from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

3 Share capital

	<u>31 March 2016</u>	<u>31 March 2015</u>
Authorised shares		
20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each fully called up	101,058,400	101,058,400
Total issued, subscribed and fully paid-up share capital	<u>101,058,400</u>	<u>101,058,400</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
Outstanding at the end of the year	<u>10,105,840</u>	<u>101,058,400</u>	<u>10,105,840</u>	<u>101,058,400</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs.3/- (31 March 2015 Rs.Nil) and proposed dividend was Rs.1/- (31 March 2015: Rs. 2.50/-).

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

4 Reserves and surplus

	<u>31 March 2016</u>	<u>31 March 2015</u>
Capital reserve (refer note 35)		
Balance as per the last financial statements	30,410,149	30,410,149
Movement during the year	-	-
Closing balance #	<u>30,410,149</u>	<u>30,410,149</u>
# includes capital reserve arising on consolidation amounting to Rs.15,146,269, Refer note 35		
Capital redemption reserve		
Balance as per the last financial statements	25,000,000	12,500,000
Movement during the year	12,500,000	12,500,000
Closing balance	<u>37,500,000</u>	<u>25,000,000</u>
Securities premium account		
Balance as per the last financial statements	18,268,300	18,268,300
Movement during the year	-	-
Closing balance	<u>18,268,300</u>	<u>18,268,300</u>
Revaluation reserve		
Balance as per the last financial statements	40,738,086	41,266,459
Movement during the year	(551,485)	(528,373)
Closing balance	<u>40,186,602</u>	<u>40,738,086</u>
General reserve		
Balance as per the last financial statements	1,787,957,349	1,786,628,003
Add: amount transferred from surplus balance in the consolidated statement of profit and loss	22,256,669	1,329,362
Closing balance	<u>1,810,214,018</u>	<u>1,787,957,365</u>
Foreign currency translation reserve		
Balance as per the last financial statements	141,685,610	107,625,193
Movement during the year	52,336,711	34,060,417
Closing balance	<u>194,022,321</u>	<u>141,685,610</u>
Surplus in the consolidated statement of profit and loss		
Balance as per last financial statements	4,634,863,553	4,686,405,551
Adjustment on account of amalgamation (Refer note 1 & 2 below)	39,997	-
Profit/(loss) for the year	132,221,461	(3,752,468)
<u>Less: Appropriations</u>		
Impact of depreciation as per Schedule II of Companies Act, 2013	-	(3,111,057)
Interim equity dividend	(30,317,520)	-
(Amount per share: Rs.3/- (31 March 2015: Rs. Nil))		
Tax on interim equity dividend	(6,171,913)	-
Proposed final equity dividend (amount per share: Rs.1/- (31 March 2015: Rs. 2.5/-))	(10,105,840)	(25,264,600)
Tax on proposed equity dividend	(2,057,304)	(5,143,261)
Tax on Cumulative Redeemable Preference Share dividend	-	(441,250)
Transfer to capital redemption reserve	(12,500,000)	(12,500,000)
Transfer to general reserve	(22,256,669)	(1,329,362)
Total appropriations	<u>(83,409,247)</u>	<u>(47,789,530)</u>
Net surplus in the consolidated statement of profit and loss	<u>4,683,715,764</u>	<u>4,634,863,553</u>
Total reserves and surplus	<u>6,814,317,154</u>	<u>6,678,923,063</u>

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

4 Reserves and surplus

Note :

1. The difference between the assets and liabilities of the demerged advertisement division of Noel Media & Advertising Private Limited has been adjusted against the reserves of the Company in the current year, as per directions in the scheme of arrangement approved by the Hon'ble High court of Madras dated 27 March 2015.
2. Consequent to the amalgamation of BS Powertech Solutions Private Limited (BSPSPL) with Noel Media & Advertising Private Limited (NOEL) effective 1 April 2012 vide order received from the Hon'ble High Court of Madras dated 8 January 2016, the reserves and surplus of BSPSPL has been merged with the reserves of Noel Media & Advertising Private Limited.

5a) Long-term borrowings

Secured borrowings

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Term loan from banks	505,746,810	946,129,810	132,750,000	159,625,000
Finance lease obligation	496,800	1,253,893	762,382	799,528
Less: amount disclosed under the head 'other current liabilities' (refer note 8)	-	-	(133,512,382)	(160,424,528)
Total	506,243,610	947,383,703	-	-

Term loans from Bank I amounting to Rs.260,625,000 (Previous year: Rs.598,000,000) are repayable in 12 installments of Rs. 1,007,813 (Previous year: Rs. 29,406,250 of 16 installments each) each per quarter starting from April 2016 onwards and ends on March 2019, 16 installments of Rs.4,343,750 (Previous year: Rs.4,343,750) each per quarter starting from June 2016 and ends on March 2020 and 4 installments of Rs.6,750,000 each per quarter (Previous year: 16 installments of Rs.6,750,000 each per quarter) starting from April 2016 till May 2017 and 1 installment of Rs.4,000,000 (Previous year: Rs.4,000,000) payable in May 2017. These loans are secured by a pledge on the investments in mutual funds of the Company .

Term loans from Bank II amounting to Rs.1,94,371,810 (Previous year: Rs. 437,754,810) are for a period of three years with bullet repayment terms. These loans are secured by investments in mutual funds of the Company.

Term loan of INR 37.5 million from the bank carries interest @ 7.2% p.a. The loan is repayable in six quarterly instalments of INR 6.25 million each, relating to period starting from April 2016. The term loan is secured by first charge on the assets of the Company, movable property of the Company present and future and further secured by charge on the fixed deposits of the Subsidiary Company.

Term loan of INR 17.5 million from the bank carries interest @ 7.2% p.a. The loan is repayable in seven quarterly instalments of INR 2.5 million each, relating to the period starting from April 2016. The term loan is secured by first charge on the assets of the Company, movable property of the Company present and future, and further secured by charge on the fixed deposits of the Subsidiary Company.

Finance lease obligation

Finance lease obligation is secured by hypothecation of vehicles taken on lease. The interest rate implicit in the lease is 7.72% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 60 monthly instalments. Hire purchase loan aggregating to INR 1,259,182 (Previous year: Rs.2,053,421) represents amount borrowed from Bank for the purpose of vehicle financing.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

5b Other long-term liabilities

	<u>31 March 2016</u>	<u>31 March 2015</u>
Deferred government grant (Refer Note 2(s))	132,300,000	-
Rental deposits	8,303,758	6,143,758
	<u>140,603,758</u>	<u>6,143,758</u>

6 Short-term borrowings

	<u>31 March 2016</u>	<u>31 March 2015</u>
<u>Secured borrowings</u>		
Overdraft from Bank	60,682,626	79,942,299
Packing Credit Foreign Currency (PCFC)	88,807,571	77,114,706
Working capital loan	355,524,183	98,995,546
Buyer's credit	26,483,482	24,168,888
<u>Unsecured borrowings</u>		
External Commercial Borrowing (ECB)	73,724,679	-
	<u>605,222,541</u>	<u>280,221,439</u>

Overdraft from bank

The overdraft facility from the Bank is secured against the Fixed Deposits of the Company and it is repayable on demand.

Packing credit foreign currency (PCFC) loan amounting to Rs. 88,807,571 (Previous year: Rs. 77,114,706) are secured by a first charge on the entire current assets and movable property of the Subsidiary Company, present and future and further secured by a charge on the fixed deposits of Swelect Energy Systems Limited.

Working capital loans aggregating to Rs. 49,353,176 (Previous year : Rs. 47,686,616) are secured by a charge on the fixed deposits of Swelect Energy Systems Limited . Further working capital loan aggregating to Rs.52,056,500 (Previous year: Rs.51,308,930) are secured by the pledge of the fixed deposits amounting to Rs.64,693,840 of the subsidiary company.

Working capital loans aggregating to Rs.254,114,508 (Previous year:Nil) are secured by fixed deposits with the Bank and further secured by personal and several guarantee by the Director of the subsidiary company.

Buyer's credit amounting to Rs.26,483,482 (Previous year : Rs.24,168,888) are secured by a charge on the fixed deposits of Swelect Energy Systems Limited.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

7 Provisions

	<u>Long-term</u>		<u>Short-term</u>	
	<u>31 March 2016</u>	<u>31 March 2015</u>	<u>31 March 2016</u>	<u>31 March 2015</u>
Provision for employee benefits				
Provision for gratuity (refer note 26)	4,833,296	4,021,490	824,221	186,823
Provision for leave benefits	1,938,399	2,381,409	5,202,764	3,762,399
Total (A)	6,771,695	6,402,899	6,026,985	3,949,222
Other provisions				
Provision for income tax	-	-	3,571,416	-
Provision for warranties	27,238,821	16,297,665	7,986,537	2,556,000
Proposed equity dividend	-	-	10,105,840	25,264,600
Provision for tax on proposed equity dividend	-	-	2,057,304	5,143,261
Provision for tax on proposed preference dividend	-	-	-	441,250
Total (B)	27,238,821	16,297,665	23,721,097	33,405,112
Total (A)+(B)	34,010,516	22,700,564	29,748,082	37,354,334
Provision for warranties				
At the beginning of the year			18,853,665	13,317,529
Arising during the year			16,371,693	5,536,136
Utilised during the year			-	-
At the end of the year			35,225,358	18,853,665

8 Trade payables and other current liabilities

	<u>31 March 2016</u>	<u>31 March 2015</u>
Trade payables (refer note below regarding dues to micro, small and medium enterprises)	466,543,211	426,191,539
Other current liabilities		
Interest accrued but not due on borrowings	103,467	3,881,458
Interest accrued and due on borrowings	2,106,912	-
Rental Deposits Received	3,349,761	13,194,060
Deferred service income	212,657	212,657
Unpaid dividend	3,211,997	3,242,211
Current maturities of long-term borrowings (Refer note 5a)	197,762,382	160,424,528
Payables for capital purchases	20,321,983	91,931,598
Advance from customers	16,638,109	8,686,062
Statutory dues payables	10,241,613	12,318,166
	253,948,881	293,890,740
	720,492,092	720,082,279

Note :

There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under "The Micro Small and Medium enterprises Development Act, 2006". Further, the Group has not paid any interest to any Micro, Small and Medium Enterprises during the year.

SWELECT ENERGY SYSTEMS LIMITED
Notes to consolidated financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

8 Tangible assets

Particulars	Land	Buildings (Refer note 9 (a) and 9(c))	Plant and machinery (Refer note 9(b))	Office equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
Cost									
As at 1 April 2014	176,927,210	642,064,604	1,696,926,174	75,383,924	9,035,678	63,939,869	27,692,272	4,382,456	2,696,352,187
Additions	33,690,167	54,929,633	252,524,855	12,601,322	1,698,187	419,480	2,215,803	-	358,079,447
Deletion	(23,042,996)	(2,892,807)	(14,587,154)	(27,078,941)	-	-	-	-	(67,601,898)
Other adjustment#	-	8,510,161	-	3,333	4,404	255,103	-	-	8,773,001
At 31 March 2015	187,574,381	702,611,591	1,934,863,875	60,909,637	10,738,269	64,614,452	29,906,075	4,382,456	2,995,602,736
Additions	3,669,000	23,960,815	943,115,235	12,008,599	2,181,001	4,775,249	1,103,383	-	990,813,282
Deletion	-	12,784,373	(7,605,722)	-	5,736	-	-	-	(7,589,986)
Other adjustment#	-	-	-	5,007	6,616	383,228	-	-	13,179,224
At 31 March 2016	191,243,381	739,356,780	2,870,373,988	72,923,243	12,931,622	69,772,929	31,011,458	4,382,456	3,991,995,257
Depreciation									
At 31 March 2014	-	90,470,408	217,571,564	24,012,143	6,093,307	35,457,640	14,697,191	3,465,052	391,767,305
Charge for the year	-	16,747,983	112,094,842	12,210,297	2,378,057	7,767,779	3,341,295	459,831	155,000,084
Deletions	-	(354,030)	(1,055,371)	(6,337,150)	-	-	-	-	(7,746,551)
Adjustment to opening reserves	-	-	3,111,057	-	-	-	-	-	3,111,057
Other adjustment#	-	352,715	-	776	2,683	185,745	-	-	541,919
At 31 March 2015	-	107,217,076	331,722,092	29,886,066	8,474,047	43,411,164	18,038,486	3,924,883	542,673,814
Charge for the year	-	18,683,601	134,755,802	7,211,753	1,992,503	6,419,700	2,849,213	457,569	172,370,142
Deletions	-	-	-	-	-	-	-	-	-
Other adjustment#	-	647,311	-	2,086	6,056	329,635	-	-	985,088
At 31 March 2016	-	126,547,988	466,477,894	37,099,904	10,472,606	50,160,498	20,887,699	4,382,452	716,029,044
Net Block									
At 31 March 2014	176,927,210	551,594,196	1,479,354,610	51,371,781	2,942,371	28,482,229	12,995,081	917,404	2,304,584,882
At 31 March 2015	187,574,381	595,394,516	1,603,141,783	31,023,572	2,264,222	21,203,288	11,869,590	457,573	2,452,928,923
At 31 March 2016	191,243,381	612,608,791	2,403,895,494	35,823,339	2,459,015	19,612,431	10,123,759	4	3,275,966,213

Other adjustment represents adjustment pursuant to foreign currency translation.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

9 Notes to tangible assets schedule:

Particulars	Gross block	Depreciation charge for the year	Accumulated depreciation	Net book value
a. Buildings includes those constructed on leasehold land				
As at 31 March 2016	1,052,105	35,140	105,420	946,685
As at 31 March 2015	1,052,106	35,140	70,281	981,825
b. Plant and machinery includes assets given on operating lease (Represents plant and machinery leased for a term of 12 months to subsidiaries of the company)				
As at 31 March 2016	64,383,799	4,352,984	13,385,777	50,998,022
As at 31 March 2015	65,448,865	4,433,521	6,484,849	58,964,016
c. Buildings include asset given on operating lease				
As at 31 March 2016	255,238,872	6,808,832	13,617,664	179,039,787
As at 31 March 2015	255,238,872	6,808,832	62,581,419	192,657,453

d. Depreciation charge for the year in the consolidated statement of profit and loss, includes amount recouped from revaluation reserve of Rs. 551,485 (Previous year: Rs. 528,373)

10 Intangible assets

Particulars	Goodwill	Computer software	Certification process	Total
Gross block				
At 1 April 2014	13,816,060	4,425,492	63,932,704	82,174,256
Additions	-	454,128	740,625	1,194,753
Disposals	-	-	-	-
At 31 March 2015	13,816,060	4,879,620	64,673,329	83,369,009
Additions	-	1,477,419	3,165,657	4,643,076
Disposals	-	-	-	-
At 31 March 2016	13,816,060	6,357,039	67,838,986	88,012,085
Amortisation				
At 1 April 2014	13,816,060	1,570,588	49,298,699	64,685,347
Charge for the year	-	791,388	14,045,000	14,836,388
Disposals	-	-	-	-
At 31 March 2015	13,816,060	2,361,976	63,343,699	79,521,735
Charge for the year	-	1,078,158	1,073,090	2,151,248
Disposals	-	-	-	-
At 31 March 2016	13,816,060	3,440,134	64,416,789	81,672,983
Net block				
At 31 March 2015	-	2,517,644	1,329,630	3,847,274
At 31 March 2016	-	2,916,905	3,422,197	6,339,102

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

11 Deferred tax liabilities (net)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Deferred tax liability		
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	136,207,952	419,748,833
Gross deferred tax liability	<u>136,207,952</u>	<u>419,748,833</u>
Deferred tax asset		
Provision for doubtful debts and advances	-	-
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1,546,803)	(11,066,787)
Impact of business loss in the current year to be adjusted against income of the future year	(2,768,975)	-
Carry forward business loss and unabsorbed depreciation	<u>(76,337,325)</u>	<u>(232,544,204)</u>
Gross deferred tax asset	<u>(80,653,103)</u>	<u>(243,610,991)</u>
Deferred tax liabilities (net)	<u>55,554,849</u>	<u>176,137,842</u>

12 Non-current investments

	<u>31 March 2016</u>	<u>31 March 2015</u>
Non trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (unquoted)		
300,000 (Previous year - 300,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	3,000,000	3,000,000
3,520 (Previous year - Nil) equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	35,200	-
Investment in tax free bonds (unquoted)		
50,000 (Previous year - 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited	50,000,000	50,000,000
	<u>53,035,200</u>	<u>53,000,000</u>

13 Inventories (valued at lower of cost and net realisable value)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Raw materials and components	171,983,031	179,638,398
Stores and spares	3,243,187	2,277,961
Work-in-progress	68,289,001	53,549,982
Finished goods	149,170,235	77,409,669
Traded goods	26,389,093	31,308,145
Goods In Transit	3,001,926	-
	<u>422,076,473</u>	<u>344,184,155</u>

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

14 Loans and advances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured, considered good	2,428,281	77,049,032	2,261,875	3,798,822
(A)	2,428,281	77,049,032	2,261,875	3,798,822
Security deposit				
Unsecured, considered good	27,222,953	31,176,677	18,768,280	8,913,703
(B)	27,222,953	31,176,677	18,768,280	8,913,703
Advances recoverable in cash or kind				
Unsecured, considered good	1,681,106	3,187,531	11,342,802	27,945,296
(C)	1,681,106	3,187,531	11,342,802	27,945,296
Other loans and advances				
<u>Unsecured, considered good:</u>				
Advance income-tax (net of provision for taxation)	20,246,387	116,943,963	641,510	-
MAT credit entitlement	21,631,121	65,801,352	1,549,325	-
Prepaid expenses	8,061,427	8,823,607	7,112,893	6,346,164
Loans to employees	-	690,750	1,419,153	1,395,778
Balances with government authorities	9,833,912	8,652,856	66,760,186	60,312,445
Provision for doubtful advance	(2,504,096)	(2,504,096)	-	-
(D)	57,268,751	198,408,432	77,483,067	68,054,387
<u>Unsecured, considered doubtful:</u>				
Balances with government authorities	28,043,917	31,373,720	3,159,000	3,159,000
Provision for doubtful advance	(28,043,917)	(31,373,720)	(3,159,000)	(3,159,000)
(E)	-	-	-	-
Total (A+ B + C + D + E)	88,601,091	309,821,672	109,856,024	108,712,208

15 Trade receivables and other assets

15.1 Trade receivables

	31 March 2016	31 March 2015
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	58,525,827	53,099,367
Doubtful	20,550,302	16,878,098
(A)	79,076,129	69,977,465
Other receivables		
Unsecured, considered good	645,892,018	499,310,360
(B)	645,892,018	499,310,360
Provision for doubtful receivables	(20,550,302)	(16,878,098)
(C)	(20,550,302)	(16,878,098)
Total (A + B + C)	704,417,845	552,409,727

15.2 Other assets

	Non - Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Government Grant Receivable (Refer Note 2(s))	67,500,000	-	-	-
Non-current bank balances (refer note 17)	81,404,151	11,356,819	-	-
Deposits with original maturity for more than 3 months but less than 12 months (Refer note below)*	-	-	517,235,054	774,283,109
Earnest money deposit	-	-	5,200,000	-
Interest accrued on fixed deposits	-	-	18,846,619	32,488,952
Others	2,662,989	2,700,181	7,484,664	1,299,554
	151,567,140	14,057,000	548,766,337	808,071,615

* Deposits to the extent of Rs.512,758,027 (Previous year : Rs.743,464,575) has been given as collateral to the banks to facilitate the availment of overdraft, working capital, Buyer's credit, letter of credit and bank guarantee for the Company and Subsidiaries.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

16 Current investments

	<u>31 March 2016</u>	<u>31 March 2015</u>
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
Nil (Previous year - 202) unit of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan	-	202,751
Nil (Previous year -91,319) unit of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	-	9,655,772
Nil (Previous year - 12,000,000) unit of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan	-	120,000,000
Nil (Previous year - 21,000,000) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan*	-	210,000,000
Nil (Previous year - 21,000,000) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan*	-	210,000,000
Nil (Previous year - 21,000,000) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan*	-	210,000,000
Nil (Previous year - 8,201,872) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular growth plan*	-	82,018,720
Nil (Previous year - 3,000,000) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan*	-	300,000,000
Nil (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	-	50,000,000
20,000,000 (Previous year - 20,000,000) unit of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series*	200,000,000	200,000,000
Nil (Previous year - 50,000,000) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan*	-	50,000,000
Nil (Previous year - 22,000,000) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan*	-	220,000,000
Nil (Previous year - 21,000,000) Unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	-	250,000,000
Nil (Previous year - 594,612.305) Unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment	-	59,637,830
464,502.74 (Previous year - Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Growth- Regular Plan	135,800,535	-
Nil (Previous year- 979,078.074) Unit of Rs.10/- each fully paid up ICICI Prudential Liquid -Regular Plan - Daily Dividend	-	97,970,076

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

16 Current investments

	<u>31 March 2016</u>	<u>31 March 2015</u>
Nil (Previous year - 195,912.084) Unit of Rs.10/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend	-	196,052,435
Nil (Previous year - 250,138.76) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend	-	251,388,291
4,605,081.71 (Previous year - Nil) Unit of Rs.10/- each fully paid up HDFC Cash Managemnt Fund - Treasury Advantage - Regular - Growth	145,882,090	-
1,921,876.42 (Previous year - Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Treasury Optimizer - Regular - Growth **	340,000,000	-
5,965,315.95 (Previous year - Nil) Unit of Rs.10/- each fully paid up JP Morgan India Banking & PSU Debt Fund - Regular - Growth*	70,000,000	-
20,163,916.17 (Previous year - Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Institutional - Growth*	340,000,000	-
61,621.0530 (Previous year - Nil) Unit of Rs.10/- each fully paid up HDFC Liquid Fund - Growth	183,910,885	-
121,918.2370 (Previous year - Nil) Unit of Rs.10/- each fully paid up HSBC Cash Fund -Growth	183,889,619	-
9,817,676.8220 (Previous year - Nil) Unit of Rs.10/- each fully paid up HSBC Income Fund -STP Growth*	230,000,000	-
13,525,932.835 (Previous year - Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Growth*	230,000,000	-
18,031.897 (Previous year - Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund - Institutional Plan - Direct - Growth	30,602,703	-
17,339,638.209 (Previous year - Nil) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Growth	281,620,000	-
LIC Endowment Plus	500,000	500,000
Unquoted mutual funds	<u>2,372,205,832</u>	<u>2,517,425,875</u>
Aggregate cost of unquoted investments	2,372,205,832	2,517,425,875

Note :

- * Investments marked have been pledged as collateral securities with banks for availment of term loans. (Refer Note 5a).
- ** Investments marked have been pledged partly as collateral securities with a bank to the extent of Rs.15,000,000 for availment of term loans (Refer Note 5a).

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

17 Cash and bank balances	Non- Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Cash and cash equivalents				
Balances with banks:				
On current accounts			60,467,537	195,633,634
On deposit accounts			555,393,159	481,691,348
On unpaid dividend accounts			3,211,996	3,242,210
Cash on hand			1,305,707	407,802
Total (A)			620,378,399	680,974,994
Other bank balances				
Deposits with original maturity for more than 12 months (Refer note below)**	81,404,151	11,356,819	-	-
months but less than 12 months (Refer note below) *	-	-	64,693,840	69,226,599
Deposits with original maturity less than 3 months (Refer note below) #	-	-	132,319,500	486,529,343
Total (B)	81,404,151	11,356,819	197,013,340	555,755,942
Amount disclosed under other assets				
Assets (refer note 15.2)	(81,404,151)	(11,356,819)	-	-
Total cash and bank balances (A+B)	-	-	817,391,739	1,236,730,936

Note :

- ** Deposits to the extent of Rs.81,349,151 (Previous year : Nil) have been given as collateral to the bank for availing the Bank guarantees for the Company and term loan for the subsidiary company.
- * Deposits to the extent of Rs.66,693,840 (Previous year: 51,308,930) has been given as collateral to the bank for availing the working capital loan for the subsidiary company.
- # Deposits to the extent of Rs.132,319,500 (Previous year: Nil) have been given as collateral to the bank for availing the cash credit and packing credit facility for the subsidiary company.

18 Revenue from operations (net)	31 March 2016	31 March 2015
Revenue from operations		
Sale of products		
Manufactured goods	1,429,715,378	1,891,996,528
Traded goods	403,233,845	196,539,054
Sale of services	42,844,326	21,529,696
Sale of power	192,075,589	87,402,895
Other operating revenue		
Scrap sales	5,763,776	5,442,446
Government - deferred income	2,700,000	-
Other	44,729,154	72,693,750
Revenue from operations (gross)	2,121,062,068	2,275,604,369
Less: Excise duty	57,598,494	57,145,128
Revenue from operations (net)	2,063,463,574	2,218,459,241

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

19 Other income	31 March 2016	31 March 2015
Interest income	90,153,376	121,980,690
Net gain from the sale of current investments	233,537,539	57,767,367
Foreign exchange gains, net	202,965	-
Dividend income on current investments - mutual fund	3,751,104	22,551,454
Rental income	4,337,509	3,487,029
Liabilities no longer required, written back	1,577,627	40,724,563
Other non-operating income	17,935,662	21,309,828
	351,495,782	267,820,931
20 Cost of raw material and components consumed	31 March 2016	31 March 2015
Inventory at the beginning of the year	179,638,398	166,597,040
Add: Purchases	373,169,407	1,108,409,842
	552,807,805	1,275,006,882
Less: Inventory at the end of the year	171,983,031	179,638,398
Cost of raw material and components consumed	380,824,774	1,095,368,484
21 (Increase)/decrease in inventories	31 March 2016	31 March 2015
Inventories at the end of the year		
Work-in-progress	68,289,001	53,549,982
Traded goods	21,061,397	31,308,145
Finished goods	149,170,235	77,409,669
(A)	238,520,633	162,267,796
Inventories at the beginning of the year		
Work-in-progress	53,549,982	46,486,657
Traded goods	32,609,045	113,910,522
Finished goods	77,409,669	41,441,561
(B)	163,568,696	201,838,740
Total (B - A)	(74,951,937)	39,570,944
22 Employee benefit expense	31 March 2016	31 March 2015
Salaries, wages and bonus	179,669,703	155,965,592
Contribution to provident and other funds	12,431,900	9,996,911
Gratuity expense (refer note 26)	3,857,209	3,820,487
Staff welfare expenses	12,863,439	12,643,404
	208,822,251	182,426,394

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

23 Other expenses

	31 March 2016	31 March 2015
Sub-contracting and processing expenses	174,183,983	139,739,297
Service and maintenance charges	646,460	1,154,565
Consumption of stores and spares	10,688,806	13,839,687
Power and fuel	64,531,614	70,203,931
Wheeling Charges	6,302,503	5,159,110
Freight and forwarding charges	12,221,988	13,855,081
Rent (refer note 27)	20,514,899	21,570,028
Rates and taxes	11,820,373	13,726,352
Insurance	4,890,734	5,264,745
Repairs and maintenance		
- Plant & Machinery	19,913,251	17,131,773
- Buildings	6,278,586	2,591,026
- Others	9,556,298	6,540,280
Corporate social responsibility	1,700,000	3,469,334
Sales promotion	10,481,658	7,494,846
Advertisement	1,032,339	3,654,779
Travelling and conveyance	18,308,400	20,980,843
Communication costs	5,473,867	4,688,634
Printing and stationery	3,168,035	3,528,698
Exchange differences (net)	18,609,367	40,017,487
Legal and professional fees	24,459,344	23,372,415
Loss on sale of assets	-	2,506,988
Payment to auditor	6,016,380	5,246,152
Provision for bad/doubtful receivables including advances	3,753,228	25,853,100
Bad debts/advances written off	2,111,269	16,740
Provision for warranties (net of reversals)	16,295,953	5,536,136
Liquidated damages	4,800,000	-
Miscellaneous expenses	14,949,819	46,941,381
	472,709,154	504,083,408

24 Depreciation and amortisation expense

	31 March 2016	31 March 2015
Depreciation of tangible assets	171,818,656	154,471,707
Amortisation of intangible assets	2,151,248	14,836,388
	173,969,904	169,308,095

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

25 Finance costs

	<u>31 March 2016</u>	<u>31 March 2015</u>
Interest	106,546,316	120,529,877
Bank and other charges	13,481,454	9,018,440
	<u>120,027,770</u>	<u>129,548,317</u>

26 Employee benefit plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the gratuity plan.

Net employee benefit expense (recognised in personnel expenses)

Particulars	<u>31 March 2016</u>	<u>31 March 2015</u>
Current service cost	2,104,386	2,253,431
Interest cost on benefit obligations	1,605,977	684,827
Expected return on plan assets	(543,780)	(685,253)
Net actuarial (gain) / loss recognised in the year	(334,022)	1,567,483
Net benefit expense	<u>2,832,561</u>	<u>3,820,488</u>
Actual return on plan assets	(543,780)	(685,253)
Details of provision for gratuity		
Present value of obligations at the end of the year	11,667,442	11,996,780
Less : Fair value of plan assets at the end of the year	(6,009,925)	(7,788,467)
Plan liability	<u>5,657,517</u>	<u>4,208,313</u>

Changes in the present value of the defined benefit obligations are as follows:

Present value of obligations at the beginning of the year	11,996,780	7,639,939
Interest cost	1,605,977	684,827
Current service cost	2,104,386	2,253,431
Benefits paid	(325,237)	(148,900)
Actuarial (gain) / loss on obligations	(334,022)	1,567,483
Present value of obligations at the end of the year	<u>15,047,884</u>	<u>11,996,780</u>

Changes in the fair value of plan assets are as follows:

Fair value of planned assets at the beginning of the year	4,565,675	5,436,726
Expected return on plan assets	543,780	685,253
Contributions	4,335,567	1,815,388
Benefits paid	(325,237)	(148,900)
Fair value of plan assets / (liability) at the end of the year	<u>9,119,785</u>	<u>7,788,467</u>

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

26 Employee benefit plans

Amount for the current and previous four years are as follows:

Year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligations	11,667,443	11,996,780	7,639,939	4,791,775	46,066,623
Plan (liability) / assets	5,739,344	7,788,467	5,436,725	(18,324)	36,164,797
Deficit	5,657,517	4,208,313	2,203,214	4,810,099	9,901,826
Experience adjustments on plan (asset) / liabilities	(334,022)	1,567,483	652,362	(5,832,963)	4,189,414

The principal assumptions used in determining gratuity benefit obligations for the Group's plan is

shown below:

Particulars	31 March 2016	31 March 2015
Discount rate	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	1,000,000	1,000,000

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligations is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

27 Leases

Operating leases : Company as lessee

Particulars	31 March 2016	31 March 2015
Lease payments for the year	20,300,299	21,570,028

Future minimum lease rentals payable under operating leases are as follows:

Minimum lease payments:

Not later than one year	1,499,816	1,970,249
Later than one year but not later than five years	5,999,264	5,936,128
Later than five years	27,829,300	31,074,123
	35,328,380	38,980,500

Operating leases : Company as lessor

Particulars	31 March 2016	31 March 2015
Lease rent received for the year	44,729,154	51,122,632

Future minimum lease rental receivable under non-cancellable operating lease are as follows:

Minimum lease rent receivable :

Not later than one year	13,998,707	31,151,768
Later than one year but not later than five years	1,101,937	16,517,190
Later than five years	828,000	868,217
	15,928,644	48,537,175

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

28 Segment information

A. Primary segment information (By Business segments)

The Group operations predominantly relates to the Solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar photovoltaic inverters and energy efficient lighting systems and foundry. Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Business (Primary) segments of the Group are:

- a) Contract Manufacturing - UPS Systems
- b) Solar Energy Systems / Services
- c) Foundry
- d) Others

Particulars	31 March 2016	31 March 2015
1 Segment revenue		
--- Contract manufacturing	33,503,212	42,794,871
--- Foundry	706,382,056	706,558,751
--- Solar Energy Systems / Services	2,299,936,503	1,649,645,135
--- Others	68,412,816	89,871,147
Total	3,108,234,587	2,488,869,904
Less: Inter segment revenue	(1,044,771,013)	(270,410,663)
Total Revenue (net)	2,063,463,574	2,218,459,241
2 Segment results		
Segment profits before finance charges and tax		
--- Contract manufacturing	3,431,645	5,953,954
--- Foundry	24,342,818	27,176,403
--- Solar Energy Systems / Services	(24,361,073)	(105,707,350)
--- Others	50,294,380	19,911,451
Other unallocable income	275,922,264	216,367,795
Exceptional items (Refer note 37)	3,000,000	(20,311,785)
Finance charges	(106,546,316)	(120,529,878)
Total profits before tax and share of loss in associate	226,083,718	22,860,590
Tax expense	(93,862,255)	(25,433,825)
Share of loss in associate	-	(1,179,233)
Total profits/(loss) after tax	132,221,463	(3,752,468)
3 Segment assets		
--- Contract manufacturing	47,211,960	106,962,130
--- Foundry	617,563,696	1,169,981,832
--- Solar Energy Systems / Services	4,155,258,961	3,046,385,753
--- Others	616,855,217	692,808,819
--- Un-allocable assets	3,570,361,168	3,993,866,848
Total assets	9,007,251,002	9,010,005,382

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

28 Segment information	31 March 2016	31 March 2015
4 Segment liabilities		
--- Contract manufacturing	-	9,300,226
--- Foundry	521,913,349	971,232,406
--- Solar Energy Systems / Services	1,569,962,099	710,595,267
--- Others	-	498,896,020
Total liabilities	2,091,875,448	2,190,023,919
5 Capital expenditure (Tangible and Intangible)		
	31 March 2016	31 March 2015
--- Foundry	50,517,692	136,872,003
--- Solar Energy Systems / Services	916,044,679	364,242,760
--- Others	36,545,198	22,900,348
Total Capital expenditure (Tangible and Intangible)	1,003,107,569	524,015,111
6 Depreciation / amortisation		
--- Contract manufacturing	1,799,579	2,378,394
--- Foundry	36,010,678	34,886,751
--- Solar Energy Systems / Services	124,962,691	91,291,019
--- Others	11,196,956	40,751,930
Total depreciation / amortisation	173,969,904	169,308,094

29 Segment information

B. Secondary segment information (By geographical segment)

The following table shows the geographical distribution of the Group's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2016 and year ended 31 March 2015.

Particulars	Geographical segment			
	31 March 2016		31 March 2015	
	Outside India	India	Outside India	India
Revenues	425,491,701	1,637,971,873	441,948,344	1,776,510,897
Capital expenditure (Tangible and Intangible)	-	1,003,107,569	8,773,001	515,242,110
Segment assets	112,332,774	8,894,918,228	90,162,628	8,919,842,754

30 Capital and other commitments

a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs 2,884,304 (31 March 2015: Rs.413,831,319).

b) Commitments relating to lease arrangements, please refer to note 27.

31 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2016	31 March 2015
Profit after tax as per consolidated statement of profit and loss (A)	132,221,463	(3,752,468)
Preference dividend tax (B)	-	(441,250)
Net profit /(loss) attributable to the equity share holders (A + B = C)	132,221,463	(4,193,718)
	Number of shares	Number of shares
Weighted average number of equity shares (D)	10,105,840	10,105,840
Basic and diluted earnings per share (C / D)	13.08	(0.41)

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

32 Related party transactions

1. Names of related parties and nature of relationship

Associate	Swelect - Sunpac Power Protection Private Limited (up to 2nd December 2014)
Joint Venture	Swelect Infrastructure Services Private Limited (up to 27th October 2014)
Enterprises owned or significantly influenced by key management personnel or their relatives	Swelect Electronics Private Limited Swelect Technologies Private Limited
Key Management Personnel	Mr. R.Chellappan - Managing Director Mr.A.Balan - Joint Managing Director (w.e.f 3rd October 2015) Mr.V.C.Raghunath
Relatives of Key Management Personnel	Mrs. Gunasundari Chellappan Mrs. V.C.Mirunalini Miss Aarthi Balan Miss Preetha Balan

Related party transactions

Particulars	Associate / Joint Venture / Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Key Management Personnel		Relatives of Key Management Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Sale of goods	-	-	14,322	305,277	-	-	14,322	305,277
-- Mr. R.Chellappan	-	-	14,322	305,277	-	-	14,322	305,277
Rent expense	-	-	198,444	192,935	-	-	198,444	192,935
-- Mr. R.Chellappan	-	-	198,444	192,935	-	-	198,444	192,935
Investment written off	-	1,475,000	-	-	-	-	-	1,475,000
-- Swelect Infrastructure Services Private Limited	-	250,000	-	-	-	-	-	250,000
-- Swelect - Sunpac Power Protection Private Limited	-	1,225,000	-	-	-	-	-	1,225,000
Remuneration	-	-	9,109,034	4,309,990	1,423,235	641,321	10,532,269	4,951,311
-- Mr. R.Chellappan	-	-	6,140,788	3,538,846	-	-	6,140,788	3,538,846
-- Mr. A.Balan	-	-	2,093,635	-	-	-	2,093,635	-
-- Mr. V.C.Raghunath	-	-	874,611	771,144	-	-	874,611	771,144
-- Mrs. V.C.Mirunalini	-	-	-	-	664,185	641,321	664,185	641,321
-- Miss Aarthi Balan	-	-	-	-	759,050	-	759,050	-
Consultancy Charges	-	-	-	-	480,000	-	480,000	-
-- Miss Preetha Balan	-	-	-	-	480,000	-	480,000	-
Dividend paid	-	-	28,016,714	43,072,686	815,364	1,103,346	28,832,078	44,176,032
-- Mr. R.Chellappan	-	-	26,108,797	42,723,486	-	-	26,108,797	42,723,486
-- Mr. A.Balan	-	-	1,694,517	-	-	-	1,694,517	-
-- Others	-	-	213,400	349,200	815,364	1,103,346	1,028,764	1,452,546

33 Contingent liabilities

31 March 2016 31 March 2015

Claims against the Group not acknowledged as debts

a) Excise,custom / Cenvat related matters	70,266,538	95,617,299
b) Sales tax related matters	55,032,137	51,495,575
c) Income tax related matters	116,749,750	14,575,600
	242,048,425	161,688,474

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

34 Derivative instruments and foreign currency exposures

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency	31 March 2016		31 March 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	341,311	20,874,126	595,551	37,275,532
	EURO	1,210,179	90,933,531	876,678	59,299,829
	SGD	-	-	53,823	2,455,434
	GBP	3,750	353,513	25,717	2,411,900
Payables	USD	63,455	4,234,604	1,447,361	90,590,327
	EURO	128,392	9,644,829	150,870	10,205,078
	SGD	-	-	22,908	1,045,079
	GBP	48,967	4,708,134	72,086	6,760,612
Advance from customers	USD	3,786	251,439	-	-
Cash balance	USD	352	23,204	516	32,296
	EURO	1,070	79,351	-	-
	NTS	1,300	2,366	1,300	2,366
	CNY/RNB	17	159	17	159
Bank balance	USD	259	17,041	705	44,098
	SGD	667	49,482	3,856,020	175,912,069
	EURO	-	-	667	45,132
Secured loans	USD	252,000	16,715,891	378,840	23,711,596
	EURO	960,000	72,091,680	791,040	53,507,157
Unsecured loans	USD	250,000	16,583,225	-	-
Buyer's credit	USD	1,054,926	70,283,853	386,146	24,168,888
	EURO	395,266	29,924,303	-	-

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

35 Goodwill / Capital reserve on consolidation

1. Goodwill on consolidation

Goodwill on consolidation represents the excess purchase consideration paid over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March 2016.

Goodwill on consolidation as at 31 March 2016 stood at Rs. 4,493.77 lakhs (previous year: Rs. 4,428.80 lakhs). Significant acquisitions over the years which resulted in goodwill were Amex Irons Private Limited, HHV Solar Technologies Limited, BS Powertech Solutions Private Limited, K J Solar Systems Private Limited and Swelect Green Energy Solutions Private Limited and the details of the same are given below:

a. The Company acquired 100% equity share stake in Amex Irons Private Limited for a consideration of Rs. 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 455.04 lakhs was recognised as goodwill.

b. The Company acquired 49% equity share stake in HHV Solar Technologies Limited for a consideration of Rs. 2,186.03 lakhs on 10 January 2013. The purchase consideration paid along with the net liability taken over amounting to Rs. 2,667.71 lakhs was recognised as goodwill. The balance 51% equity share stake was acquired on 1 August 2014 for a consideration of Rs. 488.39 lakhs. Consequently, HHV Solar Technologies Limited became a 100% subsidiary of the Company. During the current year the Company acquired the remaining preference share capital for a consideration of Rs. 448.33 lakhs. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 48.33 lakhs is recognised as goodwill.

"c. The Company's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 76% equity share stake in BS Powertech Solutions Private Limited for a consideration of Rs. 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 150.02 lakhs was recognised as goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of Rs. 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Company. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 167.07 lakhs is recognised as goodwill.

The Company acquired 100% share of Noel Media & Advertising Private Limited on 2 April 2015 for a consideration of Rs. 2.11 lakhs and the excess purchase consideration paid over the net assets taken over to the extent of Rs. 1.71 lakhs is recognised as goodwill.

During the current year the Company has entered into a Scheme of Amalgamation between Noel Media & Advertising Private Limited, a step down subsidiary of the Company and its step down subsidiary BS Powertech Solutions Private Limited. This was approved by Hon'ble High Court of Madras vide its order dated 8 January 2016, with retrospective effect from 1 April 2012."

d. The Company acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of Rs. 70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 0.56 lakhs is recognised as goodwill.

e. The Company's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 100% equity share stake in K J Solar Systems Private Limited for a consideration of Rs. 25 lakhs. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 15 lakhs was recognised as goodwill.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

35 Goodwill / Capital reserve on consolidation

2. Capital reserve on consolidation

Capital reserve on consolidation represents excess net asset value of acquired subsidiary over the consideration paid on the date of such acquisition. Capital reserve on consolidation as at 31 March 2016 stood at Rs. 151.46 lakhs (Previous year Rs. 151.46 lakhs). The details of which is provided below:

a. The Company acquired 92% equity share stake in Amex Alloys Private Limited for a consideration of Rs.421.71 lakhs on 05 December 2010. The excess net asset value over the purchase consideration to the extent of Rs. 165.49 lakhs was recognized as capital reserve. The balance 8% equity share stake was acquired on 08 July 2013 for a consideration of Rs. 119.47 lakhs. Consequently, Amex Alloys Private Limited became a 100% subsidiary of the Company. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 14.03 lakhs is adjusted with the capital reserve.

36 Additional disclosure requirement under Section 129 of the Companies Act, 2013.

Name of the entity	Net Assets		Share in Profit or Loss	
	As a % of the consolidated net assets	Amount	As a % of the consolidated profit/loss	As a % of the total consolidated Profit / (loss) after Taxation
Parent				
Swelect Energy Systems Limited	96%	6,604,804,590	157%	206,930,431
Subsidiaries				
Foreign				
Swelect Energy Systems Pte. Limited, Singapore	7%	508,352,908	22%	28,900,033
SWELECT Inc, USA	0%	(754,503)	0%	(509,803)
SWELECT Energy Systems Inc, USA	0%	(1,629,136)	-1%	(1,655,674)
Indian				
HHV Solar Technologies Limited	-3%	(181,274,738)	-76%	(100,099,328)
Amex Alloys Private Limited	1%	67,642,643	-1%	(1,210,416)
Amex Irons Private Limited	-1%	(66,490,225)	-4%	(5,245,608)
Swelect Solar Energy Private Limited	0%	(8,976,358)	-1%	(1,699,058)
Noel Media & Advertising Private Limited (Refer note 1)	0%	(1,605,004)	6%	7,696,088
Swelect Green Energy Solutions Private Limited	0%	(5,065,739)	-1%	(1,480,546)
K J Solar Systems Private Limited	0%	371,115	0%	595,345
Total		6,915,375,554		132,221,463

Note :

- 1 BS Powertech Solutions Private Limited was amalgamated with Noel Media & Advertising Private Limited effective 1 April 2012 vide order received from Madras High Court dated 8th January 2016.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2016

(All amounts are in Indian Rupees, unless otherwise stated)

37 Exceptional Item

The exceptional item includes an exceptional item amount of Rs.30 lakhs recovered against cost of land written off during the year ended 31 March 2015 of Rs.203.12 lakhs (net off Rs.27.31 lakhs) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

38 The Board of Directors of the Company at its meeting held on 16 December 2015 approved a Scheme of Arrangement ("the Scheme") enabling the merger of one of its subsidiary, namely HHV Solar Technologies Limited ("HHV") with the Company, with effect from 1 April 2015 ("Appointed Date"). The Scheme of Arrangement has been approved by the respective shareholders of subsidiary and the creditors of both the Companies. Pending approval of the scheme of amalgamation by the Hon'ble High Court of Madras and such other statutory / regulatory authority, the scheme has not been given effect to in the standalone financial results. The consolidated financial results appropriately incorporate the results of HHV.

39 The Scheme of Amalgamation between Amex Irons Private Limited and Amex Alloys Private Limited, subsidiaries of the Company. This scheme enables merger of the subsidiaries with effect from 1 April 2015 and has been approved by the respective shareholders' of both the companies and the creditors of the subsidiary. The scheme does not have any impact on the consolidated financial statements.

40 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to the current year's classification.

For S.R. Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 27/05/2016

For and on behalf of the board of directors

R.Chellappan
Managing Director

A.Balan
Joint Managing Director

R.Sathishkumar
Company Secretary

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 27/05/2016

Place: Chennai
Date: 27/05/2016

SWELECT ENERGY SYSTEMS LIMITED

(All amounts are in Indian Rupees, unless otherwise stated)

Form AOC-1

Statement (Pursuant to first proviso to sub-Section 3 of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A" - Subsidiaries

Sl no.	Name of the Subsidiaries	Reporting period	Reporting Currency	Exchange Rate	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Details of Investment (except in case of subsidiary)	Turnover (net)	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend	% of shareholding
1	Swelect Energy Systems Pte. Limited, Singapore	Apr-Mar	USD	66.33	437,280,241	509,841,607	1,323,071,237	375,939,389	-	888,195,655	32,897,648	2,146,986	30,750,662	-	100.00%
2	SWELECT Inc, USA	Jan- Dec	USD	66.33	6,885,000	(754,503)	22,720,355	16,589,858	-	-	(509,803)	-	(509,803)	-	100.00%
3	SWELECT Energy Systems Inc, USA (Refer note 2)	Jan- Dec	USD	66.33	-	(1,629,136)	4,110,384	5,739,521	-	-	(1,655,674)	-	(1,655,674)	-	100.00%
4	HHV Solar Technologies Limited	Apr-Mar	INR	1.00	253,557,290	(315,867,777)	721,936,047	783,406,534	-	849,911,272	(97,224,422)	-	(97,224,422)	-	100.00%
5	Amex Alloys Private Limited	Apr-Mar	INR	1.00	10,000,000	130,210,831	798,724,619	636,513,788	-	465,149,875	(2,941,555)	-	(2,941,555)	-	100.00%
6	Amex Ions Private Limited	Apr-Mar	INR	1.00	55,000,000	(57,494,008)	274,793,847	277,287,855	-	259,762,918	(5,245,608)	-	(5,245,608)	-	100.00%
7	Swelect Solar Energy Private Limited	Apr-Mar	INR	1.00	44,400,000	(8,976,358)	92,682,808	57,259,166	-	-	(1,474,834)	-	(1,474,834)	-	100.00%
8	Noel Media & Advertising Private Limited (Refer note 3)	Apr-Mar	INR	1.00	2,108,000	(1,473,280)	104,493,172	103,858,453	-	20,640,856	7,462,637	-	7,462,637	-	100.00%
9	Swelect Green Energy Solutions Private Limited	Apr-Mar	INR	1.00	13,500,000	(5,949,288)	848,007,000	839,556,288	-	6,312,234	(1,480,546)	-	(1,480,546)	-	100.00%
10	KJ Solar Systems Private Limited	Apr-Mar	INR	1.00	1,000,000	603,357	132,052,113	130,448,756	-	4,638,759	595,343	-	595,343	-	100.00%

Note:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31 March 2016.
2. SWELECT Energy Systems Inc, USA is a 100 % subsidiary of SWELECT Inc, USA and shares were pending to be allotted as of 31 March 2016.
3. BS Powertech Solutions Private Limited was amalgamated with Noel Media & Advertising Private Limited effective 1 April 2012 vide order received from Madras High Court dated 8th January 2016.



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