

July 5, 2022

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

Scrip Code: 532051

National Stock Exchange of India Limited  
Listing Department  
Registered Office: "Exchange Plaza",  
C-1, Block G, Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051.

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Submission of Notice of the 27th Annual General Meeting (AGM) along with Addendum Notice and Annual Report of the Company for the financial year 2021-22.

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the financial year 2021-22 and Notice of 27th Annual General Meeting (AGM) along with Addendum Notice scheduled to be held on Thursday 28th July 2022 at 3:30 p.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM). The Annual Report and Notice of 27th AGM along with Addendum Notice have been sent through electronic mode to those members whose email addresses are registered with the Company/Depository Participants/ RTA and are also available on the website of the Company [www.swelectes.com](http://www.swelectes.com) under investors' page.

Particulars	Details
Date and Time of AGM	Thursday, July 28, 2022 at 3.30 P.M. IST
Cut-off Date for E-voting	Thursday, July 21, 2022
E-Voting Start date and time	Saturday, July 23, 2022, 9.00 A.M. IST
E-Voting end date and time	Wednesday, July 27, 2022, 5.00 P.M. IST

We request you to kindly take on record the above disclosure.

Thanking you,

Yours faithfully,

**For SWELECT ENERGY SYSTEMS LIMITED**



**R. SATHISHKUMAR**

**Company Secretary & Compliance Officer**



## **SWELECT ENERGY SYSTEMS LIMITED**

Registered Office: "SWELECT House", No.5, Sir P.S. Sivasamy Salai,  
Mylapore, Chennai – 600 004  
Tel: +91 44 24993266, Fax: +91 44 24995179  
Website: [www.swelectes.com](http://www.swelectes.com); Email: [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com)  
CIN: L93090TN1994PLC028578

### **NOTICE OF THE TWENTY SEVENTH ANNUAL GENERAL MEETING**

Notice is hereby given that the TWENTY SEVENTH Annual General Meeting (AGM) of the members of SWELECT ENERGY SYSTEMS LIMITED will be held on Thursday the 28th July 2022 at 3:30 P.M. IST through Video Conferencing (VC) facility or Other Audio Visual Means ('OAVM') to transact the following businesses:

#### **ORDINARY BUSINESS:**

**1. Adoption of the audited financial statements of the Company for the financial year ended March 31, 2022, the reports of the Board of Directors and Auditors thereon**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

**RESOLVED FURTHER THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors be and are hereby considered and adopted.

**2. Declaration of Final Dividend**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** a final dividend of Rs.3 /- (Rupees Three Only) per equity share [i.e.30 % on the paid up Equity Share Capital of Rs.15,15,87,600/- (Rupees Fifteen Crore Fifteen Lakhs Eighty Seven Thousand Six hundred Only)] of the Company as recommended by the Board of Directors be and is hereby declared and that the same be paid to those shareholders, in case of shares held in physical form, whose names appear on the Register of Members as of the close of business hours on 21st July 2022 and in case of shares held in dematerialized form to the beneficiaries as of the close of business hours on 21st July 2022 as per the details furnished by the depositories for this purpose.

**3. Appointment of Mr. V. C. Raghunath as a Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Mr. V. C. Raghunath (DIN: 00703922), whose period of office is liable to determination by retirement of Directors by rotation and who has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company.

**4. Appointment of Ms. Jayashree Nachiappan as a Director of the Company**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Ms. Jayashree Nachiappan (DIN: 03173327), whose period of office is liable to determination by retirement of Directors by rotation and who has offered herself for re-appointment be and is hereby re-appointed as a Director of the Company.

**5. Re-appointment of Statutory Auditors, M/s. Deloitte Haskins & Sells LLP**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) be and are hereby re-appointed as statutory auditors of the Company, to hold office for a second term of five consecutive years from the conclusion of the twenty

seventh Annual General Meeting (AGM) until the conclusion of the thirty second AGM of the Company, on such remuneration and out of pocket expenses as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

#### **SPECIAL BUSINESS:**

#### **6. Re-appointment of Ms. V. C. Mirunalini (DIN: 07860175) as a Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 149 read with sections 152, 196, 197, 198, 203, Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act, Ms. V. C. Mirunalini (DIN: 07860175), be and is hereby re-appointed as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 28th June 2022 to 27th June 2027 and the remuneration for a period from 1.4.2022 to 31.3.2025 (1.4.2022 to 27.6.2022 for current term and 28.6.2022 to 31.3.2025 for next term) be paid to Ms. V. C. Mirunalini on the terms and conditions as specified below:

1. Remuneration by way of Salary and Dearness allowance shall be in the scale of Rs.10,00,000 to Rs.15,00,000 per annum.
  2. In addition to above (1), Ms. V. C. Mirunalini, will be eligible for the following:-
    - a. Contribution to Provident Fund
    - b. Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
    - c. Car expenses: Car expenses connected with the operations of the company will be reimbursed as per the rules of the Company from time to time.
    - d. Telephone: Provision of a telephone at residence. Personal long distance calls shall be billed by the Company. Mobile phone bill shall be paid by the Company.
    - e. Reimbursement of actual medical expenses for self and family.
    - f. Leave travel and leave encashment as per the rules of the Company.
- N.B. i. The above allowances/benefits/ reimbursements would be subject to the applicable Income Tax rules.
- ii. The word “family” shall mean the persons specified in the Companies Act, 2013.
- iii. Use of Car and telephone shall be dealt with as per the applicable provisions under the Income Tax Rules, 1962.

The period of her office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any financial year, Ms. V. C. Mirunalini, shall be entitled to receive remuneration including perquisites, etc., up to the limit as approved by the members herein above. However, the approval for payment of remuneration shall be in accordance with the limits as specified under Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** subject to the provisions of Schedule V of the Companies Act, 2013, the Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** pursuant to regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) along with the provisions of Sections 196,197, 198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, consent of the Members be and is hereby accorded for the annual aggregate remuneration payable to all Executive Directors who are promoters or members of promoter group including Ms. V. C. Mirunalini, Whole Time Director exceeding 5% of the net profits of the Company as calculated under

section 198 of the Companies Act, 2013, in any year during the tenure of her appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

**7. Re-appointment of Mr. K.V. Nachiappan (DIN: 00017182) as a Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of section 149 read with sections 152, 196, 197, 198, 203, Schedule V and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing in terms of Section 160(1) of the Act, Mr. K. V. Nachiappan (DIN: 00017182), be and is hereby re-appointed as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 20th April 2023 to 19th April 2028 and the remuneration for a period from 01.04.2023 to 31.03.2026 (1.4.2023 to 19.4.2023 for current term and 20.4.2023 to 31.3.2026 for next term) be paid to Mr. K. V. Nachiappan on the terms and conditions as specified below:

1. Remuneration by way of salary, Dearness Allowances, House Rent Allowance, Personal Accident Insurance and LIC Group insurance Scheme, Club Fees (Subject to a maximum of two clubs) and Gas, Electricity and Water not to exceed Rs.2,25,000/- per month or Rs.27,00,000/- per annum before Tax Deductions at Source (TDS).
2. In addition to (1) above, Mr. K. V. Nachiappan, will also be eligible for the following perquisites: -
  - a) Leave Travel Concession: For self and Family once in a year as per the rules of the Company.
  - b) Car: Car will be provided by the Company. The expenses connected with the operation will be reimbursed as per the rules of the Company from time to time.
  - c) Telephone: Provision of a telephone at residence. Personal long distance calls shall be billed by the Company.
  - d) Soft furnishing allowance/Entertainment Allowance/Daily Allowance/Recreation Allowance/Domestic Service Allowance, subject to a ceiling of Rs.3,00,000/- per annum.
  - e) Reimbursement of actual medical expenses for self and family.
3. Commission @ 0.25% will be paid on the net profits of the Company not exceeding Rs.10,00,000/- per annum.

- N.B
- i. The above allowances / benefits / reimbursements would be subject to the applicable Income - Tax Rules.
  - ii. The word "family" shall mean the persons specified in the Companies Act, 2013.
  - iii. Use of Car and telephone shall be dealt with as per the applicable provisions under the Income Tax Rules, 1962.
  - iv. Net Profits shall be calculated as per section 198 of the Companies Act, 2013.

The period of his office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any financial year, Mr. K. V. Nachiappan, shall be entitled to receive remuneration including perquisites, etc., up to the limit as approved by the members herein above. However, the approval for payment of remuneration shall be in accordance with the limits as specified under Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** subject to the provisions of Schedule V of the Companies Act, 2013, the Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** pursuant to regulation 17(6) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) along with the provisions of Sections 196,197,198 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V

of the Companies Act, 2013, consent of the Members be and is hereby accorded for the annual aggregate remuneration payable to all Executive Directors who are promoters or members of promoter group including Mr. K. V. Nachiappan, Whole Time Director exceeding 5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013, in any year during the tenure of his appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

**8. To fix the terms and conditions in the appointment of Mr. R. Chellappan, Managing Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of sections 197,198 and Schedule V of the Companies Act, 2013 and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, payment of remuneration to Mr. R. Chellappan, Managing Director of the Company for a period from 1.5.2023 to 30.4.2025 on the following terms and conditions be and is hereby approved.

1. Remuneration by way of salary, Dearness Allowances, House Rent Allowance, Personal Accident Insurance and LIC Group insurance Scheme, Club Fees (Subject to a maximum of two clubs) and Gas, Electricity and Water not to exceed Rs.3,00,000 /- per month or Rs.36,00,000 /- per annum.
  2. In addition to (1) above, Mr. R. Chellappan, will also be eligible for the following perquisites:-
    - a) Leave Travel Concession: For self and Family once in a year as per the rules of the Company.
    - b) Car: Car will be provided by the Company. The expenses connected with the operation will be reimbursed as per the rules of the Company from time to time.
    - c) Telephone: Provision of a telephone at residence. Personal long distance calls shall be billed by the company.
    - d) Soft furnishing allowance/Entertainment Allowance/Daily Allowance/Recreation Allowance/Domestic Service Allowance, subject to a ceiling of Rs.3,00,000/- per annum.
    - e) Reimbursement of actual medical expenses for self and family..
  3. Commission: In addition to the above, commission @1% of the Net Profits of the Company will be paid.
- N.B. i. The above allowances / benefits / reimbursements would be subject to the applicable Income - Tax Rules.
- ii. The word "family" shall mean the persons specified in the Companies Act, 2013.
- iii. Use of Car and telephone shall be dealt with as per the applicable provisions under the Income Tax Rules, 1962.
- iv. Net Profits shall be calculated as per section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. R. Chellappan, Managing Director, as approved by the Shareholders of the Company at the Annual General Meeting held on 9th August 2019, will remain the same.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any financial year, Mr. R. Chellappan, shall be entitled to receive remuneration including perquisites, etc., up to the limit as approved by the members herein above. However, the approval for payment of remuneration shall be in accordance with the limits as specified under Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** subject to the provisions of Schedule V of the Companies Act, 2013, the Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

**9. To fix the terms and conditions in the appointment of Mr. V. C. Raghunath, Whole Time Director of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of sections 197, 198 and Schedule V of the Companies Act, 2013 and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors of the Company, payment of remuneration to Mr. V. C. Raghunath, Whole Time Director of the Company for a period from 1.4.2023 to 27.7.2024 on the following terms and conditions be and is hereby approved.

1. Remuneration by way of Salary and Dearness allowance shall be in the scale of Rs.10,00,000 to Rs. 18,00,000 per annum.
2. In addition to (1) above, Mr. V. C. Raghunath will be eligible for the following:-
  - a) Contribution to Provident Fund
  - b) Gratuity payable not exceeding half a month's salary for each completed year of service.
  - c) Car expenses: Car expenses connected with the operations of the Company will be reimbursed as per the rules of the Company from time to time.
  - d) Telephone: Provision of a telephone at residence. personal long distance calls shall be billed by the Company. Mobile phone bill shall be paid by the Company.
  - e) Reimbursement of actual medical expenses for self and family.
  - f) Leave travel concession and Leave encashment as per the rules of the Company.

The period of his office shall be liable to retire by rotation.

- N.B. i. The above allowances / benefits / reimbursements would be subject to the applicable Income - Tax Rules.
- ii. The word "family" shall mean the persons specified in the Companies Act, 2013.
- iii. Use of Car and telephone shall be dealt with as per the applicable provisions under the Income Tax Rules, 1962.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. V. C. Raghunath, Whole Time Director, as approved by the Shareholders of the Company at the Annual General Meeting held on 9th August 2019, will remain the same.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any financial year, Mr. V. C. Raghunath, shall be entitled to receive remuneration including perquisites, etc., up to the limit as approved by the members herein above. However, the approval for payment of remuneration shall be in accordance with the limits as specified under Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** subject to the provisions of Schedule V of Companies Act, 2013, the Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

**10. To fix the terms and conditions in the appointment of Mr. A. Balan, Whole Time Director (Joint Managing Director) of the Company**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of sections 197, 198 and Schedule V of the Companies Act, 2013 and the applicable provisions of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 and based on the recommendation of

Nomination and Remuneration Committee and approval of the Board of Directors of the Company, payment of remuneration to Mr. A. Balan, Whole Time Director of the Company for a period from 1.4.2023 to 2.10.2025 on the following terms and conditions be and is hereby approved.

1. Remuneration by way of salary, Dearness Allowances, House Rent Allowance, Personal Accident Insurance and LIC Group insurance Scheme, Club Fees (Subject to a maximum of two clubs) and Gas, Electricity and Water not to exceed Rs.2,50,000 /- per month or Rs.30,00,000 /- per annum.
2. In addition to (1) above, he will also be eligible for the following perquisites:-
  - a) Leave Travel Concession: For self and Family once in a year as per the rules of the Company.
  - b) Car: Car will be provided by the Company. The expenses connected with the operation will be reimbursed as per the rules of the Company from time to time.
  - c) Telephone: Provision of a telephone at residence. Personal long distance calls shall be billed by the company.
  - d) Soft furnishing allowance/Entertainment Allowance/Daily Allowance/Recreation Allowance/Domestic Service Allowance, subject to a ceiling of Rs.3,00,000/- per annum.
  - e) Reimbursement of actual medical expenses for self and family.
  - f) Security guard Charges up to Rs.3,50,000/- per annum exclusive of Tax.
3. Commission: In addition to the above, commission @ 0.25% of the Net Profits of the Company, not exceeding Rs.10,00,000/- per annum, will be paid.

- N.B. i. The above allowances / benefits / reimbursements would be subject to the applicable Income - Tax Rules.
- ii. The word "family" shall mean the persons specified in the Companies Act, 2013.
- iii. Use of Car and telephone shall be dealt with as per the applicable provisions under the Income Tax Rules 1962.
- iv. Net Profits shall be calculated as per section 198 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the other terms and conditions of appointment of Mr. A. Balan, Whole Time Director (Joint Managing Director), as approved by the Shareholders of the Company at the Annual General Meeting held on 10th September, 2020, will remain the same.

**RESOLVED FURTHER THAT** in the event of absence of profits or inadequacy of profits in any financial year, Mr. A. Balan, shall be entitled to receive remuneration including perquisites, etc., up to the limit as approved by the members herein above. However, the approval for payment of remuneration shall be in accordance with the limits as specified under Part II of Schedule V of the Companies Act, 2013.

**RESOLVED FURTHER THAT** subject to the provisions of Schedule V of the Companies Act, 2013, the Board shall have the discretion and authority to modify the terms and remuneration within, however, the limit as approved by the members.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.

#### 11. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) and amendment(s) thereto or re-enactments thereof for the time being in force) the remuneration of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousand Only) plus applicable tax and out of pocket expenses in connection with the Audit payable to M/s. Ravichandran Bhagyalakshmi & Associates, (Firm Registration No.001253), Cost Accountants to conduct the audit of the cost records of the Company for the financial year ending 31.03.2023 as approved by the Board be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**12. Approval for giving loan or guarantee or providing security under Section 185 of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include, unless the context otherwise required, any Committee of the Board or any Director(s) or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by any entity which is a Subsidiary or Associate or Joint Venture or group entity of the Company or any other person in which any of the Director of the Company is deemed to be interested (collectively referred to as the “Entities”), up to a sum not exceeding Rs.400 Crores [Rupees Four Hundred Crores Only] at any point in time, in its absolute discretion deem beneficial and in the best interest of the Company.”

**“RESOLVED FURTHER THAT** the powers be delegated to the Board of the Company and the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan/guarantee/security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds/documents/undertakings/agreements/papers/writings for giving effect to this Resolution.”

By Order of the Board  
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

R. Sathishkumar  
Company Secretary

Chennai  
26th May 2022

**NOTES:**

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has, vide General Circular No(s). 02/2022



dated May 05, 2022, 02/2021 dated January 13, 2021, 19/2021 dated December 08, 2021 and 21/2021 dated December 14, 2021 permitted companies to conduct Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), in accordance with the requirements provided in the MCA General Circular No.20/2020. In compliance with the MCA Circulars and applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 27th AGM of the Company is being convened and conducted through VC or OAVM. The deemed venue for the 27th AGM will be "SWELECT HOUSE", No.5, Sir P. S. Sivasamy Salai, Mylapore, Chennai - 600 004.

2. The Company has enabled the Members to participate at the 27th AGM through the VC facility provided by Central Depository Services (India) Limited (CDSL). The instructions for participation by Members are given in the INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING which is annexed in this notice. Participation at the AGM through VC shall be allowed on a first-come-first-served basis.
3. As per the provisions under the MCA Circulars, Members attending the 27th AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
4. The Company has provided the facility to Members to exercise their right to vote by electronic means both through remote e-voting and e-voting during the AGM. The process of remote e-voting with necessary user id and password is given in the instruction for Electronic Voting. Such remote e-voting facility is in addition to voting that will take place at the 27th AGM being held through VC.
5. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be eligible to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
6. The 27th AGM of the Company is being held through VC as per the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be made available for the 27th AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
7. Corporate Members are required to access the link [www.evotingindia.com](http://www.evotingindia.com) and upload a certified copy of the Board resolution authorizing their representative to attend the AGM through VC and vote on their behalf. Institutional investors are encouraged to attend and vote at the meeting through VC.
8. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July 2022 to 28th July 2022 both days inclusive, for determining the name of Members eligible for payment of dividend on equity shares and AGM.
9. In line with the MCA Circulars, the notice of the 27th AGM along with the Annual Report 2021-2022 are being sent only by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may please be noted that this Notice and Annual Report 2021-2022 will also be made available on the Company's website at <https://www.swelectes.com/investors/>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com). However, as per circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13.5.2022 issued by SEBI the Company shall send hard copy of full Annual Report to those shareholders who request for the same.
10. Members holding shares in physical mode and who have not yet registered their e-mail addresses are requested to access the following web link <https://investors.cameoindia.com> for registering their e-mail addresses to receive the notice and reports. Members holding shares in electronic mode are requested to update their email id with the Depository Participants ('DPs') where they hold their Demat account.
11. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under the Companies Act, 2013 will be made available for inspection by the Members electronically during the 27th AGM. A statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special businesses to be transacted at the 27th AGM is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement shall be available for inspection electronically without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. July 28, 2022. Members seeking to inspect such documents can send an email to [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com).
12. Members who hold shares in dematerialized form and want to provide/change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to

give the MICR, IFSC Code of their bank to their Depository Participants. The Company will not entertain any direct request from such Members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details. While making payment of Dividend, the Registrar and Share Transfer Agent is obliged to use only the data provided by the Depositories, in case of such dematerialized shares.

13. Members who are holding shares in physical mode are advised to update their PAN, Email id, Mobile Number and Bank accounts details etc., with Company's RTA Cameo Corporate Services Limited, Subramanian Building, No. 1, Club House Rd, near Spencers Signal on, Anna Salai, Royapettah, Chennai, Tamil Nadu 600002 by submitting the form ISR 1 which may be downloaded from the Company's website at <https://swelectes.com/wp-content/uploads/2022/02/Norms-for-furnishing-PAN-KYC-and-Nomination.pdf>. and may also update their KYC details at <https://investors.cameoindia.com>.
14. The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be paid on August 8, 2022 (Dividend payment date) to those Members whose names appear on the Company's Register of Members on 21st July 2022 and as per the data provided by the depositories NSDL and CDSL as on 21st July 2022.
15. As per the Finance Act, 2020, the dividend declared on or after 1st April 2020 is taxable in the hands of the Members where the dividend value exceeds Rs.5,000/- (Rupees Five Thousand Only) in a financial year and the Company is required to deduct tax at source ('TDS') from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ('the IT Act'). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their DPs or in case shares are held in physical form with the Company / Registrar by sending documents through email.
16. The Members holding shares in Physical or Electronic mode may also upload the scan copy of Form 15G/15H by accessing the web link of our Registrar & Transfer Agent <https://investors.cameoindia.com> to get exemption from the deduction of tax.
17. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government.

In terms of the IEPF Rules, on 27.09.2021, the Company has transferred Rs.2,43,099/- (Rupees Two Lakhs Forty Three Thousand and Ninety nine Only) towards unpaid / unclaimed dividend amount in respect of final dividend declared for the financial year 2013-14 to the Investor Education and Protection Fund (IEPF).

As per provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The summary of shares transferred to Investor Education and Protection Fund Authority vide Corporate Action is furnished below:

<b>Dividend declared for the Financial Year</b>	<b>No. of shares transferred</b>	<b>Date of Corporate Action</b>
2008-2009	5170	04-12-2017
2009-2010	5820	15-06-2018
2010-2011	450	08-10-2018
Allotment of Bonus shares (1:2) on account of shares already transferred to IEPF was made on 26.8.2019	5720	29-08-2019
2011-2012	NIL	NA
2012-2013	3125	07.10.2020
2013-2014	1861	12.10.2021
<b>Total</b>	<b>22146</b>	

However, the Shareholders may approach the Nodal Officer of the Company to claim the above unclaimed Dividend amount and Shares which were transferred to IEPF Authority. The Contact details of the Nodal officer are furnished in the website of the Company under Investors' page.

In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under "Investors" section on the website of the Company.

The summary of the unpaid dividend for the past years and the dates on which the outstanding amount shall be transferred to Investor Education and Protection Fund are given in the table below.

Year	Type of Dividend	Dividend per Share Rs.	Date of declaration	Due date for transfer to IEPF	Unclaimed Amount Rs. (As on 31.03.2022)
2014-2015	Final	2.50	29.07.2015	02.09.2022	77,597.50
2015-2016	Interim	3.00	14.03.2016	19.04.2023	95,310.00
2015-2016	Final	1.00	28.07.2016	02.09.2023	41,117.00
2016-2017	Final	4.00	11.08.2017	15.09.2024	1,74,508.00
2017-2018	Final	4.00	09.08.2018	13.09.2025	97,380.00
2018-2019	Final	2.50	09.08.2019	13.09.2026	60,752.50
2019-2020	Unclaimed amount on sale of fraction shares (Distributed Rs.57.17 per share out of consideration arising on sale of 3960 fraction shares) arising out of allotment of Bonus shares made on 26.8.2019			19.11.2026	1,257.74
2019-2020	Interim	1.25	15.02.2020	22.03.2027	1,56,062.50
2019-2020	Final	0.75	10.09.2020	16.10.2027	78,143.00
2020-2021	Final	3.00	26.07.2021	31.08.2028	98,538.00

18. Members who have not claimed their dividend for the financial year 2014-2015 and/or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection the Company has placed the names of such persons who has not claimed dividend since 2014-2015 in the website of the company and the shareholders can view the details at [www.swelectes.com](http://www.swelectes.com) under investors' page.
19. In case of any queries regarding the Annual Report, the Members may write to [investor@cameoindia.com](mailto:investor@cameoindia.com) or [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com) to receive an email response.
20. As the 27th AGM is being held through VC, the route map is not annexed to this Notice.

## Annexure to Notice

### Explanatory statement pursuant to section 102 of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following statement sets out the material facts relating to special businesses including Reappointment of Statutory Auditors under ordinary business mentioned in the accompanying Notice and shall be taken as forming part of the notice.

#### Item No. 5

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) were appointed as Statutory Auditors of the Company at the 22nd AGM held on August 11, 2017, for a period of five years commencing from the conclusion of 22nd AGM till the conclusion of the 27th AGM, subject to ratification by members every year. However, MCA vide its notification dated May 7, 2018, had omitted the requirement under the first proviso to Section 139 of the Act, and Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, regarding ratification of appointment of statutory auditors by members at every subsequent AGM. Accordingly, the necessary resolution was passed by the members at the 23rd AGM held on 9.8.2018.

M/s. Deloitte Haskins & Sells LLP, are eligible for reappointment for a further period of 5 years and they have consented to the said reappointment, and confirmed that their reappointment, if made, would be within the limits specified under Section 141(3) (g) of the Act. They have further confirmed that they are not disqualified to be reappointed as statutory auditor in terms of the provisions of the Sections 139(1), 141(2) and 141(3) of the Act, and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

Deloitte Haskins & Sells LLP, registered since 1983, is one of the member firms of Deloitte Touche Tohmatsu Limited (“DTTL”), a UK private company limited by guarantee. Each DTTL member firm provides services in particular geographic areas and is subject to the laws and professional regulations of the particular country or countries in which it operates and providing professional services in the areas of Audit, Risk Advisory, Tax, Consulting, and Financial Advisory services to public and private clients spanning multiple industries. The Audit firm holds the ‘Peer Review’ certificate issued by ‘Institute of Chartered Accountant of India’.

Based on the recommendations of the Audit Committee and the Board of Directors and also considering the quality of services rendered by the Statutory Auditors, it is hereby proposed to re-appoint M/s. Deloitte Haskins & Sells LLP, as the Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 27th AGM till the conclusion of the 32nd AGM of the Company. The Board of Directors has approved a remuneration of Rs.34.50 Lakhs per annum (inclusive of Tax audit) for conducting the audit of standalone and consolidated financial statements of the Company, excluding applicable taxes and reimbursement of out-of-pocket expenses on actuals. The remuneration proposed to be paid to the Statutory Auditors during their second and final term shall commensurate with the services to be rendered by them during the said tenure. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the directors/key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 5 of the notice.

The board, on the recommendation of the audit committee, recommends the resolution set forth in item no. 5 of the notice for approval of the members.

#### Item No. 6

Ms. V. C. Mirunalini, was appointed as a Whole Time Director of the Company for a period of five years with effect from 28th June 2017 by the Board of Directors at their meeting held on 28.6.2017 and such appointment and remuneration was approved by the shareholders at the 22nd Annual General Meeting held on 11.8.2017.

The term of office of Ms. V. C. Mirunalini will expire on 27th June 2022. Based on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th May 2022 have approved the re-appointment of Ms. V. C. Mirunalini, as a Whole Time Director for a period of five years with effect from 28th June, 2022 to 27th June 2027 as

per the terms and conditions as set out in the resolution (item no.6). The Company has received a notice in writing under Section 160 of the Act from Ms. V. C. Mirunalini proposing herself as a candidature for the office of Director of the Company.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, in the event of absence of profits or inadequacy of profits in any financial year, the Company shall obtain the shareholders' approval by a special resolution for making the payment of remuneration to its Executive Director as stated in the above said schedule and such approval for payment of remuneration shall not exceed the period of three years.

Further, pursuant to the provisions of Regulation 17 (6) (e) of SEBI (LODR) Regulations, 2015, the annual remuneration payable to Executive Directors who belongs to promoters or members of the promoter group which exceeds 5 per cent of the net profits of the company calculated as per section 198 of the Companies Act, 2013 in any financial year, the Company shall get the shareholders' approval via special resolution.

Accordingly, the Board after considering the recommendation of the Nomination and Remuneration Committee has approved for obtaining the shareholders' approval as stated in the above schedule/SEBI Regulation.

Ms. V. C. Mirunalini is the Daughter of Mr. R. Chellappan, Managing Director and sister of Mr. V. C. Raghunath, Whole Time Director of the Company.

None of the directors/key managerial personnel of the company and their relatives except Ms. V. C. Mirunalini, Mr. R. Chellappan, and Mr. V. C. Raghunath, to whom the resolution relates, are concerned or interested, financially or otherwise in the resolution set out at item no. 6 of the notice.

The Board recommends the resolution set forth in Item No.6 of the Notice for the approval of the members.

#### **Item No. 7**

Mr. K. V. Nachiappan, was appointed as a Whole Time Director of the Company for a period of five years with effect from 20th April 2018 by the Board of Directors at their meeting held on 20.04.2018 and such appointment was approved by the shareholders at the Annual General Meeting held on 9.8.2018.

The term of office of Mr. K. V. Nachiappan will expire on 19th April 2023. Based on the recommendation made by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 26th May 2022 have approved the re-appointment of Mr. K. V. Nachiappan, as a Whole Time Director for a period of five years with effect from 20th April 2023 to 19th April 2028 as per the terms and conditions as set out in the resolution (item no.7). The Company has received a notice in writing under Section 160 of the Act from Mr. K. V. Nachiappan proposing himself as a candidature for the office of Director of the Company.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, in the event of absence of profits or inadequacy of profits in any financial year, the Company shall obtain the shareholders' approval by a special resolution for making the payment of remuneration to its Executive Director as stated in the above said schedule and such approval for payment of remuneration shall not exceed the period of three years.

Further, pursuant to the provisions of Regulation 17 (6) (e) of SEBI (LODR) Regulations, 2015 the annual remuneration payable to Executive Directors who belongs to promoters or members of the promoter group which exceeds 5 per cent of the net profits of the company calculated as per section 198 of the Companies Act, 2013 in any financial year, the Company shall get the shareholders' approval via special resolution.

Accordingly, the Board after considering the recommendation of the Nomination and Remuneration Committee has approved for obtaining the shareholders' approval as stated in the above schedule/SEBI Regulation.

Mr. K V. Nachiappan, is the husband of Ms. Jayashree Nachiappan, Non-Executive Director of the Company.

None of the directors/key managerial personnel of the company and their relatives except Mr. K V. Nachiappan and Ms. Jayashree Nachiappan, to whom the resolution relates, are concerned or interested, financially or otherwise in the resolution set out at item no. 7 of the notice.

The Board recommends the resolution set forth in Item No.7 of the Notice for the approval of the members.

#### **Item No.8**

Mr. R. Chellappan, was re-appointed as Managing Director of the Company for a period of five years with effect from 1st May 2020 by the Board of Directors at their meeting held on 28.5.2019 and such appointment and remuneration was approved by the shareholders at the 24th Annual General Meeting held on 9.8.2019.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, in the event of absence of profits or inadequacy of profits in any financial year, the Company shall obtain the shareholders' approval by a special resolution for making the payment of remuneration to its Executive Director as stated in the above said schedule and such approval for payment of remuneration shall not exceed the period of three years. Accordingly, the shareholders' approval was obtained at the 25th Annual General Meeting held on 10.09.2020 for making the payment of Remuneration to Mr. R. Chellappan up to 30.04.2023.

In view of the above, the Board after considering the recommendation of the Nomination and Remuneration Committee has approved for payment of remuneration for a period from 1.5.2023 to 30.4.2025 which is the remaining period of five years' appointment and such payment of remuneration is subject to approval of shareholders in the ensuing AGM.

Mr. R. Chellappan, is the father of Mr. V. C. Raghunath and Ms. V. C. Mirunalini, Whole Time Directors of the Company.

None of the directors/key managerial personnel of the company and their relatives except Mr. R. Chellappan, Mr. V. C. Raghunath and Ms. V. C. Mirunalini, to whom the resolution relates, are concerned or interested, financially or otherwise in the resolution set out at item no. 8 of the notice.

The Board recommends the resolution set forth in Item No.8 of the Notice for the approval of the members.

#### **Item No.9**

Mr. V. C. Raghunath, was re-appointed as a Whole Time Director of the Company for a period of five years with effect from 28th July 2019 by the Board of Directors at their meeting held on 28.5.2019 and such appointment and remuneration was approved by the shareholders at the 24th Annual General Meeting held on 9.8.2019.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, in the event of absence of profits or inadequacy of profits in any financial year, the Company shall obtain the shareholders' approval by a special resolution for making the payment of remuneration to its Executive Director as stated in the above said schedule and such approval for payment of remuneration shall not exceed the period of three years. Accordingly, the shareholders' approval was obtained at the 25th Annual General Meeting held on 10.09.2020 for making the payment of Remuneration to Mr. V. C. Raghunath up to 31.03.2023.

In view of the above, the Board after considering the recommendation of the Nomination and Remuneration Committee has approved for payment of remuneration for a period from 1.4.2023 to 27.7.2024 which is the remaining period of five years' appointment and such payment of remuneration is subject to approval of shareholders in the ensuing AGM.

Mr. V. C. Raghunath is the Son of Mr. R. Chellappan, Managing Director and brother of Ms. V. C. Mirunalini, Whole Time Director of the Company.

None of the directors/key managerial personnel of the company and their relatives except Mr. V. C. Raghunath, Mr. R. Chellappan and Ms. V. C. Mirunalini, to whom the resolution relates, are concerned or interested, financially or otherwise in the resolution set out at item no. 9 of the notice.

The Board recommends the resolution set forth in Item No.9 of the Notice for the approval of the members.

#### **Item No.10**

Mr. A. Balan, was re-appointed as Whole Time Director (Joint Managing Director) of the Company for a period of five years with effect from 03rd October 2020 by the Board of Directors at their meeting held on 8.7.2020 and such appointment and remuneration was approved by the shareholders at the 25th Annual General Meeting held on 10.9.2020.

Pursuant to the provisions of Schedule V of the Companies Act, 2013, in the event of absence of profits or inadequacy of profits in any financial year, the Company shall obtain the shareholders' approval by a special resolution for making the payment of remuneration to its Executive Director as stated in the above said schedule and such approval for payment of remuneration shall not exceed the period of three years. Accordingly, the shareholders' approval was obtained at the 25th Annual General Meeting held on 10.09.2020 for payment of remuneration up to 31.03.2023.

In view of the above, the Board after considering the recommendation of the Nomination and Remuneration Committee has approved for payment of remuneration for a period from 1.4.2023 to 2.10.2025 which is the remaining period of five years' appointment and such payment of remuneration is subject to approval of shareholders in the ensuing AGM.

None of the directors/key managerial personnel of the company and their relatives except Mr. A. Balan, to whom the resolution relates, are concerned or interested, financially or otherwise in the resolution set out at item no. 10 of the notice.

The Board recommends the resolution set forth in Item No.10 of the Notice for the approval of the members.

#### **Item No.11**

On the recommendation of the Audit Committee, the Board, at its meeting held on 26.5.2022, appointed M/s. Ravichandran Bhagyalakshmi & Associates, Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023. The Board also approved the remuneration of Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousands Only) plus out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

None of the directors/key managerial personnel of the company and their relatives except Mr. A. Balan, to whom the resolution relates are concerned or interested, financially or otherwise in the resolution set out at item no. 11 of the notice.

The Board recommends the resolution set forth in Item No.11 of the Notice for the approval of the members.

#### **Item No.12**

The Company may have to render support for the business requirements of its Subsidiary Companies or Associate or Joint Venture or group entity or any other person in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. However, owing to certain restrictive provisions contained in Section 185 of the Companies Act, 2013 ('the Act'), the Company was unable to extend financial assistance by way of loan to such Entities.

The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities.

Considering the increase in number of subsidiaries for executing the solar power projects, the existing limit of Rs.200/- Crore approved by the Shareholders at the AGM held on 28.7.2021 for the above support is not sufficient and hence it is proposed to increase the limit to Rs.400 Crore.

The Members may note that Board of Directors would carefully evaluate proposals and provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, only for principal business activities of such Entities.

None of the directors/key managerial personnel of the company and their relatives are concerned or interested, financially or otherwise in the resolution set out at item no. 12 of the notice

This item being special business, is unavoidable in nature and the Board recommends the resolution set forth in Item No.12 of the Notice for the approval of the members.

By Order of the Board  
For SWELECT ENERGY SYSTEMS LIMITED

Sd/-

Chennai  
26th May 2022

R. Sathishkumar  
Company Secretary

**Statement of Disclosures pursuant to Schedule V of the Companies Act, 2013 in relation to Item no (s). 6,7,8, 9 & 10 above:**

<b>I. General information</b>				
(1)	Nature of industry	The Company is engaged in the business of manufacturing and trading of Solar power projects, off-grid solar photovoltaic modules based on crystalline silicon technology (c-Si), solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters and energy efficient lighting systems.		
(2)	Date of commencement of commercial production	21.09.1994		
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable		
(4)	Financial performance based on given indicators	<b>Particulars</b>	<b>2021-2022</b>	<b>2020-2021</b>
		Total Income	31632.00	21732.26
		Profit Before Exceptional Items	3379.07	3122.15
		Profit Before Tax	3379.07	2431.15
		Profit After Tax	3379.07	2431.15
		Total Comprehensive income	3401.18	2430.75
	Earnings per share	22.29	16.04	
(5)	Foreign investments or collaborations, if any.	For details of investment made by the Company, please refer the Note no. 6 of the Standalone Balance sheet forming part of the Annual Report for 2021-22 being sent along with this Notice. The Company has not entered into any foreign collaboration.		
<b>II. Information about the appointee:</b>				
(1)	Background details	The background details and profiles of Mr. R. Chellappan, Mr. A. Balan, Mr. K. V. Nachiappan, Mr. V. C. Raghunath and Ms. V. C. Mirunalini are stated in "PROFILE OF DIRECTORS" to this Notice.		
(2)	Remuneration – past & proposed	There is no change in the remuneration being paid to Mr. R. Chellappan, Mr. A. Balan and Mr. K. V. Nachiappan. Details of remuneration revised to Mr. V. C. Raghunath and Ms. V. C. Mirunalini :		
			<b>Existing</b>	<b>Revision</b>
		Salary - Ms. V. C. Mirunalini	Rs.7.50 Lakhs – Rs.10.00 Lakhs per annum	Rs.10.00 Lakhs – Rs.15.00 Lakhs per annum*
		Perquisites	As per resolution	No change
		Salary - Mr. V. C. Raghunath	Rs.10.00 Lakhs – Rs.15.00 Lakhs per annum	Rs.10.00 Lakhs – Rs.18.00 Lakhs per annum*
	Perquisites	As per resolution	No change	
** *The payment of revised remuneration will be paid based on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors during the tenure of Mr. V. C. Raghunath and Ms. V. C. Mirunalini.				
<b>(3) Recognition or awards</b>				
	Mr. R. Chellappan	Received special achievement award from the Hon'ble Governor of Tamil Nadu for being one of Elite group of ten outstanding entrepreneurs in the field of IT and ITES "TRAIL BLAZERS – PATH FINDERS 2011".  In November 2013, awarded the winner of the TIECon Award 2013 as "The Entrepreneur of the Year 2013".  Awarded in Grand masters India Awards 2021 as "Excellence in design and Engineering Leadership" and "Excellence in Technology Leadership".		



	Mr. A. Balan, Mr. K. V. Nachiappan, Mr. V. C. Raghunath and Ms. V. C. Mirunalini	Refer to Profiles given below
<b>(4)</b>	<b>Job profile and suitability</b>	
	Mr. R. Chellappan – Managing Director	Highly experienced and controls the affairs of the Company. He has successfully and in a sustained way contributed significantly towards growth in performance of the Company. He has extensive experience in the Power Electronics / Solar Power Projects.
	Mr. A. Balan – Whole Time Director (JMD)	Handling Operations and providing technical support to the Company for execution of various Solar Power Projects of the Company.
	Mr. K. V. Nachiappan – Whole Time Director	Handling execution of Solar Power Projects of the Company and Operation and Maintenance (O&M) Services.
	Mr. V. C. Raghunath – Whole Time Director	Handling of all India Level Solar Power Project Management and Solutions.
	Ms. V. C. Mirunalini – Whole Time Director	Heading the Module Manufacturing factory (110 MW SPV Module Plant, HHV Solar Modules, Bengaluru), Technical support for the projects and the procurement/sourcing team, Operational and customer support.
(5)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	The remuneration to all Executive Directors are comparable to industry standards.
<b>III.</b>	<b>Other information:</b>	
(1)	Reasons of loss or inadequate profits	Pursuant to the provisions of Section 197 of the Companies Act, 2013 the remuneration paid to the Executive Directors of the Company for the year ended 31.3.2022 is well within the Net Profits of the Company calculated under section 198 of the said Act. However, in the event of absence of profits or inadequacy of profits in any financial year, the Shareholders' approval is required for payment of remuneration to Executive Directors.  Accordingly, the Shareholders approval is sought for the Special Resolutions proposed in the item no(s).6 to 10.
(2)	Steps taken or proposed to be taken for improvement	
(3)	Expected increase in productivity and profits in measurable terms	
<b>IV.</b>	<b>Disclosures</b>	
(i)	All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc., of all the directors;	These disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance", which is being attached to the Annual Report 2021-2022.
(ii)	Details of fixed component and performance linked incentives along with the performance criteria;	
(iii)	service contracts, notice period, severance fees; and	
(iv)	stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.	

## ADDITIONAL INFORMATION OF DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

### Brief profile of Mr. K. V. Nachiappan and nature of his expertise in specific functional areas:

Age & Date of Birth	56 years, 30.09.1965
Qualification	Qualified Engineer in Electrical & Electronics and a rank holder from Bharathiar University.
Experience	<ul style="list-style-type: none"> <li>Member of Institute of Electrical &amp; Electronics Engineers (IEEE)</li> <li>34 Years in Electrical and Power Electronics Industry</li> </ul> <p>Shanti Electricals, Bangalore: 1988 - 1990: Site Engineer for Electrical Projects</p> <p>Hi-Power Electronics Private Limited: 1991 - 1993: Director</p> <p>Numeric Power Systems Limited: 1994-2005: Product Development, UPS Manufacturing and Country Manager for 3 phase Technical and Field support.</p> <p>Socomec - Numeric UPS Pvt. Limited: 2006 -2007: Country Sales Manager - responsible for sales of 3ph UPS</p> <p>Numeric Power Systems Limited: 2007 - 2012: Head - 3 Phase UPS Division</p> <ul style="list-style-type: none"> <li>Overall responsibility for the 3 Phase UPS Division, which includes marketing, sales, and after sales functions for the Country.</li> </ul> <p>Novateur Electrical and Digital Systems Pvt. Limited: 2013-2018: Head: Marketing and R&amp;D</p> <p>Responsible for implementing key marketing initiatives such as market analysis, new product launches and is also heading the research &amp; development activities.</p> <p>At present, handling execution of all Solar Power Projects of the Company and its Operation and Maintenance (O&amp;M) Services for all Plants. Also In charge of New Product evaluation and Energy Storage Solutions.</p>
Terms and conditions of appointment & Remuneration	As set out in the proposed Resolution No.7 of the accompanying notice.
Date of first appointment on the Board	Director on the Board from the date of inception till 2012 when the business of NUMERIC was transferred to Legrand Group by Business Transfer Agreement and again inducted on the Board from 20th April 2018. He has rich experience in Electrical and Power Electronics Industry.
Shareholding in the Company	1,65,348 Equity Shares (1.09%)
Shareholding as a beneficial owner	Nil
Inter-se relationship with other Directors	Husband of Ms. Jayashree Nachiappan, Non-Executive Director.
Number of Board meetings attended during the year	4
Directorships held in other Companies	KJ Solar Systems Private Limited, SWELECT Renewable Energy Private Limited and SWELECT RE Power Private Limited  Does not hold any directorship in other Listed entity
Chairmanship/ Membership in Committees of the other Board	Member of the Audit Committee in SWELECT Renewable Energy Private Limited

**Brief profile of Ms. V. C. Mirunalini and nature of her expertise in specific functional areas:**

Age & Date of Birth	37 years, 08.12.1984
Qualification	<ul style="list-style-type: none"> <li>BE (Electrical and Electronics Engineering) from College of Engineering, Chennai – May 2006</li> <li>Master of Science (Electrical Engineering, Electrical Power and Power Electronics) from Texas A&amp;M University, USA – Aug 2008</li> </ul>
Experience	<ul style="list-style-type: none"> <li>13 Years in the Power Electronics and Solar Industry.</li> <li>1 Year with Texas A&amp;M University, USA as Research Assistant.</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>Head of Module Manufacturing factory (110 MW SPV Module Plant, HHV Solar, Bangalore)</li> <li>Works on specialised projects such key CSR Activities and key customer relationship management</li> <li>Technical support for the projects and the procurement / sourcing team</li> <li>Contribution to the development of the marketing strategy</li> <li>Operational and customer support</li> </ul>
Achievements	<ul style="list-style-type: none"> <li>Active in National Solar Energy Federation of India enabling policy changes to support growth of local manufacturers</li> </ul> <p><b>PRODUCT DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>Established the Solar Product Division for Swelect in 2008</li> <li>Successfully spearheaded the launch of complete range of Solar Products under the Swelect brand adding to the company's top and bottom line in a span of 5 years</li> <li>Currently, heading the introduction of new and innovative technology partners in the Swelect ecosystem</li> </ul> <p><b>PROJECTS MANAGEMENT</b></p> <ul style="list-style-type: none"> <li>Set up the EPC / Projects Division for MW projects for Swelect in 2011</li> <li>Successfully led the team to complete Swelect's very first MW project in 2012</li> <li>Served as a platform for Swelect's current IPP / Energy Sale Division.</li> </ul> <p>Currently, a core member of the Strategy team of the IPP / Energy Sale Division of Swelect</p> <p><b>FINANCE AND STRATEGY</b></p> <ul style="list-style-type: none"> <li>Part of the Financial Strategy Team of the company since 2018-19</li> <li>Was responsible to obtain project financing from various banks for Swelect's IPP Solar projects, thus enabling Swelect to qualify as a Bloomberg Rated Tier 1 Solar PV Manufacturer</li> <li>Part of the Forex Risk Management Committee of the Company</li> <li>Responsible for evaluation of investments into other companies, partnership tie ups and JVs for the company – for organic and inorganic growth of the Company.</li> </ul> <p><b>TOP WOMEN LEADERS, APRIL 2018</b> Most Influential Women in Indian Solar Industry, Solar Quarter</p> <p><b>WOMEN IN SOLAR, AUGUST 2018</b> Energetica Magazine</p> <p><b>OVERCOMING THE GENDER CHALLENGE IN SOLAR SECTOR, MARCH 2019</b> Balance for Better</p> <p><b>TOP WOMEN LEADERS, APRIL 2019</b> Most Influential Women in Indian Solar Industry, Solar Quarter</p> <p><b>TOP WOMEN CEO, MARCH 2021</b> Solar Quarter</p> <p><b>TOP WOMEN ENTREPRENEUR, MARCH 2022</b> Women in New Energy Awards, Solar Quarter</p> <p><b>PART OF THE WOMEN IN ENGINEERING GROUP, IEEE</b> Institute of Electrical and Electronics Engineers - member for 17 years</p>

Terms and conditions of appointment & Remuneration	As set out in the proposed Resolution No.6 of the accompanying notice.
Date of first appointment on the Board	28.06.2017
Shareholding in the Company	71,008 shares (0.47%)
Shareholding as a beneficial owner	Nil
Inter-se relationship with other Directors	Daughter of Mr. R. Chellappan, Managing Director and Sister of Mr. V.C. Raghunath, Whole Time Director of the Company.
Number of Board meetings attended during the year	5
Directorships held in other Companies	SWELECT Power Systems Private Limited SWELECT HHV Solar Photovoltaics Private Limited Amex Alloys Private Limited Does not hold any directorship in other Listed entity
Chairmanship/ Membership in Committees of the other Board	Nil

**Brief profile of Mr. R. Chellappan and nature of his expertise in specific functional areas :**

Age & Date of Birth	69 years, 08.05.1953
Qualification	<ul style="list-style-type: none"> <li>• DEE and qualified Engineer in Electrical and Electronics from Thiagarajar Polytechnic College, Salem – April 1972</li> <li>• BE (EEE) from Coimbatore Institute of Technology with University rank – Nov 1979</li> <li>• An active Senior Member of Institute of Electrical &amp; Electronics Engineers Inc. – USA (IEEE) over 20 years.</li> </ul>
Experience	<ul style="list-style-type: none"> <li>• 37 Years in Power Electronics – Started the company, Numeric Power Systems Ltd in 1984</li> <li>• 8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore</li> <li>• 5 Years with Ashok Leyland Ltd, Chennai</li> </ul>
Credentials	<ul style="list-style-type: none"> <li>• One of the Founder Members / Trustee of National Solar Energy Federation of India (NSEFI), South Chapter</li> <li>• Appointed as chairman of IEEE – Madras Chapter, PELS society</li> <li>• One of the RE Council Member of Confederation of Indian Industry (CII)</li> <li>• Bonafide member of MAIT – Manufacturers’ Associate for Information Technology</li> <li>• Member of KSMBOA – Karnataka Small &amp; Medium Business Owner’s Association.</li> <li>• Key member of the board of studies in the faculty of Electrical Engineering of Anna University, Chennai.</li> <li>• Key member of the Board of Research Studies (BORS) in Periyar University, Salem</li> <li>• Was awarded as one of the 50 Most Influential Solar Leaders (A Global Listing) 2018</li> <li>• Received special achievement award from the Hon’ble Governor of Tamil Nadu for being one of Elite group of ten outstanding entrepreneurs in the field of IT and ITES “TRAIL BLAZERS – PATH FINDERS 2011” - a recognition and appreciation for the efforts of entrepreneurs who are part of the competitive IT and ITES Industry and whose contribution to the growth of the economy has been significant</li> <li>• In November 2013, awarded the winner of the TIECon Award 2013 as “The Entrepreneur of the Year 2013”.</li> <li>• Awarded in Grand masters India Awards 2021 as “Excellence in design and Engineering Leadership” and “Excellence in Technology Leadership”.</li> </ul>

<p>Achievements</p>	<ul style="list-style-type: none"> <li>• Started Numeric Power Systems Ltd (in 1984) with a team of just six members, and then built to 2600 employees (in 2012) across its branches in India and overseas.</li> <li>• In May 2012, Numeric transferred the UPS division to Novateur Electrical &amp; Digital Systems Pvt Ltd, a wholly owned subsidiary of LEGRAND S.A. FRANCE under a BTA (Business Transfer Agreement).</li> <li>• In Aug 2012, SWELECT was empanelled by BEE (Bureau of Energy Efficiency) as ESCO (Energy Service Company).</li> <li>• In Jan 2013, SWELECT got a CRISIL rating of SP1A (highest for Technical and Financial Superiority) and was accredited by MNRE as the authorized Channel Partner for Off-grid and Decentralized Solar PV systems under JNNSM scheme.</li> <li>• Was adjudged by KSMBOA – Business Excellence &amp; Achievement Awards 2015 as “SME Excellence Award in Quality in SOLAR RENEWABLE sector”.</li> <li>• SWELECT was recognized as SD’s No.1 off Grid / Roof Top Solar PV power solution provider for continuous period of 8 years from 2012-13 to 2020-2021.</li> <li>• SWELECT was adjudged as Winner of the Largest Number of Rooftop Installations in the country from 2012-13 to 2020-21.</li> <li>• A++ SD’s star green rating for a continuous period of 10 years</li> <li>• HHV Solar Technologies Division in Bengaluru was recognized by Silicon India Magazine as “Brand of the Year 2017”.</li> <li>• SWELECT was awarded as Leading RE Developers – Solar Rooftop at the Renewable Energy India Awards 2017.</li> <li>• CEO Insight magazine recognized SWELECT as one of the 25 Best Green Energy Companies - 2018 (among 25 companies)</li> <li>• National Awards for Excellence in Solar Energy 2020 (Best Module Manufacturer Of The Year)</li> <li>• SWELECT was awarded as one of the Top 10 Solar Panel Manufacturers 2021 by Industry Outlook 2021</li> <li>• SWELECT was awarded Excellence in Technology Leadership and Design &amp; Engineering Leadership from Solar Quarter Grand Masters India Awards 2021</li> <li>• SWELECT was awarded as Quality Excellence in Solar Modules, Best Performer in PV Module Series – PV Module Week Excellence Award</li> <li>• Awarded in India Green Energy Awards 2021 – Outstanding Renewable Energy Equipment Manufacturers and Technology Developers</li> </ul> <p><b>AMEX Alloys Private Limited (Wholly Owned Subsidiary):</b></p> <ul style="list-style-type: none"> <li>• A one-stop-solution for a wide range of Iron, Steel and Investment Castings under one umbrella</li> <li>• Winner of Best Foundry Award - 2 times</li> <li>• Winner of Export Excellence Award - 3 times</li> <li>• Winner of Best Casting Award 2019</li> </ul>
<p>Terms and conditions of appointment &amp; Remuneration</p>	<p>As set out in the proposed Resolution No.8 of the accompanying notice.</p>
<p>Date of first appointment on the Board</p>	<p>12.09.1994</p>
<p>Shareholding in the Company</p>	<p>Own: 7397860 shares Held by/for other persons on a beneficial basis: Nil</p>
<p>Inter-se relationship with other Directors</p>	<p>Father of Mr. V. C. Raghunath and Ms. V. C. Mirunalini, Whole Time Directors of the Company.</p>

Number of Board meetings attended during the year	5
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. SWELECT Electronics Private Limited</li> <li>2. SWELECT Energy Systems Pte. Limited, Singapore</li> <li>3. SWELECT Solar Energy Private Limited</li> <li>4. Amex Alloys Private Limited</li> <li>5. SWELECT Green Energy Solutions Private Limited</li> <li>6. SWELECT Power Systems Private Limited</li> <li>7. SWELECT HHV Solar Photovoltaics Private Limited</li> <li>8. Noel Media &amp; Advertising Private Limited</li> <li>9. SWELECT Inc.USA</li> <li>10. SWELECT Renewable Energy Private Limited</li> <li>11. SWELECT Sun Energy Private Limited</li> <li>12. Srivaru Motors Private Limited</li> <li>13. All India Solar Industries Association</li> </ol> <p>Does not hold any directorship in other Listed entity</p>
Chairmanship/ Membership in Committees of the other Board	<p>SWELECT Sun Energy Private Limited: Nomination and Remuneration Committee: Member</p>

**Brief profile of Mr. V. C. Raghunath and nature of his expertise in specific functional areas:**

Age & Date of Birth	40 years, 11.07.1981
Qualification	<ul style="list-style-type: none"> <li>• BE (EEE), Madras University.</li> <li>• Master of Science (Electrical Engineering), University of Texas.</li> </ul>
Experience	16 Years in the Power Electronics and Solar Industry, Started his career in 2006
Certification	<ul style="list-style-type: none"> <li>• Certified SAP Solution Consultant for Supply Chain Management / Order Fulfilment</li> <li>• Certification from Singapore for Project Management</li> </ul>
Projects Handled	<p>Few Major projects to mention:</p> <ul style="list-style-type: none"> <li>• Handled more than 150 MW Solar Photovoltaic Projects both Roof top and Utility scale</li> <li>• India's first floating solar photovoltaic project with NTPC.</li> </ul>
Member	<ul style="list-style-type: none"> <li>• Panel member for Tamil Nadu climate action – Confederation of Indian Industries</li> <li>• Panel member Solar Rooftop – Confederation of Indian Industries</li> <li>• Member - Indian Energy Storage Association</li> <li>• Member – Indo German Chamber of Commerce</li> </ul>
Terms and conditions of appointment & Remuneration	As set out in the proposed Resolution No.9 of the accompanying notice.
Date of first appointment on the Board	11.11.2013
Shareholding in the Company	<p>Own: 58,515 shares</p> <p>Holding on behalf of SWEES Employees Welfare Trust: 1,76,400 shares</p>
Inter-se relationship with other Directors	Son of Mr. R. Chellappan, Managing Director and Brother of Ms. V.C. Mirunalini, Whole Time Director

Number of Board meetings attended during the year	5
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. SWELECT Renewable Energy Private Limited</li> <li>2. SWELECT Energy Systems Pte. Limited, Singapore</li> <li>3. NOEL Media &amp; Advertising Private Limited</li> <li>4. K J Solar Systems Private Limited</li> <li>5. SWELECT Sun Energy Private Limited</li> <li>6. SWELECT RE Power Private Limited</li> </ol> <p>Does not hold any directorship in other Listed entity</p>
Chairmanship/ Membership in Committees of the other Board	<p>Member – Audit Committee - SWELECT Sun Energy Private Limited</p> <p>Member - Nomination &amp; Remuneration Committee – SWELECT Renewable Energy Private Limited</p>

**Brief profile of Mr. A. Balan and nature of his expertise in specific functional areas:**

Age & Date of Birth	69 years, 10.05.1953
Qualification	BE (Electrical and Electronics)
Experience	<p>Served in Best &amp; Crompton Engineering Ltd, in the middle management cadre for over 15 years. Had undertaken various assignments of the company, in the field of Manufacturing, Plant Maintenance, and vendor development. He also served in Novateur Electrical &amp; Digital Systems Pvt. Ltd. as Director-operations, responsible for sales and technical support, for a period of 3 years.</p> <p>At present heading Operations and technical support of the Company.</p>
Terms and conditions of appointment & Remuneration	As set out in the proposed Resolution No.10 of the accompanying notice.
Date of first appointment on the Board	Director on the Board from the date of inception till 2012 when the business of NUMERIC was transferred to Legrand Group by Business Transfer Agreement and again inducted on the Board from 3rd October 2015.
Shareholding in the Company	4,69,499 Shares
Inter-se relationship with other Directors	NIL
Number of Board meetings attended during the year	5
Directorships held in other Companies	<ol style="list-style-type: none"> <li>1. SWELECT Green Energy Solutions Private Limited</li> <li>2. SWELECT Solar Energy Private Limited</li> <li>3. K J Solar Systems Private Limited</li> <li>4. SWELECT Electronics Private Limited</li> <li>5. SWELECT Power Systems Private Limited</li> <li>6. SWELECT Sun Energy Private Limited</li> <li>7. SWELECT HHV Solar Photovoltaic Private Limited</li> <li>8. SWELECT RE Power Private Limited</li> </ol> <p>Does not hold directorship in other Listed entity</p>

Chairmanship/ Membership in Committees of the other Board	SWELECT Sun Energy Pvt Ltd Audit Committee:Member SWELECT Renewable Energy Pvt Ltd Nomination and Remuneration Committee:Member
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**Brief profile of Ms. Jayashree Nachiappan and nature of her expertise in specific functional areas:**

Age & Date of Birth	55 years 15.12.1966
Qualification	BE (Printing Technology) from College of Engineering, Guindy affiliated to Anna University, Chennai
Experience	Running own Offset printing press for the past 28 years
Terms and conditions of appointment	Liable to retire by rotation
Remuneration	NIL
Date of first appointment on the Board	3.8.2012
Shareholding in the Company	1,375 Equity Shares
Inter-se relationship with other Directors	Wife of Mr. K. V. Nachiappan, Whole Time Director
Number of Board meetings attended during the year	5
Directorships held in other Companies	SWELECT Green Energy Solutions Private Limited SWELECT Solar Energy Private Limited INFINITO Technologies India Private Limited Does not hold any directorship in Public or Listed entity
Chairmanship/ Membership in Committees of the other Board	NIL



## **INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING**

### **CDSL e-Voting System – For Remote e-voting and e-voting during AGM**

1. In view of the situation arising due to COVID-19 global pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020, General Circular No. 17/2020 dated 13th April, 2020, General Circular No. 02/2021 dated 13th January, 2021 and General Circular No.02/2022 dated May 05, 2022, has allowed the Companies to conduct the AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM) during the calendar year 2022. In accordance with the said circulars of MCA, the 27th AGM of the Company shall be conducted through VC/OAVM and Members can attend and participate in the AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM will be uploaded on the website of the Company at [www.swelectes.com](http://www.swelectes.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is will also be disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. The Ministry of Corporate Affairs vide its Circular No. 02/2022 dated May 5, 2022, has decided to allow companies whose AGMs are due in the year 2022, to conduct their AGMs through VC/OAVM on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated May 5, 2020.

### **THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The Remote e-voting period begins on 23rd July 2022 (9:00 A.M. IST) and ends on 27th July 2022 (5:00 P.M. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 21st July 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.

(v) Login method for e-Voting and joining virtual meeting **for shareholders other than individual shareholders holding in Demat form & physical shareholders.**

1. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
2. Click on “Shareholders” module.
3. Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
6. If you are a first-time user follow the steps given below:

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

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Facility for Non – Individual Shareholders and Custodians –Remote Voting**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [eswarfcs@gmail.com](mailto:eswarfcs@gmail.com) and [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id. The shareholders who do not wish to speak during the AGM but

have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com). These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self - attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id viz. [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com) and [investor@cameoindia.com](mailto:investor@cameoindia.com).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meeting through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

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

**General Instructions**

- a. M/s. P. Eswaramoorthy and Company, Company Secretaries (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the process of Remote e-voting and E-voting during the AGM in a fair and transparent manner.
- b. The Scrutinizer after the completion of scrutiny will submit his report to the Chairman or a person authorized by him in writing, who shall counter sign the same and announce the results of voting, within Two working days of conclusion of the meeting.
- c. The results declared along with the Scrutinizer's Report will be placed on the Company's website [www.swelectes.com](http://www.swelectes.com), website of CDSL and the same shall also be communicated to BSE Ltd., ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).
- d. The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on 21st July 2022.

\* \* \*

## **SWELECT ENERGY SYSTEMS LIMITED**

CIN: L93090TN1994PLC028578

Registered Office: "SWELECT House", No.5, Sir P.S. Sivasamy Salai,  
Mylapore, Chennai – 600 004

Tel: +91 44 24993266, Fax: +91 44 24995179

Website: [www.swelectes.com](http://www.swelectes.com); Email: [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com)

### **ADDENDUM TO THE NOTICE OF THE TWENTY SEVENTH ANNUAL GENERAL MEETING**

The Board of Directors had approved the Notice of 27th Annual General Meeting ("AGM") of the Company scheduled to be held on Thursday, 28th July, 2022 at 3.30 p.m. IST through Video Conferencing (VC) facility or Other Audio Visual Means ("OAVM").

Subsequent to the above approval, the Board at its Meeting held on 28.6.2022, considered and recommended to sell / lease / dispose-off the undertaking i.e., Solar Photovoltaics Modules Manufacturing Plant as a whole or in parts which is located at Dabaspeta, Bengaluru, Karnataka. Pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Rules made thereunder, the approval of the shareholders of the Company through a special resolution is required for the above mentioned purpose. Accordingly, the Board has decided to obtain the shareholders' approval in the 27th AGM as scheduled above and proposed the following resolution and explanatory statement.

The Company is providing members' facility to exercise their right to vote on resolution by electronic means. The detailed procedures including cut-off date for eligibility to vote and Remote e-voting periods as stated in the Notice of 27th AGM shall also be applicable for obtaining the shareholders' approval for the following Special Business.

The Addendum to the Notice of the AGM shall form an integral part of the Notice of 27th AGM dated 26th May 2022.

#### **SPECIAL BUSINESS:**

#### **13. Sale / Lease / Disposal of the Solar Photovoltaics Module Manufacturing Plant (undertaking) as a whole or in parts located at Dabaspeta, Bengaluru, Karnataka**

To consider, and if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory amendment(s) or modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and subject to the necessary approvals, consents, permissions and/or sanctions from the appropriate authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any committee thereof) to sell or Lease or otherwise dispose-off as a whole or in parts of its undertaking i.e. Solar Photovoltaics Modules Manufacturing Plant located at Dabaspeta, Bengaluru, Karnataka, which is a undertaking of the Company in pursuant to the said provision, to the purchaser/third party investor/Lessee, for a consideration (including lease amount where applicable), as determined by the Company, to be discharged in form of cash and/or kind, as the case may be on such terms and conditions and with such modifications as the Board may deem fit and appropriate in the interest of the Company."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do and perform all such acts, deeds, matters and things as it may, in their absolute discretion, deem fit, necessary,

proper or desirable, including finalizing, varying and settling the terms and conditions of such sale or lease or disposal and to finalize, execute, deliver and perform the agreement, contracts, deeds, undertakings, and other documents in respect thereof and seek the requisite approvals, consents and permissions as may be applicable.”

By Order of the Board  
For **SWELECT ENERGY SYSTEMS LIMITED**

Sd/-

R. Sathishkumar  
Company Secretary

Chennai  
28th June 2022

**Notes:**

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 in respect of Special Business as proposed above to be transacted at the ensuing 27th AGM is annexed hereto.
2. Relevant documents referred to in this Addendum to Notice of AGM are available with the Company for inspection by the members on all working days during normal business hours upto the date of AGM.
3. This addendum to the Notice of AGM will be made available on the website of the Company.
4. All the processes, notes and instructions relating to attending AGM through VC/OAVM and e-voting set out for and applicable for the ensuing 27th AGM shall mutatis-mutandis apply to attending AGM through VC/OAVM and e-voting for the resolution proposed in this Addendum to the Notice of AGM.

## Annexure to Notice

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

The following statement sets out the material facts relating to special business mentioned in the accompanying Notice and shall be taken as forming part of the notice.

#### **Item No. 13**

During the year 2014, the Company had acquired 100% equity of HHV Solar Technologies Limited, an entity engaged in manufacturing of Solar Photovoltaic modules and having its plant located at Dabaspet, Bengaluru, Karnataka. The capacity of the plant was increased in stages to reach the present capacity of 110 MW.

The above acquisition was considered due to the benefits of quality assurance, cost saving and availability of modules to complete the projects within the timeline etc. Thereafter, during the year 2016 the above subsidiary got merged with the Company for administrative convenience.

The solar modules being manufactured by the above plant have been sold by the Company in various forms such as using the modules for its Independent Power Producing (IPP) plants and Engineering, Procurement and Commissioning (EPC) projects for customers and also selling directly to outside markets. Since the plant was owned by the company, it helped the Company to meet tender requirements, some of which stipulated that the modules should be 'Made in India '.

Now, the Renewable Manufacturing industry is facing unexpected Market changes like availability of specific type of Solar Cells (M3/G1 158.75 mm) which are being used by the above plant for making solar modules and there will soon be a dearth of solar cell suppliers of the above kind.

If the raw material unavailability situation continues, the Company might have to maintain the plant at substantially understated capacity, i.e. at less than the minimum production requirement capacity / below break-even point levels, in which case, the Company will incur losses especially with respect to the non-recovery of fixed cost expenses like running of air conditioners, rental expenses etc.

Keeping in view the change/ advancement in technology and to control the above mentioned losses, the Board at its meeting held on 28.6.2022 has decided to stop the production of this Plant (Dabaspet, Bengaluru) permanently.

Considering the best interest of the Company, the Board will explore the various options such as to sell or lease or dispose-off the above undertaking as a whole or in parts based on the market situation in the near future.

#### **Alternates to own manufacturing:**

The Board also recorded that the Company's Wholly Owned Subsidiary namely SWELECT HHV Solar Photovoltaics Pvt Ltd is in the process of constructing 500 MW Solar PV Module Manufacturing plant at Coimbatore with the latest cell technology [M10 (182 mm) and M12 (210 mm) cells] and expected to start its commercial operations by the end of Financial Year 2022-23. The Company expects this plant to cater to major utility scale developers, the Commercial & Industrial (C&I) segment as well as the export market.

The Company is having adequate stocks of solar modules which can be used for execution of solar projects by the Company for its IPP and EPC projects and by the subsidiaries for its solar projects under Group Captive Model and such stocks may be available till the time the above plant starts its commercial production. Alternatively, the modules may be imported or locally sourced for the time being. Therefore, there will not be any interruption in the business operations of the Company and its subsidiaries.

Members of the Company are further requested to note that the above plant (110MW plant located at Bengaluru) is falling under the definition of "undertaking" and in pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, it is



mandated that the Board of Directors of the company shall exercise the power to sell, lease or otherwise dispose-off the whole or substantially the whole of any undertaking(s) of the Company, only with the approval of the members of the Company by way of a special resolution and after obtaining the shareholders' approval, the disclosure requirements under Regulation 30 of Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 will be communicated to the Stock Exchanges from time to time with respect to sale or lease or disposal of the undertaking.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 13.

The Board recommends the resolution set forth in Item No.13 of the Addendum Notice for approval of the members.

By Order of the Board  
For **SWELECT ENERGY SYSTEMS LIMITED**

Sd/-

Chennai  
28th June 2022

R. Sathishkumar  
Company Secretary



**swelect** ENERGY SYSTEMS LIMITED

27<sup>th</sup> ANNUAL REPORT 2021-2022

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### CHAIRMAN

Mr. S. ANNADURAI  
(DIN: 00137561)

#### MANAGING DIRECTOR

Mr. R. CHELLAPPAN  
(DIN:00016958)

#### JOINT MANAGING DIRECTOR

Mr. A. BALAN  
(DIN:00017091)

#### WHOLE TIME DIRECTORS

Mr. K. V. NACHIAPPAN  
(DIN:00017182)

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

Ms. V. C. MIRUNALINI  
(DIN:07860175)

#### NON EXECUTIVE DIRECTOR

**(Non-Independent)**

Ms. JAYASHREE NACHIAPPAN  
(DIN: 03173327)

#### INDEPENDENT DIRECTORS

Mr. G. S. SAMUEL  
(DIN:05284689)

Mr. S. KRISHNAN  
(DIN: 07163629)

Dr. S. INIYAN  
(DIN: 08355447)

### CHIEF FINANCIAL OFFICER

Ms. R. NIKHILA

### COMPANY SECRETARY

Mr. R. SATHISHKUMAR

### BANKERS

STATE BANK OF INDIA

THE HONGKONG AND SHANGHAI

BANKING CORPORATION LIMITED

HDFC BANK LIMITED

BARCLAYS BANK PLC

DBS BANK

CSB BANK LIMITED

KOTAK MAHINDRA BANK LIMITED

ICICI BANK LIMITED

CREDIT SUISSE FINANCE (INDIA)

PRIVATE LIMITED

### REGISTERED OFFICE

SWELECT Energy Systems Limited

CIN: L93090TN1994PLC028578

'SWELECT HOUSE'

No. 5, Sir P.S. Sivasamy Salai,

Mylapore, Chennai – 600 004.

Tel : +91 44 24993266

Fax : +91 44 24995179

E-mail Id : cg.ird@swelectes.com

### REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. Cameo Corporate Services Ltd  
Subramanian Building,  
No. 1, Club House Road,  
Anna Salai, Chennai - 600002  
Ph: +91 44 28460390  
E-mail: investor@cameoindia.com

### AUDITORS

#### STATUTORY AUDITORS

M/s.Deloitte Haskins & Sells LLP  
8th Floor, ASV N Ramana Tower,  
No. 52, Venkatnarayana Road,  
T. Nagar, Chennai,  
Tamil Nadu - 600017.

#### INTERNAL AUDITORS

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

#### SECRETARIAL AUDITORS

M/s. KRA & Associates  
Practising Company Secretaries  
Door No. 6A, 10th Street,  
New Colony, Adambakkam,  
Chennai - 600 088.

#### COST AUDITORS

M/s. Ravichandran Bhagyalakshmi &  
Associates  
Sankara Krupa, No.105, 3rd Street,  
Bhuvaneshwari Nagar, Adambakkam,  
Chennai - 600 088.

### LOCATIONS OF MANUFACTURING PLANTS

No.	Details of Plant	Location
1	Manufacturing facility & Research and Development	58/3(14D, D/1) Salem Main Road, Veerappampalayam PO, Idappadi - 637105, Salem District, Tamil Nadu.
2	Solar Photovoltaic Modules Manufacturing Plant & Research and Development	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspet, Nelamangala Taluk, Bengaluru – 562111, Karnataka.

### LOCATIONS OF WIND AND SOLAR POWER PLANTS

1	1.1 MW Solar Power Plant	SF. No. 166 & 169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107, Tamil Nadu.
2	0.5 MW Wind Mill Power Unit - 3 Nos	296,224/1 & 294, Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District - 638657, Tamil Nadu.
3	10 MW Solar Power Plant	SF. Nos. 369/4, 413/3A, 129/6, 413/2, 407/2, 408/1, 408/2, 408/3, 413/1A, 414/1, 414/2, 584/1B, 584/2, 395/2, 396/1, 396/2, 396/3A, 396/3B, 407/1B, 407/1C1, 129/7 & 414/4A Kolakudi Village, Thottiyam Taluk, Musiri, Trichy - 621208, Tamil Nadu.
4	12 MW Solar Power Plant	SF. No. 894/B1, 894/B2, 894/B3, 895/1, 895/2, 895/3, 895/4, 895/5, 895/6, 895/7, 914/1, 914/2, 914/3, 914/4, 913/1, 913/2, 913/3, 913/4, 913/5, 913/6, 902/1, 902/2, 915, 916, 929/B2, Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
5	3 MW Solar Power Plant	SF. No. 902/1 & 899/3 Monjanur Village, Aravakurichi Taluk, Karur District - 630561, Tamil Nadu.
6	2 MW Solar Power Plant	SF. No. 895/1(P), 895/2(P), 895/4(P), 896/2(P), 899/2(P), 899/3(P), 899/4(P), 899/5(P) and 899/6(P) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
7	5 MW Solar Power Plant	SF. Nos. 1107, 1108, 1116 and 1091 Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
8	10 MW Solar Power Plant	SF. No. 1989, 2101/B1 to B3, 2107/1 to 4, 2101/A1 & 2108/2, Senthamangalam (West) Village, Aravakurichi Taluk, Karur District, Tamil Nadu.
9	2 MW Solar Power Plant	SF. Nos. 2107/1, 2107/2, 2107/3, 2107/4 and 2108/2, Senthamangalam (West) Village, Aravakurichi Taluk, Karur District, Tamil Nadu.

## BOARD'S REPORT

Our Valued Shareholders

Your Directors have pleasure in presenting the Twenty Seventh Annual Report on the business and operations of the Company together with the Audited Financial Statements (Standalone and Consolidated) for the year ended 31st March 2022.

### FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

S. No.	Particulars	Standalone		Consolidated	
		For the year ended 31/03/2022	For the year ended 31/03/2021	For the year ended 31/03/2022	For the year ended 31/03/2021
1	Revenue from operations	28,572.86	18,453.22	39,111.10	25,253.61
2	Other income	3,059.14	3,279.04	2,082.05	2,985.18
3	Total Income	31,632.00	21,732.26	41,193.15	28,238.79
4	Total Expenditure (Excluding Finance cost, Depreciation and Amortisation)	24,498.00	15,813.20	32,061.08	20,207.37
5	Profit Before Finance cost, Depreciation and Amortisation and Tax	7,134.00	5,919.06	9,132.07	8,031.42
6	Finance Costs	2,063.49	1,249.12	2,487.34	1,775.87
7	Depreciation and Amortisation expense	1,691.44	1,547.79	3,093.68	2,813.57
8	Profit Before Exceptional Item and Tax	3,379.07	3,122.15	3,551.05	3,441.98
9	Add: Exceptional items #	-	(691.00)	-	(691.00)
10	Profit(+)/Loss(-) Before Tax	3,379.07	2,431.15	3,551.05	2,750.98
11	Income Tax Expense	-	-	309.31	147.39
12	Net Profit(+)/Loss(-) after Tax	3,379.07	2,431.15	3,241.74	2,603.59
13	Other Comprehensive income for the year, net of tax	22.11	(0.40)	519.04	(175.37)
14	Total comprehensive income / Loss(-) for the year, net of tax	3,401.18	2,430.75	3,760.78	2,428.22
15	Final Dividend Proposed / Paid on Equity Shares	454.76	454.76	454.76	454.76
16	Equity Share Capital	1,515.88	1,515.88	1,515.88	1,515.88
17	Other equity	69,526.53	66,580.11	76,044.25	72,745.73
18	EPS(₹)	22.29	16.04	21.39	17.18

# The Company had revisited the projections made in the financial year 2019-20 on the recoverability of its investments on an annual basis taking into account the probable beneficial results arising from various initiatives being undertaken with regard to restructure of the customer contracts, submission and pursuing with appropriate authorities (by legal right with TANGEDCO for release of NOC) on relevant claims and recoverability of REC sales. This resulted in the Company considering an additional diminution in the value of its investments in subsidiary (SWELECT Green Energy Solutions Private Limited) during the previous financial year ended March 31, 2021. The same was considered as an exceptional loss in the financial results of the Company.

### STATE OF THE COMPANY'S AFFAIRS

#### MAJOR LINE OF BUSINESS

- I – Manufacturing: Solar PV Modules, Solar Inverters and Mounting structures
- II – Solar Power Systems Integration & Turnkey EPC contracts
- III – Solar Power Generation - Independent Power Producer (IPP), Renewable Energy Service Company (RESCO)
- IV – Solar water pumping
- V – Servo stabilizers
- VI – Solar Energy Storage Solutions (new vertical)

SWELECT continues to be a world class Solar Photovoltaic (PV) Solution provider with the reputation of having given the highest quality of products and services.

#### GENERAL REVIEW OF THE BUSINESS OF THE COMPANY:

During the year, the Company registered a turnover (Standalone) of ₹ 28,572.86 Lakhs against the previous year turnover of ₹ 18,453.22 Lakhs registered a growth of 54.84 % compared to previous year turnover. The Company recorded a Profit of ₹ 3,379.07 Lakhs against the previous year Profit of ₹ 2,431.15 Lakhs registered a growth of 38.99 %.

## **DIVIDEND**

The Board of Directors have recommended a final Dividend of ₹ 3/- (Rupees Three Only) per equity share [ @ 30% on the Equity Share Capital of ₹ 15,15,87,600/- (Rupees Fifteen Crore Fifteen Lakhs Eighty Seven Thousand Six Hundred Only)], for the year ended 31st March 2022, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The outflow for the Company would be ₹ 454.76 Lakhs towards final dividend.

As per the Finance Act, the dividend amount is taxable in the hands of shareholders, if it exceeds ₹ 5,000/- (Rupees Five Thousand Only) in a financial year and accordingly the payment of dividend is subject to the deduction of income tax as applicable.

## **SHARE CAPITAL**

During the year under review, there was no change in issued, subscribed and paid-up equity share capital of the Company. On March 31, 2022, it stood at ₹ 15,15,87,600/- divided into 1,51,58,760 Equity Shares of ₹ 10/- each.

## **TRANSFER TO GENERAL RESERVE.**

During the year, your Company has not proposed to transfer any amount to general reserve.

## **SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES**

As on 31.03.2022, the Company has Seven Wholly Owned Subsidiaries (Out of which Two are outside India), Two subsidiary and Two step down subsidiaries as on the date of this report. The Board of Directors at their meeting held on 26th May 2022, have approved the consolidated financial statements of subsidiaries. In pursuant to the provisions of section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, (as amended) a statement containing salient features of the financial statements of the Company's subsidiaries, in Form AOC-1 is attached to the financial statements of the Company. The Company does not have Associates or Joint Ventures as on the date of this report.

## **SWELECT HHV SOLAR PHOTOVOLTAICS PRIVATE LIMITED:**

The construction of the new 500 MW Solar PV Module Manufacturing plant is underway and targeted to start its commercial operations by end of FY 2022-23. We expect this plant to cater to major utility scale developers, the C&I segment as well as the export market.

## **NEWLY INCORPORATED SUBSIDIARIES:**

### **SWELECT RENEWABLE ENERGY PRIVATE LIMITED**

The Company was incorporated on 23.06.2021 for the purpose of executing Solar Power Project under Group Captive Model and developed solar power generation facilities at Manparai Village, Musiri Taluk, Trichy District, Tamil Nadu, having solar PV generator of capacity 11 MW capacity ("Solar Plant") under Captive Use Scheme through Intra State Open Access System with the intention of supplying contracted quantity of electricity to third party customers.

The company has successfully commissioned the said Solar Power Plants and commenced the commercial generation of solar power from 26.03.2022 onwards.

### **SWELECT RE POWER PRIVATE LIMITED**

The Board of Directors at their meeting held on 11.04.2022 had given an approval for incorporating a Wholly Owned Subsidiary (WOS) namely SWELECT RE Power Private Limited to set up a solar power plant under Captive use scheme and the said WOS was incorporated on 22.04.2022.

The construction of solar power plant will be commenced once the proposals from the industrial consumers are materialized and the electricity generated by the above WOS will be sold to the industrial consumers who are grouped under Captive use scheme after executing the necessary agreements as per the requirement of Electricity Rules.

## **DEPOSITS**

The Company did not receive deposits from the public during the year and no amount of principal or interest was outstanding as of the Balance Sheet date.

## **DIRECTORS OR KEY MANAGERIAL PERSONNEL**

- Mr. V. C. Raghunath (DIN: 00703922) Whole Time Director and Ms. Jayashree Nachiappan (DIN: 03173327) Director of the Company are liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers themselves for re-appointment.
- At the Annual General Meeting held on 26.07.2021, Mr. G. S. Samuel (DIN: 05284689) and Mr. S. Annadurai (DIN: 00137561) were reappointed as the Independent Directors of the Company with effect from 28.07.2021 and 28.06.2022 respectively.

- At the Annual General Meeting held on 26.07.2021, Mr. K. V. Nachiappan (DIN: 00017182) and Ms. V. C. Mirunalini (DIN: 07860175) Whole Time Directors were reappointed whose period of office was liable to determination by retirement of Directors by rotation.
- At the Annual General Meeting held on 11.8.2017, the shareholders of the Company had appointed Ms. V. C. Mirunalini (DIN: 07860175), as Whole Time Director of the Company for a period of 5 years with effect from 28.06.2017. The term of office of Ms. V.C. Mirunalini will expire on 27.06.2022. After considering the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 26.05.2022, has re-appointed Ms. V.C. Mirunalini as a Whole Time Director of the Company for a period of 5 years from 28.06.2022 to 27.06.2027 subject to approval of the Shareholders at the ensuing Annual General Meeting.
- At the Annual General Meeting held on 9.8.2018, the shareholders of the Company had appointed Mr. K. V. Nachiappan (DIN: 00017182), as Whole Time Director of the Company for a period of 5 years with effect from 20.04.2018. The term of office of Mr. K. V. Nachiappan will expire on 19.04.2023. After considering the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 26.05.2022, has re-appointed Mr. K. V. Nachiappan as a Whole Time Director of the Company for a period of 5 years from 20.04.2023 to 19.04.2028 subject to approval of the Shareholders at the ensuing Annual General Meeting.

The Profiles of Mr. V. C. Raghunath, Ms. Jayashree Nachiappan, Mr. K. V. Nachiappan, and Ms. V. C. Mirunalini, are given separately in the notice of AGM.

The Board recommends the necessary resolutions for the approval of Shareholders at the ensuing Annual General Meeting for the above proposed appointments.

#### **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR**

The Board at its meeting held on 14.6.2021 had reappointed Mr. S. Annadurai for a period of five years with effect from 28.06.2022 and Mr. G. S. Samuel, for a period of four years with effect from 28.07.2021 as Independent Directors of the Company after taking into consideration of the following integrity, expertise and experience which are needed for sustainable growth of the Company. The above appointments were approved by the Shareholders of the Company at the Annual General Meeting held on 26.07.2021.

Pursuant to the provisions of the section 150 of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (as amended from time to time), the above Directors had registered their details in the portal of Indian Institute of Corporate Affairs and were exempted to write an online test as the said Directors have the requisite experience as stated in the said rules.

#### **INTEGRITY, EXPERTISE, EXPERIENCE AND PROFICIENCY**

**Name of the Director: Mr. G. S. Samuel**

##### **Qualification**

- M.A., Post PG Research in Economics
- Master of Business Administration (Finance)

##### **Experience:**

He worked 18 years in the State Bank of India Group in senior positions at their Regional Office, Head Office and Central Office.

During the period 1993-1999 - he held the position of Chief Executive Officer/Managing Director in Apple Credit Corporation Limited, a Non-Banking Finance Company, specializing in areas of deposits, retail lending, hire purchase and leasing finance, Merchant Banking, Corporate Finance, Financial services, etc.

During the period 2000-2007- he was an Executive Director of a London based Private Banking Group Meghraj Finance Services (P) Ltd specializing in Financial Advisory Services, Private Equity Placement, Capital Market Services, Mergers and Acquisitions, Debts restructuring etc., and later with an India based Financial Advisory Outfit having varied clients from MNCs and Blue Chip Indian Corporates to large infrastructure projects, resources raising loan venture capital funds to Micro Finance Organizations and NGOs.

Mr. G.S Samuel was a member of the Taxation and Economic Affairs Committee of Confederation of Indian Industry (CII) and Convener of the Committee for the Southern Chapter of CII. He was also a Member of the Management Committee of Equipment Leasing Association of India (ELAI).

**Name of the Director: Mr. S. Annadurai**

**Qualification :** B.Sc (Agri), B.GL, C.A.I.I.B, D.B.M

**Experience:**

After a small stint in Agriculture Department of the Government of Tamil Nadu, He joined as a Probationary Officer of Indian Bank in the year 1970. Since then, held various positions in the Bank in different centres / offices.

Post Nationalization, had been instrumental along with a few colleagues, in setting up of Agriculture Finance Dept in the Head Office of the Bank-by formulating guidelines on priority sector lending, identifying centres for rural lending, identifying officers for being posted as rural branch managers, imparting training for them in priority sector lending, monitoring their performance in rural lending and recovery thereof.

Had been the Head of Credit Department in Zonal Office, Bombay and as Regional Head of Pune Region of the Bank. During the tenure in Bombay, held additional charge as the Head of Merchant Banking Division, and handled a large number of Public / Rights Issues under the regime of Controller of Capital Issues.

As Head of Credit Department in Bombay, dealt with a large number of high profile Corporate Accounts and a large number of Consortium accounts including many such accounts as the Leader of the Consortium. As head of a corporate branch in Chennai, dedicated contribution was one of the factors for the bank's turn-around. As the President and Whole-Time Director of Indbank Merchant Banking Services Ltd, turned around this Company and declared dividend after a gap of more than a decade. As Managing Director of Indbank Housing Ltd, recovered huge amounts of Non-Performing Assets.

**NUMBER OF BOARD MEETINGS**

During the Financial Year 2021-22, Five Board Meetings were held. The details are provided in the Corporate Governance Report that forms part of this Annual Report.

**DISCLOSURE ON COMPOSITION OF AUDIT COMMITTEE AND ITS RECOMMENDATION**

The details of Composition of Audit Committee along with its terms of reference are given in the Corporate Governance Report. All recommendations of the Audit Committee were accepted by the Board.

**DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Company has adopted the Vigil mechanism and the details are given in the Corporate Governance Report.

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (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 Workplace (Prevention, Prohibition & Redressal) Act, 2013 and has complied with the provisions relating to the constitution of an Internal Complaints Committee (ICC) as required under the said Act to redress the complaints received for sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The members of the Committee are:

**Corporate Office (Chennai):**

1. Ms. Aarthi Balan
2. Ms. C. Preethy,
3. Ms. Mary Preetha and
4. Mr. R. Kalidasan

**Plant (Idappadi):**

1. Ms. R. Meenalochini,
2. Ms. K. Saranya,
3. Mr. P. Kathirvel and
4. Ms. Preetha Balan

**Solar Photovoltaic Plant (Bangalore)**

1. Ms. T Manjula,
2. Ms. Lavanya,
3. Ms. Rathamma,
4. Ms. S.Preema and
5. Ms. Suma Shirur

The following is a summary of sexual harassment complaints received and disposed off during the year 2021-2022.

No. of complaints filed during the financial year	:	Nil
No. of complaints disposed off during the year	:	Nil
No. of complaints pending as on end of the financial year	:	Nil



## CODE OF CONDUCT AND PREVENTION OF INSIDER TRADING

The Company has adopted the Code of Conduct for its Directors and Employees while performing their duties and responsibilities. Similarly, Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons has also been adopted by the Company as per the Guidelines issued by the Securities and Exchange Board of India for Prohibition of Insider Trading. The Code prohibits trading in securities of the Company by the Designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

All the Directors, Key Management Personnel and Senior Management Personnel are aware of the above code and an annual confirmation on the compliances of the said codes have been received by the Company from the concerned parties. The declaration to this effect made by the Managing Director is attached to this report. Code of conduct of Board of Directors and Senior Management Personnel and code for Insider Trading are available in the Company's website [www.swelectes.com](http://www.swelectes.com) under investors' page.

## STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) were appointed as statutory auditors of the company at the 22nd AGM held on August 11, 2017, for a period of five years commencing from the conclusion of 22nd AGM till the conclusion of the 27th AGM. The tenure of Statutory Auditors is expiring in the ensuing AGM. Accordingly, the Board based on the recommendation of Audit Committee, has proposed to reappoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, as statutory auditors of the company for a second term of five consecutive years commencing from the conclusion of 27th AGM till the conclusion of the 32nd AGM.

The Board recommends the necessary resolution for the approval of Shareholders at the ensuing Annual General Meeting for the above proposed appointment.

## STATUTORY AUDITORS REPORT

The Statutory Auditors in their report for the financial year 2021-2022, have given an unmodified opinion on the financial statements of the Company and the same is being attached to this report.

## SECRETARIAL AUDIT REPORT

Secretarial Audit was conducted by KRA & Associates, Practising Company Secretaries, Chennai in pursuant to the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditors' Report is also being attached as a part of this Report as Annexure -1. There were no qualifications made by the Secretarial Auditor in his Report.

## COST AUDIT

Pursuant to Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Company is required to maintain cost accounting records in respect of the products of the Company and accordingly the Cost Accounting Records are maintained by the Company and Audited as required. Further, the Company has completed the filing of Cost Audit Report, with the Ministry of Corporate Affairs, for the financial year 2020-2021 in eXtensible Business Reporting Language (XBRL) format.

M/s. Ravichandran Bhagyalakshmi & Associates, Cost Auditors of the Company will submit their report for the financial year 2021-2022 within the time limit applicable under the Companies (Cost Records and Audit) Rules, 2014.

The Board, on the recommendation of the Audit Committee, has appointed M/s. Ravichandran Bhagyalakshmi & Associates, Cost Accountants, as the Cost Auditors of the Company for the financial year 2022 - 2023. The Board also considered and approved the remuneration of ₹ 1,32,000/- as recommended by the Audit Committee. In terms of the provisions of section 148 (3) of the Companies Act, 2013 read with Rule 14 (a) (ii) of the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditor has to be ratified by the members of the Company. Accordingly, the Board recommends necessary resolution at the ensuing AGM for ratification.

## 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 - 2.

## **ANNUAL RETURN**

The Annual Return of the Company for the financial year 2021-22 is due to be filed with the Ministry of Corporate Affairs within 60 days from the date of AGM and the same will be made available on the website of the Company [www.swelectes.com](http://www.swelectes.com) under web link <https://swelectes.com/annual-return/>, after the said filing is completed.

The Annual Return of the Company for the previous year is available on the Company's website [www.swelectes.com](http://www.swelectes.com) under web link <https://swelectes.com/annual-return/>.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186**

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## **STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY**

The details of development and implementation of risk management system are provided in the Corporate Governance Report which forms a part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company undertakes "Corporate Social Responsibility" (CSR) initiatives directly / through agency to the public in improving the quality of life which includes education, environment, healthcare and women empowerment etc. During the year 2021-22, the Company has contributed funds to the society for their betterment and the Company will undertake newer CSR initiatives in the years to come.

The Annual Report on CSR Activities in the prescribed format is given in the Annexure - 3.

Details of composition of the CSR Committee, number of meetings held during the year and other particulars are set out in the Corporate Governance Report which forms a part of this Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts / arrangements / transactions entered into by the Company during the financial year with Related Parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has entered into transactions with its subsidiary company namely SWELECT Renewable Energy Private Limited (SREPL) for Sale and Purchase of goods /materials (Sale of solar panels and its allied products) and rendering services and Leasing of properties to aid the construction/operations of solar power plant set up by the above subsidiary under the Group Captive Generation Scheme.

Pursuant to Regulation 23(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the above said transactions were falling under material related party transaction and hence approval of the Members through Resolution was required to be obtained. Accordingly, the Company obtained the approval of Shareholders through postal ballot process. The results of the same were communicated to the Stock Exchanges on 14.3.2022.

The disclosure required u/s 134 (3) (h) of the Companies Act, 2013 in form AOC-2 is being annexed to this Report. The Policy on materiality of Related Party Transactions and on dealing with related party transactions approved by the Board can be accessed on the Company's website [www.swelectes.com](http://www.swelectes.com) under investors page. Members may refer to the notes to the financial statements which set out related party disclosures for the current and previous financial year.

## **SIGNIFICANT AND MATERIAL ORDERS**

During the year there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which forms a part of this report.

## **ANNUAL BOARD EVALUATION AND FAMILIARIZING PROGRAMME**

The Board at its meeting held on 09.02.2022 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.

Further, during the year the Independent Directors of the Company met on 11.02.2022 to review the performance of non-independent directors, Chairperson of the Board and the Board of Directors as a whole. The Independent Directors had conveyed their satisfactory opinion with regard to review and access of certain details as stated above.

The Independent Directors of the Company are being familiarized by the management and outside professional experts at frequent intervals with regard to nature of the business, business model, their roles, rights and responsibilities and other relevant information to the Company. The details of the programs attended by the Independent Directors are available on the website of the Company.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year 31st March 2022 and the date of this report 26th May 2022.

### **DISCLOSURE OF ACCOUNTING TREATMENT**

The Company has followed the Accounting Standards specified under Rule 3 and 4 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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, Partner of KRA & Associates, Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid regulation is also annexed to this report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of section 134(5) of the Companies Act, 2013, your directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (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 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;
- (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; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Statutory Auditors have stated that, no fraud by the Company or no material fraud on the Company by its officers and employees had been noticed or reported during the year.

### **DECLARATION BY INDEPENDENT DIRECTORS**

Pursuant to Section 149 (7) of the Companies Act, 2013, the Independent Directors of the Company have given a declaration to the Company that they qualify the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **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, had formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management Personnel 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 given in Annexure -4. The same is also available on the Company's website under a web link <https://swelectes.com/wp-content/uploads/2018/01/Nomination-remuneration-policy.pdf>

### **PARTICULARS OF EMPLOYEES**

Pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the required details are given in Annexure - 5.

### **SECRETARIAL STANDARDS**

The Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year in pursuant to the directions of Ministry of Corporate Affairs.

### **ACKNOWLEDGEMENT**

Your Board places on record its appreciation of the support and co-operation received from the Government of India, State Governments, Banks, Suppliers, Employees, 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 Agent. Your Directors thank all 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

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
A.BALAN  
Joint Managing Director

Place: Chennai

Date: 26th May 2022

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY STRUCTURE AND DEVELOPMENTS

#### KEY HIGHLIGHTS

The year 2021-22, India has seen a huge growth in the Solar PV Industry with an addition of 13,549 MW of renewable energy generation capacity which is 128% growth in the energy generation capacity. Of the 13,549 MW of addition, 12,438 MW was solar and 1,111 MW was wind. Against the various challenges in the Industry and the economy, SWELECT has shown great resilience and growth. SWELECT continues to be one of the most reliable EPC and IPP partners offering best in class installations as well as guaranteed power generations. SWELECT has earned its reputation for its industry leading O&M (Operations and Maintenance) service which has assured highest uptime for its customers. Further, SWELECT has established its presence in the Channels and Distribution market with high quality Bloomberg Tier 1 Solar PV Modules and Module Mounting Structures.

The company during the year faced challenges such as price increase in raw material, logistics cost escalation and high rupee depreciation against dollar. Despite these challenges, SWELECT has shown considerable growth and revenue due to its high brand value, reputation built with the customers as a result SWELECT was able to garner repeat orders from its existing customers.

#### SOLAR POWER GENERATION AND SYSTEMS INTEGRATION (NEW ADDITIONS):

1. SWELECT and its group have been successful in adding more than 35 MW of Solar Projects in its IPP portfolio.
2. SWELECT is proud to announce that it has achieved a cumulative capacity of 100 MW IPP Plants milestone.
3. SWELECT has successfully designed, engineered and commissioned more than 34 MW of Projects for its various clients under our EPC vertical out of which 9.5 MW Solar project, near Erode, for a Dairy major which was adjudged the best solar project of the year.
4. SWELECT has done well in the Channels and Distribution market with over 150% growth in this segment.

#### BUSINESS DEVELOPMENT IN NEW MARKETS:

SWELECT is proud to announce that it has once again listed in Bloomberg's Tier 1 Module Manufacturer globally through all the quarters of the year.

SWELECT is actively working on several prototypes to get into the Energy Storage Market and is also evaluating various other sustainable technologies and international partners to collaborate on the same.

SWELECT is also in the process of establishing a new 500 MW Solar PV Module Manufacturing through one of its Wholly Owned Subsidiary which will support the market with latest highest efficiency solar PV modules.

#### IRON AND STEEL FOUNDRY PRODUCTS:

AMEX Alloys Pvt. Limited, a Wholly Owned Subsidiary (WOS) of SWELECT Energy Systems Ltd, is an ISO 9001- 2015 certified Foundry located in Coimbatore sub urban area. AMEX is also qualified with the following Accreditation / Qualification to stay as a strong producer of Quality Castings for the Global markets.

Accreditation / Certification ISO 9001:2015 / PED / AD W0 by TUV NORD / Indian Boiler Regulation (IBR)

AMEX Alloys Pvt Ltd is engaged strongly with customers in Germany, Italy, Spain, Poland, and USA besides many Indian Industries.

The overall Global and Domestic Market / Application areas where High Quality castings are being supplied are:

- Oil & Gas
- Transportation
- Marine
- Pharmaceuticals
- Infrastructure
- Agriculture
- Water Distribution
- Hydro Power and many Flow Control applications

AMEX has three divisions of foundry units viz.,

**Alloys Division:** Design, Manufacturing, Machining & Export of a wide range of Steel Castings (using CO<sub>2</sub> sand Process, cake moulds and a range of intricate core assembly based complex moulds). The range of castings cover WCB / Stainless Steel / Duplex and Special alloy steel. The division is making weight range of a single Casting from 10 Kgs up to 3520 Kgs.

**Iron Foundry Division:** Design, Manufacturing, Machining & Sales in domestic markets and Export of a wide range of Iron Castings in Grey Iron and Spheroidal Graphite Iron (using CO<sub>2</sub> and Green Sand Process) metallurgy.

The division is making weight range of a single Casting from 1 Kg up to 800 Kgs.

**Investment Casting Division:** Design, Manufacturing, Machining & Export of a wide range of Investment Castings (using lost Wax process and advanced Machinery).

The division is making the weight range of a single Casting from 100 grams up to 62 Kgs.

The above capabilities make **AMEX Brand as India's first Foundry Group offering all the above under one roof and a One-Stop- Solution provider.**

#### **AMEX - Green Initiatives:**

The foundry uses very less quantum of new sand by adapting to sand reclamation process thus reducing use of natural resources.

Also maximum Energy is consumed from Green Energy sources (Solar and Wind Power) from AMEX's own Solar plant and from SWELECT Group. As a WOS of SWELECT, AMEX Foundries have the distinction of running the foundry production with more than 85% of the Energy from Renewable Energy Sources and this is yet another special status.

#### **Foundry with latest state of art facilities:**

AMEX has been deploying the most advanced casting design tool (MAGMA Simulation Software). The design team has been trained in MAGMA and this has enhanced AMEX to secure new orders from the existing customers and new customers from Europe. During this Financial Year, AMEX also exhibited its special skills and produced a range of intricate castings like Diverter valves, Flame Arrestor Bodies and Special Castings of higher weight range for German customers.

The Company has earned foreign exchange of over ₹ 7,427.56 Lakhs in Euros and US Dollars during the financial year 2021-22 from the Exports to Europe, USA and China despite the COVID-19 pandemic situation Globally.

#### **AWARDS / CREDENTIALS**

- Solar Quarter Grand Masters India Awards 2021
  - Excellence in Technology Leadership
  - Excellence in Design & Engineering Leadership
- Soft disk Awards 2021
  - SD's No.1 Company for having completed largest number of roof top installations
  - SD's No.1 Hybrid Solar PV Power Solution Provider of the Year
  - SD's No.1 Grid Sharing Solar PV Power Solution Provider of the Year
  - SD's No.2 SPCU Manufacturer of the Year
  - SD's No.5 Solar PV Panel Manufacturer of the Year
- PV Module Week India Excellence Awards 2021
  - Quality Excellence - Solar Modules
  - PV Modules Series - Best Performer
  - PV Modules Series - Customers Choice
- Industry outlook –
  - Top 10 Solar Panel Manufacturers 2021
- Solar Quarter Leadership Meet-South India 2021 Consumer's choice awards
  - Solar Modules -PERC
  - Solar Modules - <1000V
- India Rooftop Solar Congress 2022 Awards'. -
  - Company of the Year: Structural Engineering
- 3rd India Green Energy Awards -
  - Outstanding RE Equipment manufacturers and technology Developers - Solar

## OPPORTUNITIES

The global pandemic had set back the entire world economy but at the same time, the world has understood the impact of climate change, importance of energy security and cost reduction measure by going for more cost economic sources of energy. With various countries across the world signing up for bigger targets on climate change, COP26 summits aiming for carbon footprint reduction as well domestic targets and policies leading to better solar power implementation will help SWELECT grow in the Indian market as well as abroad. Also, the Government's intervention with introduction of Basic Customs Duty (BCD) for cells at 25% and modules at 40% will bring the Indian solar manufacturers at par with the imported modules. This intervention combined with SWELECT's brand name and image opens up a wider market for our product range. The increasing fossil fuel costs are another drivers for Solar Power opportunity.

## THREATS

International geopolitical issues, government policies, shipping cost increase, metal price increase and rupee depreciation against the dollar are forcing the developer to invest more. This might be a temporary threat and SWELECT is working on counter measures.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE (STANDALONE)

The Business of the Company falls under a single primary segment i.e., "Solar and other related activities" for the purpose of IND AS 108.

The Segment-wise and product-wise performance of the Company for the financial years 2020-21 and 2021-2022 are provided below:

(₹ in Lakhs)

Product Name	Revenue	
	31.3.2022	31.3.2021
Solar Photovoltaic Panels	6,742.19	4,806.73
Solar Power Generating Systems and accessories	11,584.75	5,311.66
Traded Goods	268.60	2,545.38
Solar Power	3,772.26	3,319.22
Wind Power	98.70	100.03
Sale of Services	4,070.02	1,875.49
<b>Grand Total</b>	<b>26,536.52</b>	<b>17,958.51</b>

## OUTLOOK

The Indian solar industry was able to come out of the COVID related challenges and is showing signs of recovery. The outlook for solar industry is looking promising as more and more Indian and multinational companies have increased focus on Environment, Social and Governance. The newer mandates for carbon neutral circular economies have made major corporates and business houses to relook at their carbon foot print both internally and externally.

With more and more automation being adopted by all industries, has contributed to increased per capita energy consumption. Renewable energy especially solar, is the most viable clean energy source both environmentally and economically given its nature of scalability and deployment.

## RISKS AND CONCERNS

The various threats that were highlighted earlier might lead to additional solar development and investment costs. We do not view these as risk factors since the grid parity for solar energy is very much possible and hence will not affect us significantly.

## 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 a Risk Management Committee to continuously monitor business and operations risk through an efficient risk management system.

## 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 by the management.

The internal audit report for every quarter ended are being submitted to the Audit Committee of the Board by the Internal Auditors.

The Internal Auditors monitor and evaluate 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. Significant audit observations and

recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. Based on the report of internal auditors, the Audit Committee/Management of the Company undertakes corrective action in the respective areas and thereby strengthens the controls.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### Standalone

During the year, the Company registered a turnover of ₹ 28,572.86 Lakhs against the previous year turnover of ₹ 18,453.22 Lakhs registered a growth of 54.84% compared to previous year turnover. The Company has reported a Net Profit after tax for the current year ₹ 3,379.07 Lakhs against the previous year Profit of ₹ 2,431.15 Lakhs registered a growth of 38.99%

The Earnings per Share (Basic and Diluted) for the year 2021-2022 stood at ₹ 22.29

### Consolidated

During the year, the Company registered a turnover of ₹ 39,111.10 Lakhs against the previous year turnover of ₹ 25,253.61 Lakhs registered a growth of 54.87% compared to previous year revenue.

The Company has reported a Net Profit after tax for the current year ₹ 3,241.74 Lakhs against the previous year Profit of ₹ 2603.59 Lakhs registered a growth of 24.51% compared to previous year revenue.

### THE FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE NINE YEARS (Standalone).

(₹ In Lakhs)

S.No	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	Revenue from operations	5,240.30	4,887.50	16,315.86	17,006.97	17,382.92	11,984.43	14,204.04	18,453.22	28,572.86
2	Other Income	2,936.00	2,478.58	3,339.12	4,615.85	3,807.93	3,494.58	3,170.98	3,279.04	3,059.14
3	Total income from operations	8,176.30	7,366.08	19,654.98	21,622.82	21,190.85	15,479.01	17,375.02	21,732.26	31,632.00
4	Employee Cost	597.69	665.75	1,112.23	1,151.30	1,140.03	1,264.19	1,194.66	1,217.53	1,410.73
5	Excise Duty	158.17	54.49	61.34	44.97	8.50	-	-	-	-
6	Other Operating Expenditure	4,363.61	4,216.20	14,232.86	14,941.83	15,031.85	10,544.70	12,484.42	14,595.67	23,087.27
7	Profit Before Finance cost, Depreciation and Amortisation and Tax	3,056.83	2,429.64	4,248.55	5,484.72	5,010.47	3,670.12	3,695.94	5,919.06	7134.00
8	Finance cost	116.09	1,059.90	960.96	529.55	580.58	744.63	981.15	1,249.12	2,063.49
9	Depreciation and amortization	446.23	871.71	1,251.04	1,114.44	1,343.04	1,415.41	1,659.43	1,547.79	1,691.44
10	Profit before tax	2,494.51	294.91	2,118.22	3,840.73	3,086.85	1,540.08	1,055.36	3,122.15	3,379.07
11	Profit/(Loss) after tax	2,494.51	132.94	1,201.07	2,937.85	2,346.93	1,105.35	(1,673.16)	2,431.15	3,379.07
12	EPS (₹)	24.68	1.32	11.88	29.07	23.22	7.29	(11.04)	16.04	22.29
13	Interim Dividend paid (₹ per share)	-	-	3.00	-	-	-	1.25	-	-
14	Dividend paid / proposed (₹ per share)	9.00	2.50	1.00	4.00	4.00	2.50	0.75	3.00	*3.00

\* Proposed



#### **DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS**

Details of significant changes in key financial ratios along with detailed explanations are given in the Note No.42 of the Financial Statements.

#### **DETAILS OF ANY CHANGE IN RETURN ON NET WORTH**

Details of change in Return on Net Worth is given in the Note No.42 of the Financial Statements.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PERMANENT EMPLOYEES:**

##### **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 believes in nurturing leaders among them as far as possible and provide opportunities for growth across all levels. The total number of permanent employees as on 31.3.2022 was 284.

##### **Welfare / Social Activities:**

The Company sponsors several team building, 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 continuously focuses on Corporate Social Responsibility (CSR) 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, statutes and other incidental factors.

For and on behalf of the Board of Directors

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
A.BALAN  
Joint Managing Director

Place: Chennai

Date: 26th May 2022

## 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

Name	Category	Attendance Particulars			No. of Chairpersons / Directorships in other Companies		No. of Committee Chairpersons / Memberships in other Companies		Names of other Directorship of the listed Company & Category
		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last Annual General Meeting	Chairperson	Directorship	Chairperson	Member	
Mr. S. Annadurai	Chairperson Independent Non-Executive	5	5	Yes	-	4	-	-	-
Mr. R. Chellappan	Promoter Managing Director	5	5	Yes	-	11*	-	1	-
Mr. A. Balan	Promoter Joint Managing Director	5	5	Yes	-	7	-	-	-
Mr. K. V. Nachiappan	Promoter Whole Time Director	5	4	Yes	-	2	-	1	-
Mr. V.C. Raghunath	Promoter Whole Time Director	5	5	Yes	-	4*	-	2	-
Ms. V. C. Mirunalini	Promoter Whole Time Director	5	5	Yes	-	3	-	-	-
Ms. Jayashree Nachiappan	Promoter Non-Executive	5	5	Yes	-	3	-	-	-
Mr. G. S. Samuel	Independent Non-Executive	5	5	Yes	-	2	-	4	Butterfly Gandhimathi Appliances Limited - Independent Director
Mr. S. Krishnan	Independent Non-Executive	5	5	Yes	-	3	3	1	-
Dr. S. Iniyar	Independent Non-Executive	5	5	Yes	-	2	1	3	-

\* Excludes directorship in the Companies incorporated outside India.

As on date, the Board of Directors consists of both Executive and Non-Executive Directors.

Executive Director : 5

Non-Executive Director : 5

**ii) Details of Board Meetings held during the year:**

26.04.2021, 14.06.2021, 13.08.2021, 02.11.2021 and 09.02.2022.

**iii) Disclosure of relationships between Directors inter-se:**

- Mr. R. Chellappan is the father of Mr. V.C. Raghunath and Ms. V.C. Mirunalini, Whole Time Directors.
- Mr. K.V. Nachiappan is the husband of Ms. Jayashree Nachiappan, Non-Executive Director.
- None of the other Directors are related to each other.

**iv) Number of shares and convertible instruments held by Non-Executive Directors as on 31.03.2022**

Name of the Director	Category	Number of Equity shares	Convertible Instruments
Mr. S. Annadurai	Chairperson, Non-Executive, Independent Director	262	Nil
Mr. G.S. Samuel	Non-Executive, Independent Director	15	Nil
Mr. S. Krishnan	Non-Executive, Independent Director	0	Nil
Ms. Jayashree Nachiappan	Non-Executive, Non-Independent Director	1375	Nil
Dr. S. Iniyan	Non-Executive, Independent Director	0	Nil

**v) Web link where details of familiarization programs imparted to independent directors is disclosed:**

<https://swelectes.com/wp-content/uploads/2022/04/Familiarization-Programme-21-22.pdf>.

**vi) The following are the skills / expertise / competence of the board of directors to be able to monitor and contribute towards the business growth effectively:**

**Systems and Practice:**

The Board has a set of systems and practices to ensure that the Company's performance is monitored periodically and guided internally for improvement of the Company's overall performance. Directors ensure best practices in all transactions and all divisions are being managed in a manner which ensures accountability, transparency and fairness in all transactions.

**Governance:**

The Board 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. All Committees ensured that the governance areas are well addressed.

During the year, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s). The core skills / expertise / competencies as identified by the Board of Directors as required in the context of the Company's business(es) and sector(s) for it to function effectively and those actually available with the Board are given below. The matrix below highlights the skills and expertise, which are currently available with the Board of the Company.

Name of the Director	Area of skills/expertise/competence							
	Leadership and operational experience	Strategic planning	Sector/ Industry knowledge & Experience	Research and Development and Innovation Technology	Financial	Legal and Regulatory	Risk Management	Corporate Governance
Mr. S. Annadurai	✓				✓	✓	✓	
Mr. R. Chellappan	✓	✓	✓	✓	✓	✓	✓	✓
Mr. A. Balan	✓		✓					
Mr. K. V. Nachiappan			✓					
Mr. V.C. Raghunath		✓	✓					
Ms. V. C. Mirunalini			✓	✓				
Ms. Jayashree Nachiappan			✓		✓			
Mr. G. S. Samuel		✓	✓		✓	✓	✓	✓
Mr. S. Krishnan			✓		✓	✓	✓	✓
Dr. S. Iniyan			✓	✓				

It may also be noted that the absence of a mark, against a member's name, does not necessarily mean the member does not possess the qualification and other such skills.

**vii) Confirmation with respect to Independent Directors:**

The Board has confirmed that the independent directors have fulfilled the conditions as specified in the SEBI (LODR) Regulations, 2015 and are independent of the management.

**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 the 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 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, 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.
- Monitoring the end use of funds raised through public offers and related matters.
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.

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

<b>Name of Members and Chairperson</b>	<b>Category</b>	<b>No. of Meetings held</b>	<b>Attendance</b>
Mr. G.S. Samuel	Chairperson, Non - Executive, Independent Director	5	5
Mr. S. Annadurai	Member, Non - Executive, Independent Director	5	5
Ms. Jayashree Nachiappan	Member, Non - Executive, Non-Independent Director	5	5

Date of the Meetings held during the year : 12.06.2021, 14.06.2021, 13.08.2021, 02.11.2021 and 09.02.2022.

**4) NOMINATION AND REMUNERATION COMMITTEE**

**i) Brief description of terms of reference:**

- Formulation of the criteria for determining the 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 the Board diversity.
- Identifying persons who are qualified to become Directors and who may be appointed in the 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 the Independent Directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

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

Name of Members and Chairperson	Category	No. of Meetings held	Attendance
Mr. G.S. Samuel	Chairperson, Non - Executive, Independent Director	2	2
Mr. S. Krishnan	Member, Non - Executive, Independent Director	2	2
Ms. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director	2	2

Date of the Meetings held during the year: 12.06.2021 and 09.02.2022

**iii) Performance evaluation criteria for Independent Directors**

**General Criteria:**

- Highest personal and professional ethics, integrity and values;
- Inquisitive, objective, perspective, practical wisdom and mature judgement;
- Demonstrated intelligence, maturity, wisdom and independent judgement;
- Self-confidence to contribute to board deliberations and stature such that other board members will respect their view;
- The willingness and commitment to devote the extensive time necessary to fulfill their duties;
- The ability to communicate effectively and collaborate with other board members to contribute effectively to the diversity of perspectives that enhances Board and Committee deliberations, including a willingness to listen and respect the views of others; and
- The skills, knowledge and expertise relevant to the Company's business, with extensive experience at a senior leadership level in a comparable company or organization, including, but not limited to relevant experience in manufacturing, international operations, public service, finance, accounting, strategic planning, supply chain, technology and marketing.

**Specific Criteria:**

- Participation and contribution by the Director;
- Commitment, including guidance provided to the Senior Management outside of Board/ Committee Meetings;
- Effective deployment of knowledge and expertise;
- Effective management of relationship with various stakeholders;
- Independence of behaviour and judgement;
- Maintenance of confidentiality of critical issues

**5) STAKEHOLDERS' RELATIONSHIP COMMITTEE**

Composition, name of members and chairperson, meetings and attendance during the year.

Name of Members and Chairperson	Category	No. of Meetings held	Attendance
Mr. G. S. Samuel	Chairperson, Non - Executive, Independent Director	1	1
Mr. K. V. Nachiappan	Member, Executive, Non - Independent Director	1	1
Ms. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director	1	1

Date of the Meeting held during the year: 08.02.2022

Name of the non-executive director heading the committee: Mr. G.S. Samuel

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

Details of complaints received from Shareholders during the year are as follows:

Number of Shareholders' complaints received during the financial year	Number not solved to the satisfaction of shareholders	Number of pending complaints
Nil	Nil	Nil

## 6) REMUNERATION OF DIRECTORS

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

ii) Criteria of making payments to Non-Executive Directors:

### Sitting fees:

The Non-Executive Directors are being paid with an increased sitting fees for attending the Board and Committee meetings of the Company with effect from 12.06.2021, as detailed below.

Sl. No.	Nature of Meeting	Sitting fees for each meeting (₹) (Prior to 12.06.2021)	Sitting fees for each meeting (₹) (12.06.2021 onwards)
1.	Board	20,000	25,000
2.	Audit Committee	10,000	15,000
3.	Stakeholders Relationship Committee	10,000	15,000

### Commission:

Currently the Company is not paying any Commission to its Non-Executive Directors.

iii) a) Details of remuneration paid during the year:

### Non-Executive Directors:

(₹ in Lakhs)

Name	Category	Sitting fees	Commission	Total
Mr. S. Annadurai	Independent	1.95	-	1.95
Mr. G. S. Samuel	Independent	2.10	-	2.10
Ms. Jayashree Nachiappan	Non-Independent	2.10	-	2.10
Mr. S. Krishnan	Independent	1.20	-	1.20
Dr. S. Iniyan	Independent	1.20	-	1.20
<b>Total</b>		<b>8.55</b>	<b>-</b>	<b>8.55</b>

### 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 Meeting. The Company has not granted stock options to any director or employee of the company or any other person.

(₹ in Lakhs)

Name	Salary	Commission	Contribution to PF	Incentive, Bonus	Performance Bonus	LTA/EL/ Furnishing allowance	Perquisites	Total
Mr. R. Chellappan	36.00	24.54	-	-	-	6.00	1.57	68.11
Mr. A. Balan	34.50	6.13	-	-	-	2.50	6.46	49.59
Mr. K. V. Nachiappan	30.00	6.13	-	-	-	5.25	0.41	41.79
Mr. V.C. Raghunath	9.57	-	0.22	0.15	1.40	0.56	0.83	12.73
Ms. V.C. Mirunalini	7.69	-	0.22	0.14	1.14	0.46	0.29	9.94
<b>Total</b>	<b>117.76</b>	<b>36.80</b>	<b>0.44</b>	<b>0.29</b>	<b>2.54</b>	<b>14.77</b>	<b>9.56</b>	<b>182.16</b>

**b) Service contracts, notice period, severance fees:**

**Executive Directors**

Name	Designation	Service Contracts / Period of contract / Date of appointment
Mr. R. Chellappan	Managing Director	5 years with effect from 1st May 2020
Mr. A. Balan	Joint Managing Director	5 years with effect from 3rd October 2020
Mr. V.C. Raghunath	Whole time Director	5 years with effect from 28th July 2019
Ms. V.C. Mirunalini	Whole time Director	5 years with effect from 28th June 2017
Mr. K.V. Nachiappan	Whole time Director	5 years with effect from 20th April 2018

**Non Executive – Non Independent**

Name	Date of appointment
Ms. Jayashree Nachiappan	13th August 2012

**Independent Directors**

Name	Period of contract / Date of appointment
Mr. S. Annadurai	28th June 2022 to 27th June 2027
Mr. G.S. Samuel	28th July 2021 to 27th July 2025
Mr. S. Krishnan	1st April 2019 to 31st March 2024
Dr. S. Iniyan	1st April 2019 to 31st March 2024

The notice period will be as per Company's policy and there is no separate provision for payment of severance fees. Independent Directors are not liable to retire by rotation as per the provisions of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are available in the Company's website link: <https://swelectes.com/investors/>

The Company's Remuneration Policy is available on the website of the Company [www.swelectes.com](http://www.swelectes.com)

**7) GENERAL BODY MEETINGS**

**i) Location and time, where last three Annual General Meetings held:**

Year	Location	Date	Time
2018-19	Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.	09.08.2019	3.30 P.M.
2019-20	Through Video Conferencing (VC) facility or Other Audio Visual Means ('OAVM')	10.09.2020	3.30 P.M.
2020-21	Through Video Conferencing (VC) facility or Other Audio Visual Means ('OAVM')	26.07.2021	3.30 P.M.

**ii) Whether any special resolutions were passed in the previous three Annual General Meetings:**

At the Annual General Meeting held on August 9, 2019, three special resolutions were passed for the purpose of:

- Remuneration payable to Executive Directors as per SEBI Regulations.
- Appointment of Mr. R Chellappan as Managing Director for a term of 5 years.
- Appointment of Mr. V.C. Raghunath as a Whole Time Director of the Company for a period of 5 years.

At the Annual General Meeting held on September 10, 2020, Six special resolutions were passed for the purpose of:

- Altering the terms and conditions in the appointment of Executive Directors of the Company. - Five resolutions.
- Re-appointment of Mr. A. Balan, Whole Time Director (Joint Managing Director) of the Company for a period of 5 years.

At the Annual General Meeting held on July 26, 2021, five special resolutions were passed for the purpose of:

- Re-appointment of Mr. Gnanasekar Sukumar Samuel (DIN: 05284689) as an Independent Director.
- Re-appointment of Mr. Sundaram Annadurai (DIN: 00137561) as an Independent Director.
- Approval for the borrowing powers of the company shall not at any time exceed an amount of ₹ 400 crores (Rupees Four Hundred Crores only) at any point in time.

- Authorisation to create charge on properties of the Company, both present and future and
- Approval for giving loan or guarantee or providing security under Section 185 of the Companies Act, 2013, up to a sum not exceeding ₹ 200 Crores [Rupees Two Hundred Crores Only] at any point in time.

iii) **Whether any special resolution was passed last year through postal ballot:** No

iv) **Whether any special resolution is proposed to be conducted through postal ballot:** No

v) **Procedure for postal ballot:** Not applicable

## 8) MEANS OF COMMUNICATION

i) The Quarterly Unaudited financial results and the Annual Audited financial results are reviewed by the Audit Committee and approved by the Board of Directors. These results are filed with the Stock Exchanges under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Quarterly and the Annual Financial Results are available on the Stock Exchange websites : [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and on the Company's website [www.swelectes.com](http://www.swelectes.com).

ii) The extract of the above results are normally published in the newspapers viz. one national daily and vernacular newspaper namely "Business Line" and "The Hindu (Tamil)" respectively.

The Company's website [www.swelectes.com](http://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 report on Corporate Governance, Annual Report and other mandatory information required under the listing regulations are available.

The Official news Releases if any, will be placed on the Company's website.

During the year the Company has not made any presentations to institutional investors or to the analysts.

E-mail ID of the Compliance Officer of the Company : [company.secy@swelectes.com](mailto:company.secy@swelectes.com)

Telephone Number : 044-24993266

Fax Number : 044-24995179

E-mail ID for the purpose of registering complaints by investors : [cg.ird@swelectes.com](mailto:cg.ird@swelectes.com)

## 9) GENERAL SHAREHOLDERS' INFORMATION

- i) **Annual General Meeting** : TWENTY SEVENTH ANNUAL GENERAL MEETING
- ii) **Day, Date and time** : Thursday the 28th July 2022 at 3.30 P.M. (IST)
- iii) **Venue** : Through Video Conferencing / Other Audio-Visual Means
- iv) **Financial year** : 01.04.2021 to 31.03.2022
- v) **Date of Book closure** : From Friday, 22nd July 2022  
To Thursday, 28th July 2022 [Both days inclusive]
- vi) **Dividend Payment Date** : Monday, 8th August 2022.
- vii) **The Company's equity shares are listed on the following Stock Exchanges:**

BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai - 400 001. Stock Code: 532051.	National Stock Exchange of India Limited "Exchange Plaza", C1 Block G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Stock Code: SWELECTES
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### viii) Details of Annual Listing Fees paid for the year 2021-2022

Name of Stock Exchange	Date of Payment
BSE Limited	25.04.2022
National Stock Exchange of India Limited	18.04.2022

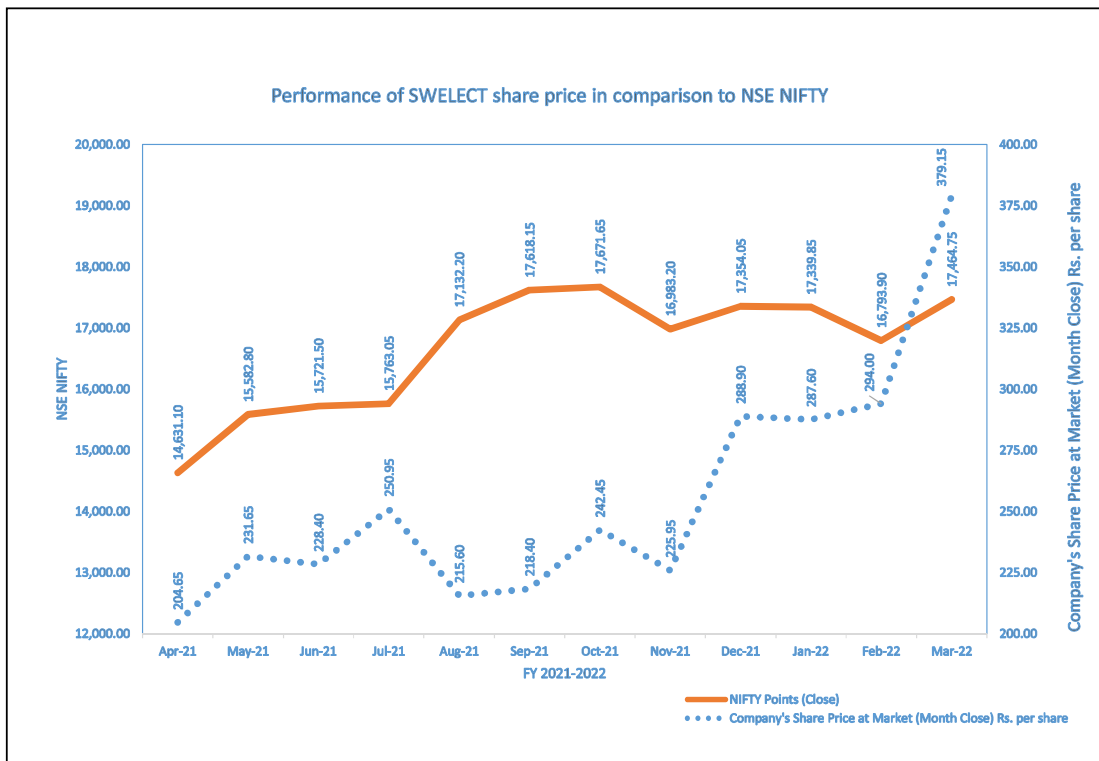
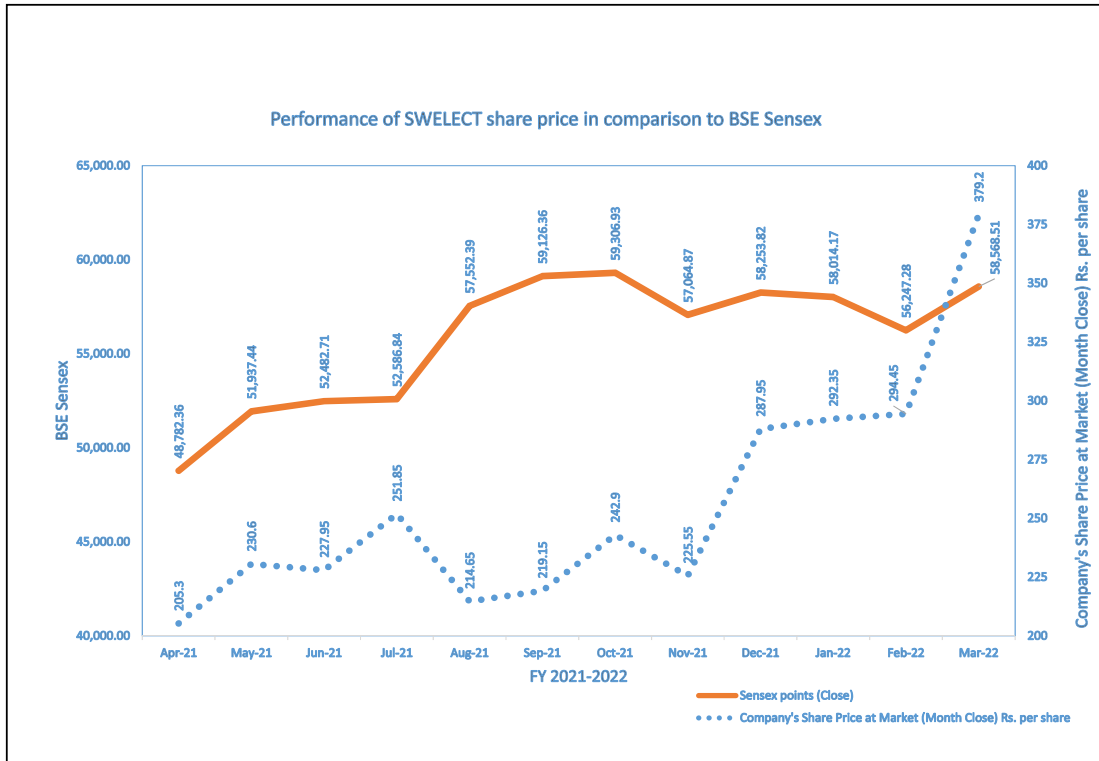


**ix) Market Price Data: High, Low during each month in the last financial year 01.04.2021 to 31.03.2022  
Nominal value of Share ₹ 10/- each (Market Share Price in ₹)**

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-21	220.00	186.15	220.30	187.25
May-21	264.00	194.10	262.90	200.95
Jun-21	245.00	209.85	245.15	208.10
Jul-21	280.00	217.90	279.35	222.40
Aug-21	275.50	205.00	268.95	204.15
Sep-21	251.00	212.00	252.80	211.40
Oct-21	300.10	217.00	299.00	215.65
Nov-21	265.00	221.25	265.80	224.45
Dec-21	301.00	221.25	302.00	222.40
Jan-22	346.00	260.30	344.70	257.10
Feb-22	347.30	269.50	346.50	267.25
Mar-22	379.20	280.00	382.10	280.20

**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 ₹	Sensex points (Close)	Company's Market Price (Close) per share ₹	Nifty points (Close)
Apr-21	205.30	48,782.36	204.65	14,631.10
May-21	230.60	51,937.44	231.65	15,582.80
Jun-21	227.95	52,482.71	228.40	15,721.50
Jul-21	251.85	52,586.84	250.95	15,763.05
Aug-21	214.65	57,552.39	215.60	17,132.20
Sep-21	219.15	59,126.36	218.40	17,618.15
Oct-21	242.90	59,306.93	242.45	17,671.65
Nov-21	225.55	57,064.87	225.95	16,983.20
Dec-21	287.95	58,253.82	288.90	17,354.05
Jan-22	292.35	58,014.17	287.60	17,339.85
Feb-22	294.45	56,247.28	294.00	16,793.90
Mar-22	379.20	58,568.51	379.15	17,464.75



**xi) The Shares of the Company are not suspended by the Stock Exchanges from trading.**

**xii) Registrar to an issue and share transfer agents:**

M/s. Cameo Corporate Services Limited  
"Subramanian Building", No.1, Club House Road, Chennai – 600 002.  
Email: investor@cameoindia.com Tel: 044-28460390

**xiii) Share transfer system:**

Effective April 1, 2019, SEBI has amended Regulation 40 of the Listing Regulations, which deals with transfer or transmission or transposition of securities. According to this amendment, the requests for effecting the transfer of listed securities shall not be processed unless the securities are held in dematerialised form with a Depository.

Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. In view of the aforesaid amendment, members who are holding shares in physical form are hereby requested to dematerialise their holdings.

**xiv) Other Committees of Board:**

**a) Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee comprises of the following Members

Name of Members and Chairperson	Category
Mr. S. Annadurai	Chairperson, Non-Executive, Independent
Mr. R. Chellappan	Member, Executive, Non-Independent
Mr. V. C. Raghunath	Member, Executive, Non-Independent

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](http://www.swelectes.com).

Date of the Meetings held during the year: 12.06.2021, 13.08.2021, 02.11.2021 and 09.02.2022.

The details of CSR activities carried out by the Company during the year are given in the Annexure – 3.

**b) 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 the Risk Management Committee to continuously monitor business and operations risk through an efficient risk management system.

The Risk management Committee comprises of the following members:

- 1) Mr. R. Chellappan - Chairperson
- 2) Mr. V.C Raghunath - Member
- 3) Ms. Jayashree Nachiappan - Member

This 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.

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.

This Committee may also invite professionals in the respective area of specialization for consultation.

**c) Forex Management Committee**

The Forex Management Committee comprises of the following Members.

- 1) Mr. G. S. Samuel - Chairperson
- 2) Mr. R. Chellappan - Member
- 3) Mr. V.C. Raghunath - Member
- 4) Ms. V. C. Mirunalini - Member
- 5) Ms. R. Nikhila - Member

The Forex Management committee is reviewing the day to day forex movements and taking the necessary steps to protect the interest of the Company.

**d) Investment Committee**

The Investment Committee comprises of the following members to ensure the effective investments of the Company's funds.

- 1) Mr. R. Chellappan - Chairperson
- 2) Mr. S. Annadurai - Member
- 3) Mr. V. C. Raghunath - Member

**e) Borrowing Committee**

The Borrowing Committee comprises of the following members with a power to borrow monies by way of loan from Banks and perform other functions as delegated by the Board.

- 1) Mr. R. Chellappan - Chairperson
- 2) Mr. V. C. Raghunath - Member
- 3) Mr. A. Balan - Member

Date of the meetings held during the year: 17.06.2021, 22.06.2021, 09.07.2021, 01.10.2021, 23.10.2021, 11.12.2021, 22.01.2022, 24.01.2022, 22.02.2022 and 08.03.2022.

**xv) Distribution of Shareholding as on 31.03.2022**

Shareholding of Nominal Value	Shareholders		Share Amount		
	₹	Number	% of total	₹	% of total
10-5000		12,882	91.33	1,12,45,080	7.42
5001-10000		617	4.38	46,74,390	3.08
10001-20000		296	2.10	43,06,640	2.84
20001-30000		116	0.82	29,89,620	1.97
30001- 40000		34	0.24	11,90,680	0.79
40001-50000		23	0.16	10,71,310	0.71
50001-100000		56	0.40	40,61,650	2.68
100001- and above		81	0.57	12,20,48,230	80.51
Total		14,105	100.00	15,15,87,600	100.00

**xvi) Shareholding pattern as on 31.03.2022**

A	Statement showing shareholding pattern of the Promoter and Promoter Group					
	Category of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Shareholding %	Equity shares held in dematerialized form	Shareholding %
<b>1</b>	<b>Indian</b>					
a	Individuals/Hindu undivided Family	11	8367873	55.20	8367873	55.20
b	Central Government/ State Government(s)	0	0	0.00	0	0.00
c	Financial Institutions/ Banks	0	0	0.00	0	0.00
d	Bodies Corporate	1	45	0.00	45	0.00
e	Trusts	1	176400	1.16	176400	1.16
	<b>Sub-Total (A)(1)</b>	<b>13</b>	<b>8544318</b>	<b>56.37</b>	<b>8544318</b>	<b>56.37</b>

A	Statement showing shareholding pattern of the Promoter and Promoter Group					
	Category of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Shareholding %	Equity shares held in dematerialized form	Shareholding %
<b>2</b>	<b>Foreign</b>					
a	Individuals(Non-Resident Individuals/ Foreign Individuals)	0	0	0.00	0	0.00
b	Government	0	0	0.00	0	0.00
c	Institutions	0	0	0.00	0	0.00
d	Foreign Portfolio Investor	0	0	0.00	0	0.00
e	Any Other (specify)	0	0	0.00	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>13</b>	<b>8544318</b>	<b>56.37</b>	<b>8544318</b>	<b>56.37</b>

B	Statement showing shareholding pattern of the Public Shareholder					
	Category of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Shareholding %	Equity shares held in dematerialized form	Shareholding %
1	Institutions					
a	Mutual Funds/	0	0	0.00	0	0.00
b	Venture Capital Funds	0	0	0.00	0	0.00
c	Alternate Investment Funds	0	0	0.00	0	0.00
d	Foreign Venture Capital Investors	0	0	0.00	0	0.00
e	Foreign Portfolio Investors	2	9467	0.06	9467	0.06
f	Financial Institutions/ Banks	0	0	0.00	0	0.00
g	Insurance Companies	0	0	0.00	0	0.00
h	Provident Funds/ Pension Funds	0	0	0.00	0	0.00
i	Any Other (specify)	0	0	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>2</b>	<b>9467</b>	<b>0.06</b>	<b>9467</b>	<b>0.06</b>
2	Central Government/ State Government(s)/ President of India	0	0	0.00	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
3	Non-institutions					
a	Individuals					
i	Individual shareholders holding nominal share capital up to ₹ 2 lakhs.	12556	2803214	18.49	2734471	18.04
ii	Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs.	27	2455496	16.20	2455496	16.20

B	Statement showing shareholding pattern of the Public Shareholder					
	Category of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Shareholding %	Equity shares held in dematerialized form	Shareholding %
b	NBFCs registered with RBI	0	0	0.00	0	0.00
c	Employee Trusts	0	0	0.00	0	0.00
d	Any other:					
	Overseas Depositories (holding DRs) (balancing figure)	0	0	0.00	0	0.00
	Bodies Corporate	91	269757	1.78	268707	1.77
	Clearing Members	60	47680	0.31	47680	0.31
	Director or Director's Relatives	6	501	0.00	501	0.00
	HUF	402	209477	1.38	209477	1.38
	IEPF	1	22146	0.15	22146	0.15
	Non-Resident Indian (NRI)	329	791992	5.22	791992	5.22
	Trusts	1	237	0.00	237	0.00
	Unclaimed or Suspense or Escrow Account	1	4475	0.03	4475	0.03
	<b>Sub-Total (B)(3)</b>	<b>13474</b>	<b>6604975</b>	<b>43.57</b>	<b>6535182</b>	<b>43.11</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>13476</b>	<b>6614442</b>	<b>43.63</b>	<b>6544649</b>	<b>43.17</b>
	<b>Total (A+B)</b>	<b>13489</b>	<b>15158760</b>	<b>100</b>	<b>15088967</b>	<b>99.54</b>

**xvii) Dematerialization of shares and liquidity:**

The Company is having connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai to provide facility of holding and trading shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE409B01013. As on March 31, 2022, 1,50,88,967 equity shares of the company, constituting 99.54% were in dematerialized form and the shareholders have to trade the securities in the market electronically.

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

**xix) 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.

**xx) Foreign Exchange Risk:**

The Forex Management Committee of the Company continuously monitors foreign exchange risk through an effective system.

In order to minimise the risk associated with forex trading for import of raw materials, the Company executed necessary agreements with the Banks to provide an advise to the Company from time to time.

**xxi) Hedging activities:**

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

**xxii) Plant Locations:**

<b>Locations of Manufacturing Plants</b>		
<b>Sl No.</b>	<b>Details of Plant</b>	<b>Location</b>
1	Manufacturing facility & Research and Development	58/3(14D, D/1) Salem Main Road, Veerappampalayam PO, Idappadi - 637105, Salem District, Tamil Nadu.
2	Solar Photovoltaic Modules Manufacturing Plant & Research and Development	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspet, Nelamangala Taluk, Bengaluru - 562111, Karnataka.
<b>Locations of Wind and Solar Power Plants</b>		
<b>Sl No.</b>	<b>Details of Plant</b>	<b>Location</b>
1	1.1 MW Solar Power Plant	SF. No. 166 & 169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107, Tamil Nadu.
2	0.5 MW Wind Mill Power Unit - 3 Nos	296,224/1 & 294, Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District - 638657, Tamil Nadu.
3	10 MW Solar Power Plant	SF. Nos. 369/4, 413/3A, 129/6, 413/2, 407/2, 408/1, 408/2, 408/3, 413/1A, 414/1, 414/2, 584/1B, 584/2, 395/2, 396/1, 396/2, 396/3A, 396/3B, 407/1B, 407/1C1, 129/7 & 414/4A Kolakudi Village, Thottiyam Taluk, Musiri, Trichy - 621208, Tamil Nadu.
4	12 MW Solar Power Plant	SF. No. 894/B1, 894/B2, 894/B3, 895/1, 895/2, 895/3, 895/4, 895/5, 895/6, 895/7, 914/1, 914/2, 914/3, 914/4, 913/1, 913/2, 913/3, 913/4, 913/5, 913/6, 902/1, 902/2, 915, 916, 929/B2, Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
5	3 MW Solar Power Plant	SF. No. 902/1 & 899/3 Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
6	2 MW Solar Power Plant	SF. No. 895/1(P), 895/2(P), 895/4(P), 896/2(P), 899/2(P), 899/3(P), 899/4(P), 899/5(P) and 899/6(P) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
7	5 MW Solar Power Plant	SF. Nos. 1107, 1108, 1116 and 1091 Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
8	10 MW Solar Power Plant	SF. No. 1989, 2101/B1 to B3, 2107/1 to 4, 2101/A1 & 2108/2, Senthamangalam (West) Village, Aravakurichi Taluk, Karur District, Tamil Nadu.
9	2 MW Solar Power Plant	SF. Nos. 2107/1, 2107/2, 2107/3, 2107/4 and 2108/2, Senthamangalam (West) Village, Aravakurichi Taluk, Karur District, Tamil Nadu.

Plant Locations of Wholly owned Subsidiaries		
1	Amex Alloys Private Limited - Manufacturing of Iron, Alloy and Investment Casting	SF. No. 289/2, Kunnathur Pudur (PO), Sathy Road, Coimbatore - 641107, Tamil Nadu.
2	Amex Alloys Private Limited - 2 MW Solar Plant	SF. No. 890/A, 891/A and 891/B Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
3	NOEL Media & Advertising Private Limited - 1 MW Solar Plant	SF. No. 191/15, 191/17, 191/18, 191/29, 191/20, 191/22, 191/25, 191/26, 191/27, 191/28, 191/30 Thachanendal Village, Illayankudi Taluk, Sivagangai District - 630561, Tamil Nadu.
4	SWELECT Green Energy Solutions Private Limited- 10 MW Solar Plant	SF. No. 889, 890A, 887, 892, 891A & 891B, Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
5	SWELECT Green Energy Solutions Private Limited- 1 MW Solar Plant	SF. No.929/A (P) & 930(P) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
6	SWELECT Green Energy Solutions Private Limited- 1 MW Solar Plant	SF. No.929/A(P) & 929/B1(P) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
7	K J Solar Systems Private Limited - 2 MW Solar Plant	SF. No. 594/A, 598, 786 & 787 Komarapalayam Village, Dharapuram Taluk, Tiruppur District - 638106, Tamil Nadu.
8	SWELECT Power Systems Private Limited - 10 MW Solar Power Plant	Huralagere, Thuraganoor and Byaderahalli villages of Kunigal Taluk, Tumkur District - 572130, Karnataka.
9	SWELECT Sun Energy Private Limited - 6 MW Solar Power Plant	SF. Nos. 49/3, 76/3, 49/4, 49/7A, 49/7B, 77/5A, 77/3, 76/4, 76/5, 50/3A, 50/3B, 50/4, 50/5, 50/6, 54/2, 54/3, 75/4A, 77/4, 75/1, 77/5C of Manparai Village, Musiri Taluk, Trichy District - 621006.
10	SWELECT Sun Energy Private Limited - 10 MW Solar Power Plant	SF.Nos.44/2, 44/3, 44/7, 44/8, 45/1B, 45/1C, 45/5, 45/6A, 45/6B, 45/7, 45/8, 49/6, 44/6, 76/1A, 76/1B, 76/2, 48/11, 48/13A, 48/13B, 48/14, 48/15A, 49/1A, 49/1D, 49/5, 50/1A, 50/1C, 50/1D, 44/4B, 49/1B, 49/1C, 49/7C, 48/15B, 77/1, 77/2, 49/2, 48/9, 47/4, 44/1B, 49/3, 76/3, 49/4, 49/7A, 49/7B, 77/5A, 77/3 of Manparai Village, Musiri Taluk, Trichy District - 621006, Tamil Nadu
11	SWELECT Renewable Energy Private Limited - 11 MW Solar Power Plant	SF. Nos. 55/9B, 54/8, 54/9, 54/7, 55/6, 55/2, 55/3, 75/2, 55/1, 75/1, 51/11, 51/8, 8/15A, 50/1A, 51/10A, 51/7A, 53/5C, 53/5E, 53/6A, 53/6B, 54/2, 54/3, 54/6B, 75/4A, 75/4B, 54/5, 54/6A2, 55/5, 76/5, 54/6A1 of Manparai Village, Musiri Taluk, Trichy District - 621006, Tamil Nadu.

**xxiii) Address for correspondence:**

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

**xxiv) List of all credit ratings obtained by the company along with any revisions thereto during the financial year, for all debt instruments of the company or any fixed deposit programme or any scheme or proposal of the company involving mobilization of funds, whether in India or abroad:**

The Company has not issued any debt instruments and neither accepted any fixed deposit nor involved in any scheme for mobilization of funds.



**xxv) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):**

The Company has not raised any funds through preferential allotment or qualified institutions placement and hence providing the details of utilization of such funds are not applicable.

**xxvi) Certificate issued by Practising Company Secretary on Directors' Qualification:**

A certificate has been issued by Mr. R. Kannan, Partner of KRA & Associates, Practising Company Secretaries, confirming that none of the directors on the board of the company was debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any statutory authority.

**xxvii) Details of any recommendation of any committee of the board which is mandatorily required and the same has not been accepted by the Board during the financial year:**

The Board has accepted all recommendations of the Committees of the Board during the financial year 2021-22.

**vi) Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) were appointed as the Statutory Auditors of the Company and its wholly owned subsidiary company namely, AMEX Alloys Private Limited. The particulars of payment of Statutory Auditors fees, on consolidated basis during the financial year 2021-2022, is given below**

(₹ in Lakhs)

Particulars	Amount paid by the Company	Amount paid by Amex Alloys Private Limited
Services as statutory auditors	32.45	8.50
Tax audit	2.95	-
Re-imbursment of out-of-pocket expenses	0.64	-
Certification fees	5.61	1.20
<b>Total</b>	<b>41.65</b>	<b>9.70</b>

The above fee is inclusive of input credit for GST wherever applicable.

**10) OTHER DISCLOSURES**

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

**Details of non-compliance by the Company, penalties and 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**

**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 Chairperson of the Audit Committee in exceptional cases. The Audit Committee looks into the complaints, if any, raised by the complainant and provides reports to the Board.

The Company hereby affirms that no Director / employee have been denied access to 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 [www.swelectes.com](http://www.swelectes.com).

**11) SEPARATE MEETING OF INDEPENDENT DIRECTORS**

The Independent Directors had a separate meeting on 11.02.2022 to review the performance and evaluation of the Executive and non-Executive Directors, Chairperson of the Board and the Board as a whole.

**12) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS OF SEBI (LODR) REGULATIONS, 2015**

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

**13) ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LODR) REGULATIONS, 2015**

SEBI 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:

**Reporting of Internal Auditor**

The Internal auditor is reporting directly to the Audit Committee.

**14) COMPLIANCE OF REGULATION 17 TO 27 AND CLAUSES (b) TO (i) OF SUB-REGULATION (2) OF REGULATION 46 OF SEBI (LODR) REGULATIONS**

The Company has complied with 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 to the extent applicable to the Company.

**15) THE WEB LINK WHERE POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES IS DISCLOSED**

<https://swelectes.com/wp-content/uploads/2018/01/policyonmaterialsubsidiaries.pdf>

**16) THE WEB LINK WHERE POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS IS DISCLOSED**

<https://swelectes.com/wp-content/uploads/2022/03/RPT-Policy.pdf>

**17) COMPLIANCE WITH THE REQUIREMENT OF CORPORATE GOVERNANCE REPORT**

The Company has complied with all the compliance requirement of Corporate Governance as stipulated in the regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

**18) CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO)**

The CEO/CFO certification on the financial statements for the Financial Year has been submitted to the Board of Directors, in its meeting held on May 26, 2022, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**19) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT**

In terms of SEBI (LODR) Regulations, 2015, a suspense account has been opened and all the unclaimed shares have been transferred.

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account pursuant to the requirement of Regulation 34(3) and Schedule V Part of SEBI (LODR) Regulations 2015, the following table provides details in respect of the equity shares lying in the suspense account:

Details	Number of Members	Number of equity shares
Aggregate number of the Members and the outstanding shares in the suspense account lying as on 1st April 2021	19	4475
Number of Members and aggregate number of shares transferred to the unclaimed suspense account during the year	0	0
Number of Members who approached the company for transfer of shares and shares transferred from suspense account during the year	0	0
Unclaimed Shares Transfer to IEPF Authority during the year	0	0
Aggregate number of the Members and the outstanding shares in the suspense account lying as on 31st March 2022	19	4475

- The Company has already sent three reminders to the Members for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.
- All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc., would also be credited to unclaimed suspense account of the Company.
- The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

**20) DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The details have been disclosed in the Board's Report.

## 21) UNCLAIMED DIVIDEND

Pursuant to Sections 124 and 125 of the Companies Act, 2013, all dividends which remain unclaimed and unpaid for a period of seven years from the date they became due for payment were required to be transferred to the Investor Education and Protection Fund established by the Central Government.

In terms of the IEPF Rules, on 27.09.2021, the Company has transferred ₹ 2,43,099/- towards unpaid / unclaimed dividend in respect of Final Dividend declared for the financial year 2013-2014 to the Investor Education and Protection Fund (IEPF) . Pursuant to Rule 5 of (Accounting, Audit, Transfer and Refund) Rules 2016, the Company has also uploaded the information in respect of unclaimed dividends as on the date of the financial year ended 31.03.2021, on the website of IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and under the "Investors" section on the website of the Company.

As per the provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The Company has sent out individual communication to the shareholders whose dividend remains unclaimed for seven consecutive years and published an advertisement in the newspapers, inviting such shareholders to claim their dividend. Since there were no communication received from the Shareholders, the Company had transferred 1,861 Equity Shares to the Investor Education and Protection Fund Authority vide Corporate Action on 12.10.2021 pertaining to dividend declared for the financial years 2013-14.

The Shareholders may approach the Nodal Officer of the Company to claim the unclaimed Dividend amount and Shares which were transferred to IEPF Authority during previous years. The Contact details of the Nodal officer are furnished in the website of the Company under the Investors page.

The Members who have not claimed their dividend so far for the financial year ended 2014-2015 or any subsequent financial years are requested to lodge their claims with the Company. The due date for transfer of the unclaimed dividend for the financial year 2014-15 is 2nd September 2022. Members who have not claimed their dividend are requested to write to the company and claim their dividend, before the due date.

For and on behalf of the Board of Directors

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
A.BALAN  
Joint Managing Director

Place: Chennai  
Date: 26.05.2022

## DECLARATION – CODE OF CONDUCT

I, R. Chellappan, Managing Director of SWELECT Energy Systems Limited, declare that the members of Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management, as required under Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Chennai  
Date: 26.05.2022

Sd/-  
R.Chellappan  
Managing Director

## CORPORATE GOVERNANCE CERTIFICATE

To  
The Members,  
SWELECT Energy Systems Limited  
“SWELECT House”, No.5,  
Sir P.S. Sivasamy 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 2022, as stipulated in the 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 Regulations. 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 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.

FOR KRA & ASSOCIATES  
Practising Company Secretaries

Place: Chennai  
Date: 26/05/2022

R.Kannan  
Partner  
FCS No.6718  
C P No.3363  
UDIN: F006718D000400452

## CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

The Board of Directors

SWELECT Energy Systems Limited

“SWELECT House”,

No.5, Sir P. S. Sivasamy Salai,

Mylapore,

Chennai – 600 004.

- A. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2022 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.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year April 2021 - March 2022 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. 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 internal controls were noted.
- D. We have indicated to the Auditors and the Audit Committee that:
1. There are no significant changes in internal control over financial reporting during the year.
  2. There are no significant changes in accounting policies during the year.
  3. There have been no instances of fraud.

Sd/-  
R. CHELLAPPAN  
Managing Director

Place: Chennai  
Date: 26.05.2022

Sd/-  
R. NIKHILA  
Chief Financial Officer

Place: Chennai  
Date: 26.05.2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
SWELECT Energy Systems Limited  
"SWELECT House", No.5,  
Sir P.S. Sivasamy Salai, Mylapore,  
Chennai- 600004.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of SWELECT ENERGY SYSTEMS LIMITED having CIN L93090TN1994PLC028578 and having registered office at "SWELECT House", No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai- 600004 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority :

Sr. No	Name of Director	DIN	Date of appointment in Company
1	CHELLAPPAN GOUNDER RAMASAMY	00016958	12/09/1994
2	BALAN ARTHANARI	00017091	03/10/2015
3	NACHIAPPAN KONGANAPURAM VENKATESAN	00017182	20/04/2018
4	SUNDARAM ANNADURAI	00137561	28/06/2017
5	RAGHUNATH VENKATAGIRI CHELLAPPAN	00703922	11/11/2013
6	JAYASHREE NACHIAPPAN	03173327	13/08/2012
7	GNANASEKAR SUKUMAR SAMUEL	05284689	03/10/2015
8	KRISHNAN SUDARSANAM	07163629	23/07/2018
9	MIRUNALINI VENKATAGIRI CHELLAPPAN	07860175	28/06/2017
10	INIYAN SELVARAJAN	08355447	01/04/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR KRA & ASSOCIATES  
Practising Company Secretaries

Place: Chennai  
Date: 26.05.2022

R.Kannan  
Partner  
FCS No.6718  
C P No.3363  
UDIN: F006718D000400441

**FORM NO. AOC - 2**

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

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

1. Details of contracts or arrangements or transactions not at arms length basis – **Not Applicable**

- (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 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 arms length basis

- (a) Name(s) of the related party: SWELECT Renewable Energy Private Limited  
Nature of relationship: Subsidiary Company
- (b) Nature of contracts/arrangements/transactions:  
Sale and Purchase of goods / materials and services (Sale of solar panels and its allied products) and Leasing of properties
- (c) Duration of the contracts/arrangements/transactions : Financial year 2021-22
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
The above subsidiary places a purchase order on the Company as and when there is a requirement of materials for construction of solar plant. Aggregate Transactions value up to a maximum of Rs.50 Crore
- (e) Date(s) of approval by the Board, if any: 9th February 2022
- (f) Amount paid as advances, if any: NIL

## **ANNEXURES TO THE BOARD'S REPORT**

### **ANNEXURE - 1**

**Form No. MR-3**

#### **SECRETARIAL AUDIT REPORT**

#### **FOR THE FINANCIAL PERIOD ENDED 31st MARCH, 2022**

[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  
"SWELECT House",  
No.5, Sir P.S. Sivasamy Salai,  
Mylapore, Chennai-600004.

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

Based on our verification of the company'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, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed thereunder 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31/03/2022 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.
- (v) 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, 2015;
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (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;

The other laws as may be applicable specifically to the company:

- (a) Electricity Act, 2003
- (b) National Tariff Act Policy

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India

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



We further report that –

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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

we 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.

**FOR KRA & ASSOCIATES**  
Practising Company Secretaries

R.Kannan  
Partner

FCS NO. 6718 / CP NO. 3363  
UDIN: F006718D000398208  
PR 1847/2022

Place: Chennai  
Date: 26/05/2022

### Annexure-A

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
4. Wherever required, we have obtained the Management representation about compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of the corporate laws and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR KRA & ASSOCIATES**  
Practising Company Secretaries

R.Kannan  
Partner

FCS NO. 6718 / CP NO. 3363  
UDIN: F006718D000398208  
PR 1847/2022

Place: Chennai  
Date: 26/05/2022

## ANNEXURE-2

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### (A) Conservation of energy-

- (i) The steps taken or impact on conservation of energy:
- Swelect continues to take steps towards optimization of energy consumption and achieving better energy efficiency across its locations in India as well as its manufacturing facilities in Coimbatore, Bangalore and Salem.
  - Steps have been taken to further process and resource optimization in all the manufacturing facilities to ensure highest operational efficiency and minimal wastage.
  - All the company owned solar projects and installations are monitored continuously to ensure maximum performance and energy generation and utilization.
  - Other steps towards energy efficiency include usage of energy efficient LED lights, load balancing of transformers and the UPS, judicious usage of air conditioning etc.,
- (ii) The steps taken by the company for utilizing alternate sources of energy;
- The company continues to meet its energy requirements from Alternate renewable energy sources such as wind and solar especially for its manufacturing units.
  - Steps are taken to increase the bandwidth of the energy consumed from alternate resources by addition or conversion of the existing power demand to solar and wind.
  - AMEX (WOS) continues to be the first and one of the very few foundries in India to utilize > 85% of its power needs from Renewable sources.
- (iii) The capital investment on energy conservation equipment:
- Investment into energy efficient HVAC system for the Corporate office.
  - Investment into systems that reverse the Potential Induced Degradation effect in solar panels.

#### (B) Technology absorption-

- (i) i. The efforts made towards technology absorption & the benefits derived, like product improvement, cost reduction, product development or import substitution:
- With more emphasis on Energy Storage System (ESS), a 200Kw /217 kWh Lithium – ion Battery based ESS has been commissioned at our existing solar plant at Vellakoil for demonstration to our customers. The Primary function of the ESS is to store Energy during normal / Low tariff period and discharge it during high tariff period thereby gaining on the differential Tariff. In addition, benefits such as energy harvest during Solar Radiation, recapture of Energy during Grid Limitation and load stabilization help in Energy conservation. The total system will demonstrate SWELECT's Energy storage capability for Tenders and EPC Projects.
  - Also for the C&I Market a 5 kW/11.5 kWh Hybrid ESS has been commissioned. Basic function of this ESS is to charge the batteries from Solar as the 1st priority and discharge it during high tariff period or utilize it after Solar hours.
  - Investment into energy efficient HVAC system for the Corporate office.
  - Investment into systems that reverse the Potential Induced Degradation effect in solar panels.
- (ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):  
Nil.
- (iii) The expenditure incurred on Research and Development during the year is ₹ 135.20 lakhs and previous year it was ₹ 66.70 lakhs.

#### (C) Foreign exchange earnings and Outgo-

The foreign exchange earnings and outgo of the Company for the period under review were ₹ 49.12 Lakhs and ₹ 11,398.09 Lakhs respectively.

For and on behalf of the Board of Directors

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
A.BALAN  
Joint Managing Director

**ANNEXURE-3**

**THE ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY**

**1. Brief outline on CSR Policy of the Company.**

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.

**2. Composition of CSR Committee:**

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. S. Annadurai	Chairperson, Non-Executive, Independent	4	4
2.	Mr. R.Chellappan	Member, Executive, Non-Independent	4	4
3.	Mr.V.C.Raghunath	Member, Executive, Non-Independent	4	4

**3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

CSR Committee: <https://swelectes.com/wp-content/uploads/2019/04/COMPOSITION-OF-COMMITTEE-OF-BOARD1.pdf>

CSR Policy: <https://swelectes.com/wp-content/uploads/2021/07/CSR-Policy.pdf>

CSR projects : <https://swelectes.com/csr-projects/>

**4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

There are no projects undertaken for which the impact assessment report is applicable in FY 2021-2022.

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ In Lakhs)	Amount required to be set-off for the financial year, if any (₹ In Lakhs)
1	2020-2021	0.03	0.03

**6. Average net profit of the company as per section 135(5): ₹ 2,007.39 Lakhs**

**7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 40.14 Lakhs**

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL**

**(c) Amount required to be set off for the financial year, if any: ₹ 0.03 Lakhs**

**(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 40.11 Lakhs**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year. (₹ In Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer	Name of the Fund	Amount.	Date of transfer
40.11	NIL	-	-	NIL	-

**(b) Details of CSR amount spent against ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project duration	(7) Amount allocated for the project (₹ in Lakhs)	(8) Amount spent in the current financial Year (₹ in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs)	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
NIL												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (₹ In Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Construction of New school building for special children/adults - Gurukulam class 245 sft, Classroom 350sft	Promoting Education	Yes	Tirupur District, Tamil Nadu		11.10	No	Sai Kirupa Educational Charitable Trust	CSR00013688
2.	Distribution of masks for Tamil Nadu police department during Covid.	Promoting health care and sanitation	Yes	Chennai District, Tamil Nadu		5.00	No	Utkarsh Global Foundation	CSR00003183
3.	Distribution of Masks and Sanitizers.	Promoting health care and sanitation	Yes	Kunigal, Karnataka		1.21	Yes	NA	Not Applicable
4.	Donation for ration kits and other essential supplies for 20 families for support during Covid.	Eradicating Hunger, poverty and malnutrition	No Yes No No	Karaikkal, Pondicherry Kallakurichi, Cuddalore, Thanjavur, Chennai, Tamilnadu Nagpur, Maharashtra Guntur, Anantapur, Andhra Pradesh		0.50	No	Deaf Enabled Foundation (DEF)	CSR00003268
5.	Providing amenities - sitting desks for the classrooms at Government PU College, Maskal.	Promoting education	Yes	Bangalore, Karnataka		2.50	Yes	NA	Not Applicable

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No)	(5) Location of the project.		(6) Amount spent for the project (₹ In Lakhs)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
6.	Montessori Project at Balwadis, Corporation Schools at Chennai	Promoting education	Yes	Chennai District, Tamil Nadu		4.57	No	Sri Ramacharan Charitable Trust	CSR00001945
7.	Distribution of Sanitary Napkins to girl students studying in Classes VI to XII in Government School in Chennai Zone.	Promoting health care and sanitation	Yes	Chennai District, Tamil Nadu		2.50	No	CHILD	CSR00021345
8.	Feeding the poor Students studying in the Corporation Schools, Chennai	Promoting education	Yes	Chennai District, Tamil Nadu		2.73	No	The Akshaya Patra Foundation	CSR00000286
9.	Procurement and supply of building materials for construction of crematorium at Sankagiri, Salem	Rural Development Projects	Yes	Sankari, Salem District, Tamil Nadu		10.00	Yes	NA	Not Applicable
<b>Total</b>						<b>40.11</b>			

(d) Amount spent in Administrative Overheads - NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 40.11 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	40.14
(ii)	Total amount spent for the Financial Year	40.14*
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

\* inclusive of amount set-off for the financial year (₹ 0.03 lakhs)

**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer.	
1.	2020-21	Not Applicable	-	-	NA	-	NA
2.	2019-20	Not Applicable	-	-	NA	-	NA
3.	2018-19	Not Applicable	-	-	NA	-	NA
<b>Total</b>			<b>-</b>	<b>-</b>	<b>NA</b>	<b>-</b>	<b>NA</b>

The MCA has amended the CSR Rules with effect from 22.01.2021 wherein it is stipulated that any unspent CSR lying in the company in any financial year shall transfer such amount to Unspent CSR Account to be opened by the Company with any Bank in case of ongoing project and transfer to a fund specified in the Schedule VII of the Act for other than ongoing project. Therefore, such provision is not made applicable for earlier years and accordingly, the reason for unspent amount has been provided in the Board's Report of the Company in the respective financial year.

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (₹ in Lakhs)	Amount spent on the project in the reporting Financial Year (₹ in Lakhs)	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs)	Status of the project - Completed / Ongoing.
NIL								

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.(asset-wise details):**

- Date of creation or acquisition of the capital asset(s). NIL
- Amount of CSR spent for creation or acquisition of capital asset. NIL
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable**

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
S. Annadurai  
Chairperson, CSR Committee

Place: Chennai  
Date: 26.05.2022

## **ANNEXURE-4**

### **POLICY ON NOMINATION AND REMUNERATION COMMITTEE (NRC)**

(Pursuant to Section 178 (4) of the Companies Act, 2013)

#### **PREAMBLE**

Pursuant to Section 178 of the Companies Act, 2013 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 and the Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Nomination and remuneration Committee but shall not chair such Committee.

The Nomination and Remuneration Committee and its Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto.

#### **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 LTD**”.

“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) Senior management person.

“**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.

“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” shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the “Chief Executive Officer/ Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

#### **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 Committee shall meet at least once in a year and 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 Chairperson 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:

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 Personnel shall be as per the statutory provisions of the Companies Act, 2013 and the rules made thereunder 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 thereunder 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 of the Company 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 thereunder for the time being in force.

**2. Sitting Fees:**

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

**3. Commission:**

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 recorded 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.

**AMENDMENT TO THE POLICY**

The Board on its own and/or as per the recommendations of the respective Committee can amend this policy, as and when it deems fit.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities not being consistent with the provisions laid down under this policy, then such amendments, clarifications, circulars etc., shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

**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.

For and on behalf of the Board of Directors

Sd/-  
R. CHELLAPPAN  
Managing Director

Sd/-  
A.BALAN  
Joint Managing Director

Place: Chennai  
Date: 26/05/2022

**ANNEXURE-5**

**Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016.**

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	1. Mr. R. Chellappan	:	24:1
	2. Mr. A. Balan	:	17:1
	3. Mr. K. V. Nachiappan	:	14:1
	4. Mr. V.C. Raghunath	:	4:1
	5. Ms. V. C. Mirunalini	:	3:1
	6. Mr. G.S.Samuel		No remuneration was paid for the financial year 2021-2022 except sitting fees.
	7. Ms. Jayashree Nachiappan		
	8. Mr. S. Annadurai		
	9. Mr. S. Krishnan		
	10. Dr. S. Iniyan		
(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;	1. Mr. R. Chellappan, MD	:	59.10 %
	2. Mr. A. Balan, JMD	:	63.29 %
	3. Mr. K.V. Nachiappan, WTD	:	72.76 %
	4. Mr. V.C. Raghunath, WTD	:	45.32 %
	5. Ms. V.C. Mirunalini, WTD	:	38.63 %
	6. Ms. R. Nikhila, CFO	:	15.56 %
	7. Mr. R. Sathishkumar, CS	:	6.00 %
(iii) The percentage increase in the median remuneration of employees in the financial year			2.54%
(iv) The number of permanent employees on the rolls of company;			284
(v) 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;	Average percentage increase already made in the salaries of employees other than the managerial personnel : 0.16 %		
	Percentage increase in the managerial remuneration: 60.78 %		
(vi) 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.		

Note: The Executive Directors had forgone the revision in remuneration approved in the earlier AGMs along with a partial waiver of their remuneration during the financial year 2020-21 due to the pandemic. The increments have been effected upon the relaxations in the Covid restrictions and subsequent business growth in the current year.

**Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(2) the Companies (appointment and remuneration of managerial personnel) amendment rules, 2016:**

a) Employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.	Nil
b) Employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.	Nil
c) Employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: NIL	

d) Top ten employees in terms of remuneration drawn during the financial year 2021-2022

S. No.	Employee Name & Designation	Remuneration received (₹ In lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	Mr. R Chellappan Managing Director	68.11	Service Contract	BE (EEE), 50 yrs	12-09-1994	69	Worked in Ashok Leyland Limited as a Senior Executive until March 1984 & founded Numeric Engineers in Nov 1984. Numeric Engineers became Public Company in 1994 as Numeric Power Systems Limited and changed its name as SWELECT Energy Systems Limited.	49.61%	Father of Mr. V.C. Raghunath & Ms. V. C. Mirunalini Whole Time Directors
2	A Balan Joint Managing Director	49.59	Service Contract	B.E (EEE), 51 Years	03-10-2015	69	Novateur Electrical & Digital Systems Private Limited	3.21%	NO
3	Mr. K V Nachiappan Whole Time Director	41.79	Service Contract	B.E (EEE), 34 yrs	20-04-2018	56	Novateur Electrical & Digital Systems Private Limited	1.2%	Husband of Ms. Jayashree Nachiappan, Non-Executive Director
4	Mr. S Nataraj Senior Assistant Vice President (Renewable Energy Products)	25.16	Regular	M. Tech (Chemical Engg) 15 Years & 6 months	22-12-2014	40	Ernst & Young, Chartered Accountants	-	No
5	Mr. HR Vasuki * Chief Operating Officer	24.20	Regular	MSc, 27 yrs 6 months	05-08-2008	52	GE Thermometrics India Pvt Ltd	-	No
6	Dr. Arindam Sarker Chief Technical Officer	20.96	Regular	MSc., PhD, (Phy.) 24 years	01-04-2008	49	Hind High Vacuum Co. (Pvt.) Ltd.	-	No

\* Resigned as on 09.02.2022

S. No.	Employee Name & Designation	Remuneration received (₹ In lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
7	Mr. Prakash Das Assistant Vice President (Projects)	19.45	Regular	B.E, PGDASD, ME, 18 years 3 months	01-11-2011	45	Leonics Company Ltd	-	No
8	Mr. V Venkatesh Vice President (Operational and Special Projects)	17.33	Regular	B.E, 31 years 2 months	25-12-2014	52	Novateur Electrical & Digital Systems Private Limited	0.009%	No
9	Mr. V.Srinivasan Senior Assistant Vice President	17.18	Regular	Diploma (Civil Engg), 26 years 6 months	22-05-2020	45	Novateur Electrical & Digital Systems Private Limited	0.26%	No
10	Mr. L. Mohan Rao Assistant General Manager, Finance and Accounts	13.71	Regular	M.Com & MBA Fin, 29 years 8 months	11-02-2008	53	Hind high Vacuum Co (Pvt) Ltd	-	No

For and on behalf of the Board of Directors

Sd/-

R. CHELLAPPAN  
Managing Director

Sd/-

A. BALAN  
Joint Managing Director

Place: Chennai  
Date: 26th May 2022

**ANNEXURE-6**  
**SECRETARIAL AUDIT REPORT OF MATERIAL SUBSIDIARY**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2022**

[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 and Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018]

To,  
The Members,  
AMEX ALLOYS PRIVATE LIMITED  
[CIN: U27310TZ2003PTC010905]  
Registered Office: SF No.289/2, Kunnathur Pudur (Po),  
Sathy Road, Coimbatore – 641 107, Tamilnadu, India.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Amex Alloys Private Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company'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 31st March 2022 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:

Secretarial Audit was conducted as required under Regulation 24A Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended 31st March 2022 according to the provisions of:

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

I further report that, there were no events/ actions in pursuance of the following requiring compliance by the company during the audit period:

- a. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- b. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- c. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- d. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- f. The Securities and Exchange Board of India (Share based Employee benefits) Regulations 2014;
- g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;
- h. 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 ;
- i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ;
- j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 ;
- k. Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

I have relied on the representation made by the Company and its officers, relating to systems and mechanisms framed by the Company, for ensuring compliance with the Laws as applicable to the Company.

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Guidelines, Standards etc mentioned above.

**I further report that**

The Board of Directors of the Company is duly constituted with one independent director of the listed holding company into the Board of Directors.

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 am informed that there were no dissenting members, on any of the matters, discussed at the Board Meetings during the financial year under review, whose views were required to be captured and recorded as part of the minutes.

**I further report that** based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, I am of the opinion that there are adequate systems and processes in place in the Company which is 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 period covered under the Audit, the Company has not made any specific events / actions having a major bearing on the company's affairs in pursuance of laws, rules, regulations and guidelines referred to above.

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. Eswaramoorthy**

Proprietor

FCS No.: 6510, CP No.: 7069

Place: Coimbatore

Date: 26.05.2022

UDIN: F006510D000393701

Peer review Cert. No.933/2020

**Note:**

Secretarial Audit is applicable as the Company is a Material Unlisted Subsidiary of SWELECT ENERGY SYSTEMS LIMITED (a Company listed on BSE Limited & National Stock Exchange of India Limited) and a Secretarial Audit was conducted as required under Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

Please refer Annexure to Secretarial Audit Report of even date issued which forms part of this Audit Report.



**ANNEXURE TO SECRETARIAL AUDIT REPORT OF  
EVEN DATE ISSUED BY COMPANY SECRETARY IN PRACTICE**

To,  
The Members,  
AMEX ALLOYS PRIVATE LIMITED  
[CIN: U27310TZ2003PTC010905]  
Registered Office: SF No.289/2, Kunnathur Pudur (Po),  
Sathy Road, Coimbatore – 641 107, Tamilnadu, India.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial Records, devising proper system to ensure compliance with the provisions of all applicable laws and regulations and ensuring that systems are adequate and operate effectively, are the responsibilities of the Management of the Company. My responsibility is to express an opinion on these Secretarial Records based on Audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness and contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on a test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**P. ESWARAMOORTHY AND COMPANY**

Company Secretaries

**P. Eswaramoorthy**

Proprietor

FCS No.: 6510, CP No.: 7069

Place: Coimbatore

Date: 26.05.2022

UDIN: F006510D000393701

Peer review Cert. No.933/2020

## INDEPENDENT AUDITOR'S REPORT

**To the Members of SWELECT ENERGY SYSTEMS LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the accompanying standalone financial statements of **SWELECT ENERGY SYSTEMS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Emphasis of Matter

We draw attention to Note 41 of the standalone financial statements, which describes the management's assessment of impairment of investment in two operating subsidiaries and its assessment of the carrying value of investment and loans given to those two operating subsidiaries, on account of accumulated losses in those subsidiaries. This assessment also considers the uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p><b>Evaluation of impairment of investments and loans given to two operating subsidiaries of the Company which has accumulated losses.</b></p> <p>Investments (net) aggregating ₹ 7,186.18 lakhs [Refer Note 6 to the standalone financial statements] in the two operating subsidiaries and Loans given aggregating</p>	<p><b>Principal audit procedures performed:</b></p> <p>Our procedures relating to the impairment of investments and loans included the following, among others:</p> <p>a. We tested the effectiveness of internal controls over the Company's forecasting process and investment impairment review including controls relating to the</p>

<p>₹ 4,912.37 lakhs [Refer Note 7C to the standalone financial statements] to one of the subsidiaries of the Company, which has accumulated losses, is considered good and recoverable based on Management's judgment.</p> <p>The Management's judgment includes the valuation methodology, estimating the forecasted revenues and cash flows, which includes the likely impact on account of the COVID-19 pandemic on the discount rate and growth rate used in the projection period. Any adverse changes to these two assumptions could result into reduction in the fair value determined, resulting in a potential impairment to be recognized.</p>	<p>valuation methodology used, the completeness and accuracy of the input data considered, including the reasonableness of key assumptions considered in determining the future projections and the impairment calculations.</p> <p>b. We obtained the investment valuation (prepared by the external valuation specialist or as prepared by the management, as applicable) and we performed the following procedures:</p> <p>i. We evaluated appropriateness of the valuation methodology used and the reasonableness of the key assumptions considered by the management, such as discount rate and growth rate, in consultation with internal fair valuation specialist, duly considering the impact of the COVID-19 pandemic and also considering the historical accuracy of the Company's estimates in the prior periods.</p> <p>ii. Compared the actual revenues and cash flows generated by these subsidiaries during the year as to the projections and estimates considered in the previous year.</p> <p>We also assessed the sensitivity of the valuation to key changes in assumptions and tested the mathematical accuracy of the impairment model.</p>
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#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report including the Annexures to the Board Report, Management Discussion and Analysis and Corporate Governance report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Board's Report, The Corporate Governance Report and Management Discussion and Analysis are expected to be made available to us after the date of the auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit 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 purposes 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, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h) 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, as amended 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 standalone 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities;
    - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities;
    - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to my/our notice that has caused me/us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement;
    - v. The dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**C Manish Muralidhar**  
Partner  
(Membership No.213649)  
(UDIN: 21213649AAAACK8917)

Place: Chennai  
Date: 26 May 2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **SWELECT ENERGY SYSTEMS LIMITED** (“the Company”) as of 31 March 2022 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 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 of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**C Manish Muralidhar**  
Partner  
(Membership No.213649)  
(UDIN: 21213649AAAACK8917)

Place: Chennai  
Date: 26 May 2022

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
- (a) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (ii) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable property of land and building that have been taken on lease and disclosed as Property, Plant and Equipment in the Standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The Company has physically verified the inventory during the year in accordance with a regular programme of verification, which, in our opinion provides for physical verification of all the inventory at reasonable intervals. According to the information and explanations given to us, the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such verification.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters..
- (iii) a) The Company has provided loans or advances in the nature of loans, stood guarantee or provided security during the year and details of which are given below:

Amount in ₹(Lakhs)

	Loans	Advances in nature of loans	Guarantees	Security
A. Aggregate amount granted / provided during the year:				
- Subsidiaries	9,200	Nil	6,701	454.13
B. Balance outstanding as at balance sheet date in respect of above cases:				
- Subsidiaries	10,426.55	Nil	6,701	3,857.32

- b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.



- c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 [mention activities covered (if only certain activities are covered)]. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

- (b) Details of dues of Income-tax, Sales tax, Value Added Tax and Central Excise Act which have not been deposited as on 31 March 2022 on account of disputes are given below:

Name of the statute	Nature of dues	Amount (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Kerala Sales Tax Act, 1963	Penalty	6.67	2000-2001	Deputy Commissioner,
Commercial Taxes Delhi Vat Act, 2004	Disputed turnover	5.04	2006-2007	Commissioner, Appeals
The Central Tax (Assam), Rules 1957	Non submission of F-Forms & C-Forms to the Department	13.77	2011-2012 & 2012-2013	Asst. Commissioner, Appeals
Central Excise Act	Levy of CVD and SAD on imports	606.26	2009-2015	2009 - 2012 –The Excise Appellate Tribunal 2012-2013 –Commissioner of Central Excise 2013-2015 – The Excise Appellate Tribunal
Income Taxes	Disallowances of items	2,671.64	2009-2010 2012-2013 2013-2014 2015-2016 2016-2017	Commissioner of Income Tax (CIT) Appeals

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv)(a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto March 2022 and the final of the internal audit report where issued after the balance sheet date covering the period (1 January 2022 to 31 March 2022) for the period under audit.
- (xv) In our opinion during the year the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company, or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (b) There are no ongoing projects and hence reporting under clause (xx)(b) of the Order is not applicable to the Company.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**C Manish Muralidhar**  
Partner  
(Membership No.213649)  
(UDIN: 21213649AAAACK8917)

Place: Chennai  
Date: 26 May 2022

PARTICULARS	Note No.	As at 31 March 2022	As at 31 March 2021
<b>(A) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	18,674.75	18,998.71
(b) Capital Work-In-Progress	3	79.08	285.14
(c) Right of Use Assets	3(a)	92.81	178.48
(d) Investment Property	4	1,832.56	1,902.56
(e) Other Intangible Assets	5	5,904.77	6,186.19
(f) Financial Assets			
(i) Investment in Subsidiaries	6	18,561.32	13,933.93
(ii) Other Non Current Investments	7(a)	530.35	530.35
(iii) Trade Receivables	10	480.00	930.51
(iv) Loans	7(c)	11,006.74	470.52
(v) Other Financial Assets	7(d)	5,977.00	4,074.04
(g) Income Tax Asset (Net)	18(c)	597.51	314.87
(h) Other Non-Current Assets	8	188.60	238.77
<b>Total Non-Current Assets</b>		<b>63,925.49</b>	<b>48,044.07</b>
<b>Current assets</b>			
(a) Inventories	9	13,810.15	4,860.67
(b) Financial Assets			
(i) Investments	7(b)	28,289.44	27,171.76
(ii) Trade Receivables	10	5,898.35	7,509.78
(iii) Cash and Cash Equivalents	11	3,418.39	314.25
(iv) Bank Balances other than (iii) above	7(e)	54.68	286.98
(v) Loans	7(c)	135.51	10,823.65
(vi) Other Financial Assets	7(d)	3,184.10	6,248.12
(c) Other Current Assets	12	753.28	371.63
<b>Total Current assets</b>		<b>55,543.90</b>	<b>57,586.84</b>
<b>TOTAL ASSETS</b>		<b>1,19,469.39</b>	<b>1,05,630.91</b>

PARTICULARS	Note No.	As at 31 March 2022	As at 31 March 2021
<b>(B) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1,515.88	1,515.88
(b) Other Equity	14	69,526.53	66,580.11
<b>Total Equity</b>		<b>71,042.41</b>	<b>68,095.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	11,436.53	13,199.81
(ia) Lease liabilities	3(b)	8.11	100.87
(ii) Other Financial Liabilities	17	100.89	177.48
(b) Provisions	19	489.24	490.64
(c) Other Non-Current Liabilities	17(a)	115.12	233.76
<b>Total Non-current liabilities</b>		<b>12,149.89</b>	<b>14,202.56</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	17,452.98	14,076.07
(ia) Lease liabilities	3(b)	92.76	84.80
(ii) Trade Payables	20		
(A) Total outstanding dues of Micro Enterprises and Small Enterprises		351.59	4.46
(B) Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		17,239.21	8,145.55
(iii) Other Financial Liabilities	17	198.88	141.58
(b) Other Current Liabilities	21	813.37	761.64
(c) Provisions	19	128.30	118.26
<b>Total Current liabilities</b>		<b>36,277.09</b>	<b>23,332.36</b>
<b>Total Liabilities</b>		<b>48,426.98</b>	<b>37,534.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,19,469.39</b>	<b>1,05,630.91</b>

See accompanying notes forming part of the Standalone Financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date : 26 May 2022

For and on behalf of the **Board of Directors**  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**

**Statement of Profit and Loss for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	22	28,572.86	18,453.22
Other income	23	3,059.14	3,279.04
<b>Total Income</b>		<b>31,632.00</b>	<b>21,732.26</b>
<b>EXPENSES</b>			
Cost of Materials Consumed	24	15,679.57	6,397.44
Purchase of Stock-in-Trade		11,275.53	3,882.10
Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods	25	(8,688.20)	1,200.48
Employee Benefits Expense	26	1,410.73	1,217.53
Finance Costs	27	2,063.49	1,249.12
Depreciation and Amortisation Expense	28	1,691.44	1,547.79
Other Expenses	29	4,820.37	3,115.65
<b>Total Expenses</b>		<b>28,252.93</b>	<b>18,610.11</b>
<b>Profit before exceptional items and tax</b>		<b>3,379.07</b>	<b>3,122.15</b>
Exceptional items	41	-	(691.00)
<b>Profit before tax</b>		<b>3,379.07</b>	<b>2,431.15</b>
<b>Tax Expense</b>			
Current tax / Deferred tax	18	-	-
<b>Income tax expense</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>3,379.07</b>	<b>2,431.15</b>
<b>Other Comprehensive Income (OCI)</b>			
Items that will not be reclassified to profit or loss			
Re-measurement (losses) / gains on defined benefit plans	31	22.11	(0.40)
Income tax effect	18	-	-
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>22.11</b>	<b>(0.40)</b>
<b>Total Comprehensive income for the year</b>		<b>3,401.18</b>	<b>2,430.75</b>
<b>Earnings per share (Face Value of ₹ 10/- each)</b>			
1. Basic (in ₹)	30	22.29	16.04
2. Diluted (in ₹)	30	22.29	16.04

See accompanying notes forming part of the Standalone financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date : 26 May 2022

For and on behalf of the **Board of Directors**

**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
**Cash Flow Statement for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit after taxation</b>	3,379.07	2,431.15
Adjustments for:		
Tax expense	-	-
Depreciation and Amortisation Expense	1,691.44	1,547.79
(Gain)/Loss on investments carried at fair value through Profit and Loss	(941.37)	(266.30)
Provision for diminution in value of investment in Subsidiary ( Refer note 41)	-	691.00
Net gain from the sale of current investment	(342.39)	(1,392.49)
Provision for bad and doubtful debts and Bad debts written off	459.26	274.98
Provision for warranties	21.51	24.51
Interest expense	2,063.49	1,249.12
Interest income	(466.36)	(1,258.43)
(Gain)/Loss on sale of Property, Plant and Equipment	(1.85)	18.15
Exchange Differences (net)	(761.46)	(259.19)
<b>Operating profit before working capital changes</b>	<b>5,101.34</b>	<b>3,060.29</b>
<b>Movement in working capital :</b>		
(Increase) / Decrease in trade receivables	1,602.68	(4,103.80)
(Increase) / Decrease in current and non-current assets	(331.48)	316.96
Decrease in current and non-current Financial assets	1,323.12	(381.30)
(Increase) / Decrease in inventories	(8,949.48)	588.27
Increase / (Decrease) in trade payables, other current and long- term liabilities	10,106.56	(1,422.77)
(Decrease)/ Increase in provisions	9.24	18.47
<b>Cash flow generated from / (used in) operations</b>	<b>8,861.98</b>	<b>(1,923.88)</b>
Income Tax paid, net of refunds	(282.64)	(160.64)
<b>Net cash flow generated from / (used in) operating activities (A)</b>	<b>8,579.34</b>	<b>(2,084.52)</b>

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>B. Cash flow from investing activities:</b>		
Acquisition of Property, Plant and Equipment, Investment Property and Intangible Assets	(765.63)	(5,353.76)
Proceeds from sale of Property, Plant & Equipment	43.15	59.40
Redemption/Purchase of current investments	166.08	(1,809.72)
Investment in Subsidiary	(1,333.14)	(1,852.01)
Loan given to Subsidiaries / (Repayment Received from Subsidiaries)	(3,304.39)	(1,462.17)
Changes in other bank balances	232.30	(1,572.49)
Interest received	466.36	1,258.43
<b>Net cash flow used in investing activities (B)</b>	<b>(4,495.27)</b>	<b>(10,732.32)</b>
<b>C. Cash flow from financing activities:</b>		
Borrowings availed / (repaid)	5,577.72	12,607.68
Payment of lease liabilities	(98.07)	(97.83)
Unpaid dividend transfer	2.04	-
Interest paid	(2,040.73)	(1,173.01)
Dividend Paid	(454.76)	(113.69)
<b>Net cash flow generated from financing activities (C)</b>	<b>2,986.20</b>	<b>11,223.15</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>7,070.27</b>	<b>(1,593.69)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(9,890.23)</b>	<b>(8,296.54)</b>
<b>Closing cash and cash equivalents</b>	<b>(2,819.96)</b>	<b>(9,890.23)</b>
<b>Cash and Cash equivalents (Refer Note 11(a))</b>	<b>(2,819.96)</b>	<b>(9,890.23)</b>

See accompanying notes forming part of the Standalone financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date : 26 May 2022

For and on behalf of the **Board of Directors**  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**Nikhila R**  
Chief Financial Officer



**SWELECT ENERGY SYSTEMS LIMITED**  
**Statement of Changes in Equity for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**a. Equity Share Capital**

As at 1 April 2020	Changes in Equity Share Capital during the year (Refer Note 13)	Balance as at 31 March 2021	Changes in Equity Share Capital during the year (Refer Note 13)	Balance as at 31 March 2022
1,515.88	-	1,515.88	-	1,515.88

**b. Other Equity**

Particulars	Reserves & Surplus			Total Other Equity
	Capital Reserve	Securities Premium	General Reserve	
<b>Balance as at 1 April 2020</b>	<b>152.64</b>	<b>4,291.19</b>	<b>18,102.14</b>	<b>64,263.05</b>
Profit for the year	-	-	2,431.15	2,431.15
Other Comprehensive Income (Net of tax)	-	-	(0.40)	(0.40)
Dividend Distribution made during the year relating to financial year 2019-20	-	-	(113.69)	(113.69)
<b>Balance as at 31 March 2021</b>	<b>152.64</b>	<b>4,291.19</b>	<b>18,102.14</b>	<b>66,580.11</b>
Profit for the year	-	-	3,379.07	3,379.07
Other Comprehensive Income (Net of tax)	-	-	22.11	22.11
Dividend Distribution made during the year relating to financial year 2020-21	-	-	(454.76)	(454.76)
<b>Balance at 31 March 2022</b>	<b>152.64</b>	<b>4,291.19</b>	<b>18,102.14</b>	<b>69,526.53</b>

See accompanying notes forming part of the Standalone Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai

Date: 26 May 2022

For and on behalf of the **Board of Directors**

**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**A. Balan**  
Joint Managing Director  
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Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

**1. Corporate information**

SWELECT ENERGY SYSTEMS LIMITED (hereinafter referred to as 'the Company') was incorporated as a Public Limited Company on 12 September 1994. The Company is engaged in the business of manufacturing and trading of Solar power projects, off-grid solar photovoltaic modules, based on crystalline silicon technology (c-Si), solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters and energy efficient lighting systems. The Company is domiciled in India and its shares are listed on BSE and NSE. The registered office of the Company is located at Chennai.

**2 Basis of preparation**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**(b) Functional and presentation currency**

These financial statements are presented in Indian Rupees (₹), which is the Company's functional currency. All the financial information have been presented in Indian Rupees Lakhs except for share data and as otherwise stated.

**(c) Basis of measurement**

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**(d) Use of estimates and judgements**

In preparing these financial statements, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Note 5 - Revenue from Service Concession Arrangements

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

Note 3 - Useful life of Property, Plant and Equipment

Note 22 - Revenue from Service Concession Arrangements

Note 38 - Fair valuation of Financial Assets/Liabilities

Notes 7 & 10 - Impairment of financial assets and other assets

Note 9 - Allowance for Non- moving, Slow moving inventories

Note 19 - Provision for Warranty and the underlying projections / assumptions / judgements etc.

Note 31 – Measurement of Defined Benefit Obligations: Key actuarial assumptions

**(e) Measurement of fair values**

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values whereby the valuation is obtained from an external independent valuer, where feasible, which is then reviewed by the Chief Financial Officer for the underlying assumptions used in the valuation.

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Standalone financial statements for the year ended 31 March 2022

The Chief Financial Officer regularly reviews the significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used by the valuer to measure fair values, then the Chief Financial Officer assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 4 – Investment Property and

Note 38 – Financial Instruments

## 2(A) Summary of significant accounting policies

### (a) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification which is determined based on the operating cycle.

An asset is treated as current when it is:

- ♦ Expected to be realised or intended to sold or consumed in the normal operating cycle
- ♦ Held primarily for the purpose of trading
- ♦ Expected to be realised within twelve months after the reporting period, or
- ♦ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is treated as current when:

- ♦ It is expected to be settled in normal operating cycle
- ♦ It is held primarily for the purpose of trading
- ♦ It is due to be settled within twelve months after the reporting period, or
- ♦ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

**(b) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the Government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

**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 control of ownership is passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on commissioning of the contract.

Sales Tax/Value Added Tax (VAT), Goods and Service Tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

**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.

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

**Renewable Energy Certificate (REC) Income:**

Income arising from REC is initially recognised in respect of the number of units of power exported at the minimum expected realisable value, determined based on the rates specified under the relevant regulations duly considering the entitlements as per the policy, industry specific developments, Management assessment etc. and when there is no uncertainty in realising the same. The difference between the amount recognised initially and the amount realised on sale of such RECs at the Power Exchange are accounted for as and when such sale happens.

**Income from service**

Revenue from maintenance contracts is recognised in the Statement of Profit and Loss on a periodic basis over the period of the contract according to the terms and conditions of the agreements. Income from installation contracts is recognised when the certificate of installation is received from the customer.

**Interest income**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in 'Other Income' in the Statement of Profit and Loss. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend**

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

**Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in Revenue from Operations in the Statement of Profit or Loss due to its operating nature.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

**(c) Service Concession Agreement**

The Company constructs Infrastructure used to provide a public service, operates and maintains that Infrastructure (operation services) for a specified period of time.

These arrangements may include Infrastructure used in a Public-to-Private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The Intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated with reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include constructing Solar power distribution assets for distribution of electricity. The Company maintains and services the Infrastructure during the concession period. These concession arrangements set out rights and obligations related to the Infrastructure and the services to be provided.

The right to consideration gives rise to an Intangible asset and financial receivable and accordingly, both the Intangible asset and financial receivable models are applied. Income from the concession arrangements earned under the Intangible asset model consists of the value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and payments actually received from the users. The Intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the Intangible asset is amortised in line with the actual usage of the specific public facility or the agreement period, whichever is less.

Financial receivable is recorded at fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expires

**(d) 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.
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 costs to make the sale.

**(e) Taxes**

**Current income tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the Statement of Profit and Loss except to the extent it relates to items recognised directly in Equity, in which case it is recognised in Equity.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

With the introduction of the new Income tax provisions, the Company has the option to adopt lower rate of tax under Section 115BAA.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

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 taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

**(f) Employee Benefits**

**Defined Contribution Plan**

Provident Fund

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 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 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.

Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

**Defined Benefit Plan**

Gratuity

The Company makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The Company accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in Retained Earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The defined benefit obligation recognised in the Balance Sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

Long Term Compensated Absences

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.

Short Term Employee Benefits

Short Term Employee Benefits includes short term compensated absences which is recognised based on the eligible leave at credit on the Balance Sheet date and the estimated cost is based on the terms of the employment contract.

**(g) Foreign Currency Transactions and Translations**

Foreign Currency Transactions and Translations

The Company's financial statements are presented in ₹, which is also the Company's functional currency.

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate 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.

Treatment of 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 expense in the year in which they arise.

**Forward exchange contracts entered into to hedge foreign currency risk of an existing Asset/Liability**

In the event of the Company entering into hedging transactions, 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.

**(h) Earnings per share**

Basic earnings per share is computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

**(i) Property, Plant and Equipment and Intangible assets**

Property, Plant and Equipment and Other Intangible assets are stated at original cost net of tax/duty credit availed, 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.

Other Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Other Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of Property, Plant and Equipment 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 Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to Statement of Profit and Loss for the year during which such expenses are incurred.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification. Gains and losses arising from derecognition of Property, Plant and Equipment and Other Intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the Property, Plant & Equipment is recognised in the Statement of the Profit and Loss, when the Property, Plant and Equipment is derecognised.

The Company identifies and determines cost of each component/part of the Property, Plant and Equipment separately, if the component/part has a cost which is significant to the total cost of the Property, Plant and Equipment and has useful life that is materially different from that of the remaining Property, Plant and Equipment.

Capital Work-in-Progress: Projects under which Property, Plant and Equipment are not ready for their intended use and capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

**(j) Depreciation and amortisation**

Depreciation is provided using the straight line method as per the useful lives of the Property, Plant and Equipment estimated by the Management as follows:

Buildings	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

**(k) 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 believes that the depreciation rates currently used fairly reflect its estimate of the useful life and residual values of Property, Plant and Equipment, 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, where applicable, the useful lives of the above classes of Property, Plant and Equipment.

The useful life of certain Solar Plant and Machinery and Intangible assets recognised under Service Concession Agreement is 25 years, respectively. These lives are higher than those indicated in Schedule II.

Other Intangible assets are amortised using the straight-line method over a period of three years or five years as applicable.



**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

**(l) Impairment of Property, Plant and Equipment and Other Intangible assets**

The carrying amounts of Property, Plant and Equipment is 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 Property, Plant and Equipment exceeds its recoverable amount. The recoverable amount is the greater of the Property, Plant and Equipment's 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 Property, Plant and Equipment. After impairment, depreciation is provided on the revised carrying amount of the Property, Plant and Equipment over its remaining useful life.

**(m) Investment Property**

Investment Property represents Property (Land or a Building or part of a Building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment Property is measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment Property is stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts if the recognition criteria are met. When significant parts of the Investment Property is required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation on Building classified as Investment Property has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013. These are based on the Company's estimate of their useful lives taking into consideration technical factors.

Though the Company measures Investment Property using cost basis measurement, the fair value of Investment Property is disclosed in Note 4. Fair values are determined on an annual evaluation applying a valuation model.

Investment Property is derecognised when either they have been disposed off or when the Investment Property is permanently withdrawn from use and no future economic benefit from its disposal. When the use of a property changes from investment property to owner-occupied, the property is reclassified as property, plant and equipment at its carrying amount on the date of classification.

The difference between the net disposal proceeds and the carrying amount of the Investment Property is recognised in the Statement of Profit and Loss in the period of derecognition.

**(n) 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 asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(o) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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 Property, Plant and Equipment. 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.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

**(p) Provisions and Contingencies**

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 recognize a contingent liability but discloses its existence in the financial statements.

**(q) Provision for Warranties**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and Management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims will arise, being typically up to twenty five years.

The estimates used for accounting of warranty liability/recoveries are reviewed periodically and revisions are made as required.

**(r) Financial instruments**

**Financial Assets:**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognised in Other Comprehensive Income (i.e. fair value through Other Comprehensive Income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the Balance Sheet, with value changes recognised in the Statement of Profit and Loss, except for those equity investments for which the entity has elected to present value changes in 'Other Comprehensive Income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either:
  - (a) The Company has transferred substantially all the risks and rewards of the asset, or
  - (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

**Investment in Subsidiaries**

The Company has accounted for its investment in Subsidiaries at cost. The Company has elected to account for its equity investments in subsidiaries under Ind AS 27 on Separate Financial Statements, at cost. At the end of each reporting period the Company assesses whether there are indicators of diminution in the value of its investments and provides for impairment loss, where necessary.

**Impairment of financial assets**

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial Liabilities:**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
- Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
- Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Standalone financial statements for the year ended 31 March 2022

#### Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (s) Fair value measurement

The Company measures specific financial instruments of certain investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises the accounting policy for fair value. Other fair value related disclosures are given in relevant notes.

#### (t) Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise Cash at Banks and on hand including cheques on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### (u) Cash dividend

The Company recognises a liability, when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends paid/payable are recognised in the year in which the related dividends are approved by the Shareholders or Board of Directors as appropriate.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

**(v) Cash flow statement**

Cash flows are presented using indirect method, whereby Profit/(Loss) after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company is segregated based on the available information.

**(w) Business combinations**

Business combinations involving entities under the common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Any consideration in excess of the net worth of the acquire Company is adjusted against the reserves of the acquiring Company.

**(x) Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(y) Segment Reporting**

Operating segments reflect the Company's Management structure and the way the financial information is regularly reviewed by the Company's Chief Executive Officer (CEO). The CEO considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and Management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**3 Property, Plant and Equipment**

Particulars	Land	Buildings	Plant and Machinery	Office & Electrical Equipment	Computers	Furniture and Fittings	Vehicles	Total
<b>Cost</b>								
<b>As at April 1, 2020</b>	<b>1,014.23</b>	<b>677.90</b>	<b>16,558.35</b>	<b>380.20</b>	<b>56.58</b>	<b>270.17</b>	<b>139.20</b>	<b>19,096.63</b>
Additions	111.01	47.18	4,512.40	7.54	7.85	32.49	22.67	4,741.14
Deletions							(6.73)	(6.73)
Other Transfers (Refer Note (i) below)	(58.04)							(58.04)
<b>As at March 31, 2021</b>	<b>1,067.20</b>	<b>725.08</b>	<b>21,070.75</b>	<b>387.74</b>	<b>64.43</b>	<b>302.66</b>	<b>155.14</b>	<b>23,773.00</b>
Additions	48.99	-	664.95	61.84	9.34	22.67	12.14	819.93
Deletions	-	-	-	-	-	-	-	-
Other Transfers (Refer Note (i) below)	-	(2.29)	-	-	-	-	-	(2.29)
<b>As at March 31, 2022</b>	<b>1,116.19</b>	<b>722.79</b>	<b>21,735.70</b>	<b>449.58</b>	<b>73.77</b>	<b>325.33</b>	<b>167.28</b>	<b>24,590.64</b>
<b>Depreciation</b>								
<b>As at April 1, 2020</b>	-	<b>172.57</b>	<b>2,961.45</b>	<b>231.54</b>	<b>50.47</b>	<b>263.09</b>	<b>80.06</b>	<b>3,759.18</b>
Charge for the year	-	27.20	915.80	40.65	8.48	12.28	17.43	1,021.84
Deletions	-	-	-	-	-	-	(6.73)	(6.73)
Other Transfers (Refer Note (i) below)	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	<b>199.77</b>	<b>3,877.25</b>	<b>272.19</b>	<b>58.95</b>	<b>275.37</b>	<b>90.76</b>	<b>4,774.29</b>
Charge for the year	-	27.19	1,056.67	30.21	8.15	6.67	14.32	1,143.21
Deletions	-	-	-	-	-	-	-	-
Other Transfers (Refer Note (i) below)	-	(1.61)	-	-	-	-	-	-
<b>As at March 31, 2022</b>	-	<b>225.35</b>	<b>4,933.92</b>	<b>302.40</b>	<b>67.10</b>	<b>282.04</b>	<b>105.08</b>	<b>5,915.89</b>
<b>Net Block</b>								
<b>As at March 31, 2021</b>	<b>1,067.20</b>	<b>525.31</b>	<b>17,193.50</b>	<b>115.55</b>	<b>5.48</b>	<b>27.29</b>	<b>64.38</b>	<b>18,998.71</b>
<b>As at March 31, 2022</b>	<b>1,116.19</b>	<b>497.44</b>	<b>16,801.78</b>	<b>147.18</b>	<b>6.67</b>	<b>43.29</b>	<b>62.20</b>	<b>18,674.75</b>

**Notes:**

- Other transfers represent assets being reclassified to other categories for use in the business operations of the Company. Leasehold improvements of Written Down value ₹ 0.75 lakhs are reclassified as part of Buildings.
- The Company's obligation under finance lease (Refer Note 16) is secured by the lessors' title to the leased asset (Vehicle), which has a carrying amount of ₹ Nil (31 March 2021 - ₹ 23.28 lakhs)
- The Company's obligations (Refer Note 16) are secured by the hypothecation of plant and machinery, which has a carrying amount of ₹ 13,116.17 lakhs (31 March 2021 - ₹ 13,399.20 lakhs)
- (a) Capital Work In progress Ageing Schedule

Period	CWIP	Amount in CWIP for a period of			Total
		Less than 1 year	1-2 years	2-3 years	
Mar-22	Projects in progress	79.08	-	-	79.08
Mar-21	Projects in progress	285.14	-	-	285.14

b) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan - Nil

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**3(a)** The Company has entered into leases for Buildings.

**Right of Use Asset “ROU”:**

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2022

Particulars	Amount
<b>Balance as at 01 April 2020</b>	<b>6.67</b>
Additions	257.00
Deletions	-
Depreciation*	(85.19)
<b>Balance as at 31 March 2021</b>	<b>178.48</b>
Additions	-
Deletions	-
Depreciation*	(85.67)
<b>Balance as at 31 March 2022</b>	<b>92.81</b>

\*The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

**(b) Lease Liabilities:**

The following is the movement in lease liabilities during the year ended 31 March 2022

Particulars	Amount
<b>Balance as at 01 April 2020</b>	<b>7.87</b>
Additions	257.00
Finance cost accrued during the year	18.63
Deletions	-
Payment of lease liabilities	(97.83)
<b>Balance as at 31 March 2021</b>	<b>185.67</b>
Additions	-
Finance cost accrued during the year	13.27
Deletions	-
Payment of lease liabilities	(98.07)
<b>Balance as at 31 March 2022</b>	<b>100.87</b>

The following is the break-up of current and non-current lease liabilities as at March 31, 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	92.76	84.80
Non-current lease liabilities	8.11	100.87

**(c) Amounts recognized in profit and loss were as follows:**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation Expenditure	85.67	85.19
Finance Cost on Lease liabilities	13.27	18.63



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

(d) The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than 1 year	98.07	98.07
Later than 1 year and not later than 5 years	8.17	106.24
Later than 5 years	-	-

**Note:** The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**4 Investment Property**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Cost</b>	<b>2,424.99</b>	<b>2,090.46</b>
Additions during the year	55.19	276.48
Deletions during the year	(41.31)	-
Transfer from Property, Plant & Equipment	2.29	58.05
<b>Closing Balance</b>	<b>2,441.16</b>	<b>2,424.99</b>
<b>Depreciation</b>		
Opening balance	522.43	437.87
Charge for the year	84.56	84.56
Transfer from Property, Plant & Equipment	1.61	-
<b>Closing Balance</b>	<b>608.60</b>	<b>522.43</b>
<b>Net Block</b>	<b>1,832.56</b>	<b>1,902.56</b>

**Other Non-Current Investments**

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Rental income derived from Investment Property	444.77	372.07
(b) Direct operating expenses (including repairs and maintenance) generating rental income	-	-
(c) Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Profit arising from Investment Property before depreciation and indirect expenses</b>	<b>444.77</b>	<b>372.07</b>
Less – Depreciation and Transfers	(86.17)	(84.56)
<b>Profit arising from Investment Property before indirect expenses</b>	<b>358.60</b>	<b>287.51</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Measurement of fair values:**

**Description of valuation techniques used and key inputs for valuation of Investment Property:**

As at 31 March 2022 and 31 March 2021, the fair value of the Property is ₹ 26,746.80 lakhs and ₹ 16,585.45 lakhs, respectively. The valuation is based on fair value assessment performed by the Management. A valuation model as recommended by the International Valuation Standards Committee has been applied. The fair value is not based on the valuation by an independent valuer.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property or has any plans for major repairs, maintenance and enhancements. Fair Value Hierarchy disclosures for Investment Property has been provided in Note 37.

This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

Under the Discounted cash flow method, fair value is estimated using assumptions regarding the fair market value of the Property.

In this regard, the key assumptions used for fair value calculations are as follows:

- It is presumed that the vacancy durations of the Property will have no material impact on the cash flow projections, as they are immaterial
- Existing rental escalation terms will continue to exist in the future without any modification.
- It is presumed that no brokerage, commission costs will be incurred on the let out of Property.

The weighted average cost of capital (WACC) is the rate that a Company is expected to pay on average to all its security holders to finance its assets. The weighted average cost of capital is calculated by Capital Asset Pricing Model (CAPM). This model takes into account the asset's sensitivity to non-diversifiable risk (also known as systematic risk or market risk), represented by the quantity beta ( $\beta$ ) in the financial industry, as well as the expected return of the market and the expected return of a theoretical risk-free asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is characteristic of the class of real Property. Periodic cash flow is typically estimated as gross income, non-recoverable expenses, collection losses, lease incentives, maintenance cost and other operating and Management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increase (decrease) in the estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the Property. Significant increase (decrease) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by:

- i. A directionally similar change in the rent growth per annum and discount rate (and exit yield).
- ii. An opposite change in the long term vacancy rate.

**Reconciliation of fair value:**

Particulars	Amount in Lakhs
<b>Gross Block As at March 31, 2022</b>	2,439.55
Fair value difference (net)	24,307.25
<b>Fair value As at March 31, 2022</b>	<b>26,746.80</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**5 Other Intangible Assets**

Particulars	Certification Process	Service Concession Arrangement (Refer Note 1 below)	Computer Software	Total
<b>Cost</b>				
<b>As at April 1, 2020</b>	<b>131.74</b>	<b>7,790.15</b>	<b>90.71</b>	<b>8,012.60</b>
Additions	21.37	-	29.63	<b>51.00</b>
Deletions	-	(93.38)	-	<b>(93.38)</b>
<b>As at March 31, 2021</b>	<b>153.11</b>	<b>7,696.77</b>	<b>120.34</b>	<b>7,970.22</b>
Additions	83.36	-	13.21	<b>96.57</b>
Deletions	-	-	-	-
<b>As at March 31, 2022</b>	<b>236.47</b>	<b>7,696.77</b>	<b>133.55</b>	<b>8,066.79</b>
<b>Amortisation</b>				
<b>As at April 1, 2020</b>	<b>100.07</b>	<b>1,303.27</b>	<b>40.31</b>	<b>1,443.65</b>
Charge for the year	23.14	314.89	18.18	<b>356.21</b>
Deletions	-	(15.83)	-	<b>(15.83)</b>
<b>As at March 31, 2021</b>	<b>123.21</b>	<b>1,602.33</b>	<b>58.49</b>	<b>1,784.03</b>
Charge for the year	46.71	310.67	20.61	<b>377.99</b>
Deletions	-	-	-	-
<b>As at March 31, 2022</b>	<b>169.92</b>	<b>1,913.00</b>	<b>79.10</b>	<b>2,162.02</b>
<b>Net block</b>				
<b>As at March 31, 2021</b>	<b>29.90</b>	<b>6,094.44</b>	<b>61.85</b>	<b>6,186.19</b>
<b>As at March 31, 2022</b>	<b>66.55</b>	<b>5,783.77</b>	<b>54.45</b>	<b>5,904.77</b>

**Notes:**

- The Company (Operator) has entered into the following Power Purchase Agreements (PPA) with counter parties (Grantor). The Company has assessed the same as an arrangement which needs to be accounted under the principles of Appendix C of Ind-AS 115 as the following conditions are met:

The Grantor controls or regulates which services the Operator must provide to the Infrastructure (Solar Power Plant), to whom it must provide and at what price and the controls the Grantor will exercise through ownership, beneficial entitlement or other significant residual interest in the Infrastructure at the end of the term of the arrangement.

Infrastructure within the scope of Appendix C of Ind-AS 115 is not recognised as Property, Plant and Equipment of the Operator because the contractual service arrangement does not convey the right to control the use of the Infrastructure to the Operator.

Consideration for the construction services received or receivable by the Operator is recognised at its fair value. The consideration may be rights to: (a) a financial asset or (b) an Intangible asset.

The Company recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the Grantor for the construction services; the Grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, even if payment is contingent on the operator ensuring that the Infrastructure meets specified quality or efficiency requirements.

The tenure of the PPA represents the significant useful life of the Infrastructure. Consequently, the Company has an intangible right to receive cash through the tenure of the PPA and the same has been recognised as an Other Intangible asset. The Other Intangible asset is amortised over the agreement period.

- Other Intangible asset with a carrying amount of ₹ 4,362.82 lakhs (as at 31 March 2021: ₹ 4,601.88 lakhs) has been pledged in favour of the Grantor against the grant received and receivable from the Grantor.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**6 Financial Assets**

**Investments in Subsidiaries - Unquoted Equity Shares (At Cost)**

Particulars	As at 31 March 2022	As at 31 March 2021
4,44,000 (31 March 2021 : 4,44,000) Equity shares of Swelect Solar Energy Private Limited, ₹ 100/- each fully paid	444.00	444.00
1,22,32,500 (31 March 2021 : 1,22,32,500) Equity shares of Swelect Energy Systems Pte. Limited, Singapore Dollar 1/- each fully paid	4,372.90	4,372.90
65,00,000 (31 March 2021 : 65,00,000) Equity shares of Amex Alloys Private Limited, ₹ 10/- each fully paid	1,636.18	1,636.18
18,60,953 (31 March 2021 : 18,60,953) Equity shares of Swelect Green Energy Solutions Private Limited, ₹ 100/- each fully paid	8,712.99	8,712.99
46,000 (31 March 2021 : 10,000) Equity warrants of Swelect Inc, USA, USD 10/- each fully paid	336.30	68.85
9,30,000 (31 March 2021 : 10,000) Equity shares of Swelect Power Systems Private Limited, ₹ 100/- each fully paid	3,036.82	10.00
1,85,20,000 (31 March 2021 : 1,85,20,000) Equity shares of Swelect Sun Energy Private Limited, ₹ 10/- each fully paid	1,852.00	1,852.00
10000 (31 March 2021 : Nil) Equity shares of Swelect HHV Solar Photovoltaics Private Limited, ₹ 10/- each fully paid	1.00	-
1,33,21,222 (31 March 2021 : Nil) Equity shares of Swelect Renewable Energy Private Limited, ₹ 10/- each fully paid	1,332.12	-
<b>Total</b>	<b>21,724.31</b>	<b>17,096.92</b>
Less : Provision for diminution in value of investment in one of the Subsidiary (Refer note 41)	3,162.99	3,162.99
<b>Net Total</b>	<b>18,561.32</b>	<b>13,933.93</b>
Aggregate book value of un-quoted investments	21,724.31	17,096.92
Aggregate book value of impairment in value of investment	3,162.99	3,162.99

**7. Financial Assets**

**7(a) Other Non-Current Investments**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Un-quoted Investment in equity shares at fair value through statement of profit and loss</b>		
3,00,000 (31 March 2021 : 3,00,000) Equity shares of ₹ 10/- each fully paid in Gem Sugars Limited	30.00	30.00
3,520 (31 March 2021 : 3,520) Equity shares of ₹ 10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35
<b>Investment in tax free bonds (un-quoted) carried at amortised cost</b>		
50,000 (31 March 2021: 50,000) bonds of ₹ 1,000/- each fully paid in Housing and Urban Development Corporation Limited	500.00	500.00
<b>Total</b>	<b>530.35</b>	<b>530.35</b>
Aggregate book value of un-quoted investments	530.35	530.35

**Note:**

- Investment in tax free bonds are non-derivative financial assets which generate an effective interest income of 8.51% for the Company.
- Investments marked have been pledged as collateral securities with Bank for the borrowings of the Company. (Refer Note 16).

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**7(b) Current investments**

**Investments at fair value through profit or loss (FVTPL) Quoted Mutual funds**

Particulars	As at 31 March 2022	As at 31 March 2021
2,725,901.41 units (31 March 2021: 2,725,901.41 units) of Aditya Birla Sunlife Banking & PSU Debt fund - Regular - Growth *	8,082.69	7,720.91
316,156.000 units (31 March 2021: 316,156.000 units) of ICICI Prudential Savings - Fund Growth *	1,370.11	1,315.22
LIC Endowment Plus	-	12.14
67,994.421 units (31 March 2021: 67,994.421 units) of UTI Liquid Cash Plan -Regular Growth*	-	2,279.94
16,889,967.522 units ( 31 March 2021-16,889,967.522 units) ICICI Prudential Banking and PSU Debt Fund - Growth *	4,414.16	4,219.35
22,094,457.000 units ( 31 March 2021-22,094,457.000 units) IDFC Banking & PSU Debt Fund - Regular Plan - Growth *	4,422.51	4,249.80
30,000.348 units ( 31 March 2021- 30,000.348 units) HDFC Money Market Fund- Regular plan - Growth *	1,377.20	1,325.60
16,585,394.21 units (31 March 2021-16,585,394.21 units) HDFC Credit Risk Debt Fund - Regular Growth*	3,228.96	3,019.85
8,490,488.36 units (31 March 2021-8,924,990.65 units) ICICI Prudential Medium Term Bond Fund- Growth*	3,036.31	3,028.94
8,450,586.97 (31 March 2021- Nil) IDFC Ultra Short Term Fund Regular Plan-Growth *	1,042.40	-
5,275,367.68 units (31 March 2021- Nil) AXIS Short Term Fund -Growth *	1,315.10	-
<b>Total</b>	<b>28,289.44</b>	<b>27,171.76</b>
Aggregate cost of quoted investments	23,782.01	23,598.55
Aggregate market value of quoted investments	28,289.44	27,171.76

**Note:**

\* Investments marked have been pledged as collateral securities with Banks for the borrowings of the Company and its subsidiaries (Refer Note 16).

**7(c) Financial assets carried at Amortised cost**

**Loans (Unsecured, considered good, unless otherwise stated) carried at amortised cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
Loans to Related parties (Refer Note 2 below and Note 33)	10,426.55	-
Other Loans (Refer Note 1 below)	580.19	470.52
<b>Total</b>	<b>11,006.74</b>	<b>470.52</b>
<b>(ii) Current</b>		
Loans to employees	0.12	0.18
Loans to Related parties (Refer Note 2 below and Note 33)	-	10,526.02
Other Loans (Refer Note 1 below)	135.39	297.45
<b>Total</b>	<b>135.51</b>	<b>10,823.65</b>
	<b>11,142.25</b>	<b>11,294.17</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Notes:**

1. Other financial assets are non-derivative financial assets which generate an effective interest income of 8.50 % - 9.00 % for the Company.
2. Loans to related parties are non-derivative financial assets repayable on demand which generate an average interest income of 8.25% for the Company and All the above loans have been given for business purpose only for a period of 5 years.
3. The following disclosures are the Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that a) repayable on demand; or (b) without specifying any terms or period of repayment.

Type of the Borrower	Amount of loan or advances outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoter / Directors / KMPs	-	-
Related Parties	10,426.55	93.58%

**7(d) Other Financial Assets (Unsecured, considered good, unless otherwise stated) carried at Amortised Cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
Security Deposits	51.04	51.04
Deposits with original maturity more than 12 months #	5,925.96	4,023.00
<b>Total</b>	<b>5,977.00</b>	<b>4,074.04</b>
<b>(ii) Current</b>		
Interest accrued on fixed deposits	99.53	130.28
Other Current Financial assets	654.96	784.93
Provision for doubtful advance	(646.72)	(155.00)
Deposits with original maturity more than 3 months and less than 12 months #	3,076.33	5,487.91
<b>Total</b>	<b>3,184.10</b>	<b>6,248.12</b>
Considered good	9,161.10	10,322.16
Considered doubtful	(646.72)	(155.00)

# The balance in deposit accounts bears an average interest rate of 4.48% and have been pledged as collateral securities with Banks for availing Term loan , working capital limits for the Company, Packing credit facility and Foreign Currency Non Resident Loan for its subsidiary (Refer Note 16).

**7(e) Bank balances  
(Carried at amortised cost)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current</b>		
Earmarked balances with banks	54.68	286.98
<b>Total</b>	<b>54.68</b>	<b>286.98</b>

Earmarked Balances with banks primarily relate to escrow accounts with banks specific to project loans.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**8 Other Non-current Assets (Unsecured, considered good)**

Particulars	As at 31 March 2022	As at 31 March 2021
Capital advances	-	38.31
Balance with Government authorities	415.31	415.31
Provision for doubtful advance	(280.44)	(280.44)
Prepaid expenses	53.73	65.59
<b>Total</b>	<b>188.60</b>	<b>238.77</b>

**9 Inventories**

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components (at cost)	2,406.31	2,205.06
Raw materials in transit (at cost)	159.46	99.43
Work-in-progress (at cost) (Refer Note below)	4.65	279.20
Finished goods (at cost or net realisable value)	3,772.20	1,932.68
Traded goods (at cost)	7,467.53	344.30
<b>Total</b>	<b>13,810.15</b>	<b>4,860.67</b>

**Note:**

Work-in Progress comprises of Solar Photo Voltaic Panels, mechanical and electrical items.

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 16.

**10 Trade receivables**

**Trade receivables (Unsecured, unless other wise stated)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
(a) Receivables considered good	480.00	930.51
	<b>480.00</b>	<b>930.51</b>
<b>Current</b>		
(a) Receivables considered good (Refer Note 33 )	5,898.35	7,509.78
(b) Receivables which have significant increase in Credit Risk	291.99	344.19
(c) Receivables - credit impaired	160.24	158.04
	<b>6,350.58</b>	<b>8,012.01</b>
Less : Allowance for Expected Credit Loss	(452.23)	(502.23)
<b>Total</b>	<b>5,898.35</b>	<b>7,509.78</b>

During the year ended March 31, 2022 the Company has reversed allowance for doubtful debts of ₹50 lakhs (net)

(Previous Year: created allowance for doubtful debts of ₹175 lakhs)

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Outstanding as on 31 March 2022					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	4,507.17	303.25	800.81	767.11	-	6,378.34
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.54	10.00	89.73	191.72	-	291.99
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	160.24	160.24

Particulars	Outstanding as on 31 March 2021					Total
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	6,329.17	741.57	1,080.08	289.47	-	8,440.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.60	4.57	127.91	209.11	-	344.19
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	158.04	158.04

Allowance for bad and doubtful debts	As at 31 March 2022	As at 31 March 2021
Allowance for Expected Credit Loss	452.23	502.23

Unbilled revenue	As at 31 March 2022	As at 31 March 2021
Unsecured, Considered Good	355.57	409.89

**11 Cash and cash equivalents**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks:		
On current accounts	195.17	298.64
On unpaid dividend accounts	8.81	10.85
Deposits with original maturity less than 3 months	3,209.23	-
Cash on hand	5.18	4.76
<b>Total</b>	<b>3,418.39</b>	<b>314.25</b>



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**11(a) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks:		
On current accounts	195.17	298.64
Deposits with original maturity less than 3 months	3,209.23	-
Cash on hand	5.18	4.76
	<b>3,409.58</b>	<b>303.40</b>
Less: Bank overdrafts (Refer Note 16)	(6,229.54)	(10,193.63)
<b>Total</b>	<b>(2,819.96)</b>	<b>(9,890.23)</b>

**12 Other Current assets**

Particulars	As at 31 March 2022	As at 31 March 2023
<b>Unsecured, considered good:</b>		
Balance with Government authorities	202.21	28.77
Supplier advances	475.03	261.98
Prepaid expenses	64.74	72.09
Other receivables	11.30	8.79
<b>Total</b>	<b>753.28</b>	<b>371.63</b>

**13 Equity Share Capital**

Particulars	Equity Shares of ₹ 10/- each	
	Nos.	Amount
<b>Authorised Share Capital</b>		
<b>As at 1 April 2021</b>	<b>470,00,000</b>	<b>4,700.00</b>
Increase/(Decrease) during the year	-	-
<b>As at March 31, 2022</b>	<b>470,00,000</b>	<b>4,700.00</b>
<b>Issued, Subscribed &amp; Fully paid up</b>		
<b>As at 1 April 2021</b>	<b>15,158,760</b>	<b>1,515.88</b>
Issue of Equity Share Capital	-	-
<b>As at March 31, 2022</b>	<b>15,158,760</b>	<b>1,515.88</b>

**a. Terms/rights attached to equity shares**

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

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive the 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.

**b. Details of Shareholders holding more than 5% shares in the Company**

Equity shares of ₹ 10/- each fully paid	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
R. Chellappan, Managing Director	73,97,860	48.80%	73,97,860	48.80%

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

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.

**c. Number of Shares held by the promoters**

Promoter name	As at 31 March 2022	As at 31 March 2021	% of total shares	% Change during the year
Chellappan R	73,97,860	73,97,860	48.80%	-
Balan A	4,69,499	4,69,499	3.10%	-
Nachiappan K V	1,65,348	1,65,348	1.09%	-
Gunasundari C	1,23,129	1,23,129	0.81%	-
Mirunalini V C	71,008	71,008	0.47%	-
Raghunath V C	58,515	58,515	0.39%	-
Aarthi Balan	24,600	24,600	0.16%	-
Preetha Balan	24,300	24,300	0.16%	-
Vasantha B	16,884	16,884	0.11%	-
Rishii Nandhan K N	15,355	15,355	0.10%	-
Jayashree Nachiappan	1,375	1,375	0.01%	-
Swelect Electronics Private Limited	45	45	0.00%	-
Raghunath V C on behalf of SWEES Employees Welfare Trust	1,76,400	1,76,400	1.16%	-
<b>Total</b>	<b>85,44,318</b>	<b>85,44,318</b>	<b>56.37%</b>	<b>-</b>

**14 Other Equity**

**Other Equity movement during the years 2020-21 and 2021-22:-**

Particulars	Capital Reserve	Securities Premium (Refer Note (i) below)	Retained Earnings (Refer Note (iii) below)	General Reserve (Refer Note (ii) below)	Total
<b>As at 01 April 2020</b>	<b>152.64</b>	<b>4,291.19</b>	<b>41,717.08</b>	<b>18,102.14</b>	<b>64,263.05</b>
Profit for the year	-	-	2,431.15	-	2,431.15
Distribution made during the year relating to Financial year 2019-20	-	-	(113.69)	-	(113.69)
Other comprehensive income- Remeasurement of Defined Benefit Plans (Refer Note (iii) below)	-	-	(0.40)	-	(0.40)
<b>Balance as at 31st March 2021</b>	<b>152.64</b>	<b>4,291.19</b>	<b>44,034.14</b>	<b>18,102.14</b>	<b>66,580.11</b>
Profit for the year	-	-	3,379.07	-	3,379.07
Distribution made during the year relating to Financial year 2020-21	-	-	(454.76)	-	(454.76)
Other comprehensive income- Remeasurement of Defined Benefit Plans (Refer Note (iii) below)	-	-	22.11	-	22.11
<b>As at March 31, 2022</b>	<b>152.64</b>	<b>4,291.19</b>	<b>46,980.56</b>	<b>18,102.14</b>	<b>69,526.53</b>

(i) **Securities Premium** – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium”. The Company may issue fully paid-up bonus shares to its members out of the Securities Premium and the Company can use this reserve for buy-back of shares.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

(ii) **General Reserve** - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue fully paid-up and not paid-up bonus shares.

(iii) In accordance with Notification G.S.R. 404(E), dated April 6, 2016, remeasurement of defined benefit plans is recognised as part of retained earnings.

**15 Distribution made and proposed**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended 31 March 2021 ₹ 3/- per share (31 March 2020: ₹ 0.75/- per share)	454.76	113.69
<b>Proposed dividends on Equity shares:</b>		
Proposed Dividend for the year ended 31 March 2022: ₹ 3/- per share (31 March 2021: ₹ 3/- per share)	454.76	454.76

Proposed Dividend of ₹ 3 per share on Equity shares are subject to the approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2022.

**16 Borrowings**

**Financial Liabilities carried at amortised cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
Term loan from Banks	11,436.53	13,199.81
<b>Total</b>	<b>11,436.53</b>	<b>13,199.81</b>
Secured Borrowings	8,898.53	10,607.81
Unsecured Borrowings	2,538.00	2,592.00

Details of long term borrowings are given below:

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Term loan 1	2,603.47	7.71%	₹	Loan obligation plus interest, is payable in 90 equal monthly installment.	Solar Power Plant
Term loan 2	764.61	7.50%	₹	Loan obligation plus interest, is payable in 58 equal monthly installments.	Solar Power Plant
Term loan 3	381.94	9.30%	₹	Loan obligation and interest is payable in 55 monthly installments.	Solar Power Plant
Term loan 4	2,538.00	6.75%	₹	Loan obligation is payable in 47 monthly installments and interest is payable in 47 monthly installments	Unsecured
Term loan 5	2,045.63	7.71%	₹	Loan obligation is payable in 43 monthly installments and interest is payable in 42 monthly installments	Solar Power Plant
Term loan 6	4,950.00	6.25%	₹	Loan obligation is payable the end of two years.	Mutual Funds
<b>Sub Total</b>	<b>13,283.65</b>				
<b>Less:</b>					
<b>Current Portion</b>	<b>1,847.12</b>				
<b>Non-Current Borrowings</b>	<b>11,436.53</b>				

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(ii) Current (Secured)</b>		
Bank overdraft	6,229.54	10,193.63
Working capital Loan from Banks	6,550.00	-
External Commercial Borrowing (ECB)	2,826.32	2,734.64
Current maturities of long-term debt	1,847.12	1,147.80
<b>Total Current Borrowings</b>	<b>17,452.98</b>	<b>14,076.07</b>

Details of Short Term Borrowings are given below:

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Bank overdrafts & Working capital demand loan	12,779.54	5.8%-8.45%	₹	Repayable on demand	Fixed deposits and Mutual funds of the Company
External Commercial Borrowing (ECB)	2,826.32	1.80%	USD	Rollover due in May 2022	Mutual funds of the Company
<b>Total Short Term Borrowings</b>	<b>15,605.86</b>				

Note: The quarterly return or statements, where applicable, of current assets filed by the Company with banks are in agreement with the books of accounts.

**17 Other Financial Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non Current</b>		
Rental deposits	100.89	177.48
<b>Total</b>	<b>100.89</b>	<b>177.48</b>
<b>(ii) Current</b>		
Interest accrued	95.88	86.39
Unpaid dividend	8.81	10.85
Capital creditors	17.60	17.07
Rental deposits	76.59	27.27
<b>Total</b>	<b>198.88</b>	<b>141.58</b>

**17(a) Other non-current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred AMC Income	22.29	24.28
Deferred Interest Income	41.79	158.44
Security deposit for Land	51.04	51.04
<b>Total</b>	<b>115.12</b>	<b>233.76</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**18 (a) Deferred tax liabilities (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liabilities</b>		
Impact on difference between tax, depreciation and amortisation charged for the financial reporting	1,709.69	1,825.31
<b>Gross deferred tax liabilities</b>	<b>1,709.69</b>	<b>1,825.31</b>
<b>Deferred tax assets</b>		
Carry forward business loss and unabsorbed depreciation	(1,709.69)	(1,825.31)
<b>Gross deferred tax assets</b>	<b>(1,709.69)</b>	<b>(1,825.31)</b>
<b>Total Deferred tax liabilities (net)</b>	<b>-</b>	<b>-</b>

**(b) Income Tax**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

**Statement of Profit or Loss:**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge (Refer Note 1 below)	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

As at 31 March 2022, the Company has total eligible deferred tax asset of ₹ 1,729.12 lakhs (including on account of business loss and unabsorbed depreciation) as per Income Tax Returns filed/Income Tax workings. In this regard, based on estimated tax workings and the accounting policy followed by the Company for recognition of deferred tax assets on such losses/unabsorbed depreciation, the Company has recognised deferred tax asset to the extent of ₹ 1,729.12 Lakhs towards carried forward tax losses and unabsorbed depreciation to the extent of deferred tax liabilities.

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Accounting Profit before income tax (including other comprehensive income)</b>	<b>3,401.18</b>	<b>2,430.75</b>
Less: Depreciation claim	(3,582.21)	(3,116.75)
Add: Provision and other adjustments	1,111.38	686.00
Taxable Profit considering unabsorbed losses	-	-
<b>Normal tax rate under 115BAA</b>	<b>25.17%</b>	<b>25.17%</b>
<b>Income tax expense reported in the Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

**Note:**

During the previous year, the Company has opted the provisions of the new tax regime section 115BAA as per Income Tax Act 1961 as amended by Finance Act 2020. Consequent to the adoption of the section 115BAA, the company does not have MAT applicability and the tax calculation as per normal provisions is Nil due to unabsorbed losses.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(c) Income Tax Asset**

Income tax asset of ₹ 597.51 lakhs as at 31 March 2022 (As at 31 March 2021 ₹ 314.87 lakhs) represents the tax deducted at source/advance tax, net of provision for income tax.

**19 Provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-current</b>		
Provision for gratuity (Refer Note 31)	82.46	92.40
Provision for compensated absences	65.15	66.75
Provision for warranties (Refer Note below)	341.63	331.49
<b>Total</b>	<b>489.24</b>	<b>490.64</b>
<b>(ii) Current</b>		
Provision for gratuity (Refer Note 31)	-	-
Provision for compensated absences	16.79	18.11
Provision for warranties (Refer Note below)	111.51	100.16
<b>Total</b>	<b>128.30</b>	<b>118.27</b>
	<b>617.54</b>	<b>608.91</b>

**Note: Provision for warranties**

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	431.64	409.37
Arising during the year	43.66	24.51
Utilised during the year	(22.15)	(2.24)
<b>At the end of the year</b>	<b>453.14</b>	<b>431.64</b>
Non-current portion	341.63	331.48
Current portion	111.51	100.16

**20 Trade payables**

Particulars	As at 31 March 2022	As at 31 March 2021
Trade payables	7,085.11	2,102.36
(Refer note below regarding dues to micro, small and medium enterprises)		
Trade payables MSME	351.59	4.46
Trade payables to Related parties (Refer Note 33)	10,154.10	6,043.19
<b>Total</b>	<b>17,590.80</b>	<b>8,150.01</b>

**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" and further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year other than as disclosed below: Further there are nil Disputed MSME or Vendor dues and no dues more than 3 years.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

As at March 2022

Particulars	<1 year	1-2 years	2-3 years	Total
(i)MSME	351.59	-	-	351.59
(ii)Others	16,884.46	76.98	277.51	17,238.95

As at March 2021

Particulars	<1 year	1-2 years	2-3 years	Total
(i)MSME	4.46	-	-	4.46
(ii)Others	3,674.23	62.82	4,408.50	8,145.55

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	349.98	4.46
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.61	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	1.61	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.61	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	1.61	-

**21 Other current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	67.16	27.89
Deferred service income	15.64	6.75
Advance from customers	730.57	727.00
<b>Total</b>	<b>813.37</b>	<b>761.64</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**22 Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods		
Solar Photovoltaic Panels	6,742.19	4,806.73
Solar Power Generating Systems and accessories	11,584.75	5,311.66
Traded goods	268.60	2,545.38
Sale of services		-
Installation	3,886.46	1,754.30
Annual Maintenance Contracts	128.43	15.06
Others	55.13	106.13
Sale of power	3,870.96	3,419.25
<b>Other operating revenue</b>		-
Scrap Sales	52.08	41.34
Rental Income	444.77	372.07
Renewable Energy Certificate Income (net)	1,539.49	81.30
<b>Total</b>	<b>28,572.86</b>	<b>18,453.22</b>

**22.1 Disaggregation of the revenue information**

The tables below presents disaggregated revenues from contracts with customers for the year ended 31 March 2022 and 31 March 2021 by offerings. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**(i) Sale of Products comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Manufactured goods		
Solar Photovoltaic Panels	6,742.19	4,806.73
Solar Power Generating Systems and accessories	11,584.75	5,311.66
Traded goods	268.60	2,545.38
<b>Total</b>	<b>18,595.54</b>	<b>12,663.77</b>

**(ii) Sale of Services comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Installation	3,886.46	1,754.30
Annual Maintenance Contracts	128.43	15.06
Others	55.13	106.13
<b>Total</b>	<b>4,070.02</b>	<b>1,875.49</b>



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(iii) Other operating revenue comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Scrap Sales	52.08	41.34
Rental Income	444.77	372.07
Renewable Energy Certificate Income (net)	1,539.49	81.30
<b>Total</b>	<b>2,036.34</b>	<b>494.71</b>

No other single customers contributed 10% or more to the Company's revenue during the financial years 2021-22 and 2020-21 other than Milky Mist Dairy Foods Pvt. Limited (11.78%)

**22.2 Trade Receivables and Contract Balances**

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised as and when the related goods are delivered to the customer.

Trade receivables are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

**22.3 Performance Obligations and remaining performance obligations**

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS-115, the Company has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

**23 Other Income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income from deposits	466.36	583.67
Interest Income from Related parties (Refer Note 33)	761.46	674.76
Dividend income on equity investments carried at cost	304.58	-
Profit on sale of land	1.85	-
Gain on sale of investments (net)	342.39	1,392.49
Gain on investments carried at fair value through Profit and Loss	941.37	266.30
Exchange differences (net)	-	141.73
Other Non-Operating Income	241.13	220.09
<b>Total</b>	<b>3,059.14</b>	<b>3,279.04</b>

**24 Cost of raw material and components consumed**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year	2,304.49	1,692.28
Add: Purchases	15,940.85	7,009.65
	<b>18,245.34</b>	<b>8,701.93</b>
Less: Inventories at the end of the year	2,565.77	2,304.49
<b>Total</b>	<b>15,679.57</b>	<b>6,397.44</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**25 Decrease / (Increase) in inventories of Work-In-Progress, Traded Goods and Finished Goods**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Inventories at the end of the year</b>		
Traded goods	7,467.53	344.30
Work-in-progress	4.65	279.20
Finished goods	3,772.20	1,932.68
	<b>11,244.38</b>	<b>2,556.18</b>
<b>Inventories at the beginning of the year</b>		
Traded goods	344.30	849.05
Work-in-progress	279.20	101.57
Finished goods	1,932.68	2,806.04
	<b>2,556.18</b>	<b>3,756.66</b>
<b>Total</b>	<b>(8,688.20)</b>	<b>1,200.48</b>

**26 Employee benefits expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	1,272.72	1,045.91
Contribution to provident and other funds	59.75	48.74
Gratuity expense (Refer Note 31)	39.05	29.24
Staff welfare expenses	39.21	93.64
<b>Total</b>	<b>1,410.73</b>	<b>1,217.53</b>

**27 Finance Costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings and lease liabilities	1,952.13	1,186.67
Bank and other charges	111.36	62.45
<b>Total</b>	<b>2,063.49</b>	<b>1,249.12</b>

**28 Depreciation and Amortisation Expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment and ROU assets	1,228.88	1,107.03
Depreciation of Investment Property	84.56	84.56
Amortisation of Other Intangible assets	378.00	356.20
<b>Total</b>	<b>1,691.44</b>	<b>1,547.79</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**29 Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sub-contracting and processing expenses	1,769.09	928.89
Consumption of stores and spares	6.73	9.11
Power and fuel	198.61	200.18
Wheeling charges	295.88	264.32
Freight and forwarding charges	169.88	108.65
Rent	68.30	66.24
Rates and taxes	30.98	31.98
Insurance	66.34	43.52
Repairs and maintenance		
- Plant & Machinery	147.77	134.06
- Buildings	13.07	9.60
- Others	203.12	182.63
Corporate Social Responsibility (Refer Note (i) below)	40.11	34.03
Sales promotion	19.18	18.81
Advertisement	26.91	33.73
Security charges	117.62	98.09
Travelling and conveyance	148.99	104.54
Communication costs	35.31	37.66
Printing and stationery	12.48	9.75
Legal and professional fees	197.32	240.48
Payment to auditor (Refer Note (ii) below)	41.65	45.57
Exchange differences (net)	475.30	-
Liquidated damages	15.69	29.98
Provision for Doubtful/Trade/Other receivables	443.57	245.00
Net loss on retirement of Property, Plant and Equipment	-	18.15
Provision for warranties (net of reversals) (Refer Note 19)	21.51	24.51
Directors' sitting fees	8.55	8.20
Miscellaneous expenses	246.41	187.97
<b>Total</b>	<b>4,820.37</b>	<b>3,115.65</b>

**Notes:**

Corporate Social Responsibility	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount required to be spent by the company during the year	40.11	34.03
Amount spent during the year	40.11	34.03
Nature of CSR activities	As detailed in the CSR report	As detailed in the CSR report
Details of related party transactions	-	-
Where the provision is made with respect to a liability incurred by entering into a contractual obligation the movement in provision	NA	NA

In pursuance of Section 135 of the Companies Act, 2013, the Company has spent towards various activities as enumerated in the CSR Policy of the Company which covers promoting education, promoting health and preventive health care to underprivileged people and conservation of natural resources and maintaining quality of soil, air and water.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(ii) Payment to auditor**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fee	21.83	21.83
Limited review	10.62	10.62
Tax Audit Fee	2.95	2.95
Certification	5.61	8.25
Reimbursement of expenses	0.64	1.92
	<b>41.65</b>	<b>45.57</b>

The above fee is inclusive of input credit for GST wherever applicable

**30 Earnings per share (EPS)**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity shareholders of the Company (A)	3,379.07	2,431.15
Weighted average number of Equity shares for basic and diluted EPS (B)	1,51,58,760	1,51,58,760
Basic Earnings per share (A/B) ₹	22.29	16.04
Diluted Earnings per share (A/B) ₹	22.29	16.04

**31A Defined Contribution Plan**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The Company provides benefits such as provident fund plans to its employees which are treated as defined contribution plans.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's Contribution to Provident Fund and other funds	59.75	48.74

**31B Defined Benefits Plan - Gratuity Plan (funded)**

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.

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reconciliation of opening and closing balances of obligation</b>		
Defined Benefit obligation as at the beginning of the year	245.04	210.13
Current Service Cost	28.11	24.61
Interest Cost	15.32	13.92
Actuarial (gain)/loss	(23.45)	4.43
Benefits paid	(3.66)	(8.05)
Liabilities settled	4.31	-
<b>Defined Benefit obligation as at the end of the year</b>	<b>265.67</b>	<b>245.04</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets as at the beginning of the year	152.63	122.36
Expected return on plan assets	9.78	8.52
Actuarial gain	(1.34)	4.83
Employer's contribution	25.80	24.97
Benefits paid	(3.66)	(8.05)
<b>Fair value of plan assets as at the end of the year</b>	<b>183.21</b>	<b>152.63</b>
<b>Reconciliation of fair value of assets and obligations</b>		
Fair value of plan assets	183.21	152.63
Present value of obligation	265.67	245.04
Net Obligation disclosed as :		
- Current	-	-
- Non - Current	82.46	92.40
<hr/>		
Particulars	For the yearended 31 March 2022	For the year ended 31 March 2021
<b>Recognised in profit or loss</b>		
Current Service Cost	28.11	24.61
Interest Cost (Net)	5.54	5.40
	<b>33.65</b>	<b>30.01</b>
<b>Recognised in other comprehensive income:</b>		
Actuarial loss / (gain)	(22.10)	(0.40)
Net Cost	<b>11.55</b>	<b>29.61</b>

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Gratuity</b>		
<b>Investments details:</b>		
Fund with LIC	183.21	152.63
<b>Total</b>	<b>183.21</b>	<b>152.63</b>

The principal assumptions used in determining provision for gratuity and compensated absences are shown below:

Particulars	2021-22	2020-21
<b>Gratuity</b>		
Discount rate	6.95%	6.40%
Future salary increases	7.50%	7.50%
Expected Return on Plan Assets	9.78	8.52
Employee Turnover	8.00%	8.00%
Contribution Expected to be paid during the next year	20.00	-
<b>Compensated Absences</b>		
Discount rate	6.95%	6.40%
Future salary increases	7.50%	7.50%
Employee turnover	8.00%	8.00%

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**A quantitative sensitivity analysis for significant assumptions as at 31 March 2022 is as shown below:**

**Gratuity plan:**

Assumptions - Sensitivity Level	For the year ended 31 March 2022			
	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
Discount rate	7.95%	5.95%	246.64	287.37
Future salary increases	8.50%	6.50%	287.04	246.57

Assumptions - Sensitivity Level	For the year ended 31 March 2021			
	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
Discount rate	7.40%	5.40%	226.40	266.36
Future salary increases	8.50%	6.50%	265.91	226.41

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligations at the end of the reporting period is 7.77 years (31 March 2021: 10 years).

**32 Commitments**

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹12.01 lakhs (31 March 2021: ₹ 65.94 lakhs)

(ii) Investments given as security for loans availed by the subsidiaries of the Company:

Particulars	Subsidiaries which have availed the loans	As at	As at
		31 March 2022	31 March 2021
<b>(a) Loan amount outstanding to Banks in Subsidiaries funded by Security of the Company</b>			
(i) Fixed Deposits	Amex Alloys Private Limited	1,179.05	1,947.09
(ii) Mutual Funds	Swelect Power Systems Private Limited	838.31	1,783.27
(iii) Fixed Deposits	Swelect Renewable Energy Private Limited	3,335.57	-
(iv) Mutual Funds	Swelect Sun Energy Private Limited	912.87	-
<b>(b) Value of the security offered by the Company for the loan outstanding in Subsidiaries</b>			
(i) Fixed Deposits	Amex Alloys Private Limited	1,350.00	1,251.80
(ii) Mutual Funds	Swelect Power Systems Private Limited	1,196.99	2,151.39
(iii) Fixed Deposits	Swelect Renewable Energy Private Limited	199.00	-
(iv) Mutual Funds	Swelect Sun Energy Private Limited	1,111.33	-
<b>(c) Corporate Guarantee offered by the Company for the loan obtained by Subsidiaries</b>			
Corporate Guarantee	Swelect Renewable Energy Private Limited	4,201.00	-
Corporate Guarantee	Swelect Sun Energy Private Limited	2,500.00	-

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**33 Related party transactions**

**Names of Related parties**

Subsidiaries	Swelect Energy Systems Pte. Limited, Singapore SWELECT Inc , USA Swelect Solar Energy Private Limited Amex Alloys Private Limited Noel Media & Advertising Private Limited Swelect Green Energy Solutions Private Limited K J Solar Systems Private Limited Swelect Power Systems Private Limited Swelect Sun Energy Private Limited Swelect Renewable Energy Private Limited Swelect HHV Solar Photovoltaics Private Limited
Key Management Personnel (KMP)	Mr. R. Chellappan - Managing Director Mr.A.Balan - Joint Managing Director Mr. V.C.Raghunath - Whole Time Director Ms. V.C.Mirunalini - Whole Time Director Mr. K. V. Nachiappan Whole Time Director Mr. G.S.Samuel - Independent Director Mr. S.Annadurai - Independent Director Mr.S.Krishnan - Independent Director Ms. Jayashree Nachiappan - Non Executive Director Mr.S.Iniyan - Independent Director Ms.Nikhila R-Chief Financial Officer Mr. R. Sathishkumar - Company Secretary
Relatives of Key Management Personnel	Ms. Gunasundari Chellappan Ms. Aarthi Balan Ms. Preetha Balan Ms. Vasantha Balan Mr. K. N. Rishii Nandhan
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Arken Solutions Private Limited (upto 30.09.2021) Swelect Electronics Private Limited
Entity in which the Company has Control	SWEES Employees Welfare Trust

**Terms and conditions of transactions with Related parties:**

The transactions with related parties are made on terms equivalent to those that prevail at arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken at the end each financial year through examining the financial position of the related parties and the market in which the related parties operate.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**33 Related party transactions**

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Sale of goods</b>	<b>3,554.10</b>	<b>4,442.56</b>	<b>1.43</b>	<b>0.40</b>	-	-	<b>2.43</b>	<b>1.26</b>	<b>3,557.96</b>	<b>4,444.22</b>
-- Amex Alloys Pvt Ltd	17.21	38.13	-	-	-	-	-	-	17.21	38.13
-- K J Solar Systems Pvt Ltd	-	0.43	-	-	-	-	-	-	-	0.43
-- Noel Media & Advertising Pvt Ltd	0.59	106.99	-	-	-	-	-	-	0.59	106.99
-- Swelect Green Energy Solutions Pvt Ltd	6.39	0.13	-	-	-	-	-	-	6.39	0.13
-- Swelect Power Systems Pvt Ltd	0.62	0.60	-	-	-	-	-	-	0.62	0.60
-- Swelect Solar Energy Pvt Ltd	4.02	-	-	-	-	-	-	-	4.02	-
-- Swelect Sun Energy Pvt Ltd	335.04	4,245.90	-	-	-	-	-	-	335.04	4,245.90
-- Swelect HHV Solar Photovoltaics Pvt Ltd	3,190.23	-	-	-	-	-	-	-	3,190.23	-
-- Swelect Renewables Energy Pvt Ltd	-	50.38	-	-	-	-	-	-	-	50.38
-- Swelect Inc. USA	-	-	0.95	0.02	-	-	-	-	0.95	0.02
-- Mr. R. Chellappan	-	-	-	0.36	-	-	-	-	-	0.36
-- Mr. A. Balan	-	-	-	-	-	-	-	-	-	-
-- Mr. K. V. Nachiappan	-	-	0.48	0.02	-	-	-	-	0.48	0.02
-- Arken Solutions Pvt Ltd	-	-	-	-	-	-	2.43	1.26	2.43	1.26
<b>Purchases of traded goods</b>	<b>10,491.07</b>	<b>6,463.75</b>	-	-	-	-	<b>33.43</b>	<b>189.01</b>	<b>10,524.50</b>	<b>6,652.76</b>
-- Swelect Energy Systems Pte. Limited, Singapore	10,459.31	6,463.75	-	-	-	-	-	-	10,459.31	6,463.75
-- Swelect Sun Energy Pvt Ltd	31.76	-	-	-	-	-	-	-	31.76	-
-- Arken Solutions Pvt Ltd	-	-	-	-	-	-	33.43	189.01	33.43	189.01
<b>Dividend Received</b>	<b>304.58</b>								<b>304.58</b>	
-- Swelect Power Systems Pvt Ltd	304.58								304.58	
<b>Receipt of services</b>										
-- Arken Solutions Pvt Ltd	-	-	-	-	-	-	-	134.72	-	134.72
<b>Purchase of capital goods</b>										
-- Swelect Energy Systems Pte. Limited, Singapore	-	-	-	-	-	-	-	-	-	-
-- Swelect Power Systems Pvt Ltd	-	-	-	-	-	-	-	-	-	-
<b>Sale of Power</b>	<b>174.47</b>	<b>163.06</b>							<b>174.47</b>	<b>163.06</b>
-- Amex Alloys Pvt Ltd	174.47	163.06							174.47	163.06
<b>Reimbursement of expenses</b>	<b>33.05</b>	<b>28.21</b>							<b>33.05</b>	<b>28.21</b>
-- Amex Alloys Pvt Ltd	33.05	28.21							33.05	28.21



Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Management fees</b>	<b>37.44</b>	<b>26.70</b>	-	-	-	-	-	-	<b>31.20</b>	<b>26.70</b>
-- Amex Alloys Pvt Ltd	2.04	2.04	-	-	-	-	-	-	2.04	2.04
-- Swelect Solar Energy Pvt Ltd	3.12	3.12	-	-	-	-	-	-	3.12	3.12
-- Noel Media & Advertising Pvt Ltd	4.92	4.92	-	-	-	-	-	-	4.92	4.92
-- Swelect Green Energy Solutions Pvt Ltd	6.00	6.00	-	-	-	-	-	-	6.00	6.00
-- K J Solar Systems Pvt Ltd	4.80	4.80	-	-	-	-	-	-	4.80	4.80
-- Swelect Power Systems Pvt Ltd	4.32	4.32	-	-	-	-	-	-	4.32	4.32
-- Swelect Sun Energy Pvt Ltd	6.00	1.50	-	-	-	-	-	-	6.00	1.50
-- Swelect HHV Solar Photovoltaics Pvt Ltd	3.24	-	-	-	-	-	-	-	3.24	-
-- Swelect Renewables Energy Pvt Ltd	3.00	-	-	-	-	-	-	-	3.00	-
<b>Rental Income</b>	<b>13.05</b>	<b>2.33</b>	-	-	-	-	-	-	<b>13.05</b>	<b>2.33</b>
-- Swelect Solar Energy Pvt Ltd	0.73	0.30	-	-	-	-	-	-	0.73	0.30
-- Noel Media & Advertising Pvt Ltd	0.60	0.32	-	-	-	-	-	-	0.60	0.32
-- Swelect Green Energy Solutions Pvt Ltd	0.60	0.32	-	-	-	-	-	-	0.60	0.32
-- K J Solar Systems Pvt Ltd	0.60	0.32	-	-	-	-	-	-	0.60	0.32
-- Swelect Power Systems Pvt Ltd	0.60	0.32	-	-	-	-	-	-	0.60	0.32
-- Swelect Sun Energy Pvt Ltd	6.23	0.75	-	-	-	-	-	-	6.23	0.75
-- Swelect HHV Solar Photovoltaics Pvt Ltd	2.99	-	-	-	-	-	-	-	2.99	-
-- Swelect Renewables Energy Pvt Ltd	0.70	-	-	-	-	-	-	-	0.70	-
<b>Interest Income</b>	<b>761.48</b>	<b>674.76</b>	-	-	-	-	-	-	<b>761.48</b>	<b>674.76</b>
-- Amex Alloys Pvt Ltd	346.95	309.36	-	-	-	-	-	-	346.95	309.36
-- Swelect Solar Energy Pvt Ltd	2.94	2.26	-	-	-	-	-	-	2.94	2.26
-- Noel Media & Advertising Pvt Ltd	67.45	67.19	-	-	-	-	-	-	67.45	67.19
-- Swelect Green Energy Solutions Pvt Ltd	0.58	0.09	-	-	-	-	-	-	0.58	0.09
-- K J Solar Systems Pvt Ltd	87.73	93.66	-	-	-	-	-	-	87.73	93.66
-- Swelect Power Systems Pvt Ltd	99.80	189.45	-	-	-	-	-	-	99.80	189.45
-- Swelect Sun Energy Pvt Ltd	114.60	12.75	-	-	-	-	-	-	114.60	12.75
-- Swelect HHV Solar Photovoltaics Pvt Ltd	38.63	-	-	-	-	-	-	-	38.63	-
-- Swelect Renewables Energy Pvt Ltd	2.80	-	-	-	-	-	-	-	2.80	-
<b>Rent expense</b>	<b>7.89</b>	<b>7.89</b>	<b>2.55</b>	<b>2.41</b>	-	-	<b>0.78</b>	<b>0.26</b>	<b>11.22</b>	<b>10.56</b>
-- Mr. R. Chellappan	-	-	2.55	2.41	-	-	-	-	2.55	2.41
-- Swelect Electronics Pvt Ltd	-	-	-	-	-	-	0.78	0.26	0.78	0.26
-- Swelect Green Energy Solutions Pvt Ltd	7.89	7.89	-	-	-	-	-	-	7.89	7.89
<b>Sitting fees</b>	-	-	<b>8.55</b>	<b>8.20</b>	-	-	-	-	<b>8.55</b>	<b>8.20</b>
-- Mr. G.S.Samuel	-	-	2.10	1.90	-	-	-	-	2.10	1.90
-- Mr. S. Annadurai	-	-	1.95	1.80	-	-	-	-	1.95	1.80
-- Mr. S. Krishnan	-	-	1.20	1.40	-	-	-	-	1.20	1.40
-- Mr. S. Iniyar	-	-	1.20	1.40	-	-	-	-	1.20	1.40
-- Ms. Jayashree Nachiappan	-	-	2.10	1.70	-	-	-	-	2.10	1.70

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Remuneration</b>										
-- Mr. R. Chellappan	-	-	171.08	93.87	11.18	8.90	-	-	182.26	102.77
-- Mr. A. Balan	-	-	43.57	14.24	-	-	-	-	43.57	14.24
-- Mr. K.V. Nachiappan	-	-	43.46	23.23	-	-	-	-	43.46	23.23
-- Mr. V.C. Raghunath	-	-	35.66	17.05	-	-	-	-	35.66	17.05
-- Ms V.C.Mirunalini	-	-	12.73	8.76	-	-	-	-	12.73	8.76
-- Mr. R.Sathishkumar	-	-	9.94	7.17	-	-	-	-	9.94	7.17
-- Mr. P.Jagan	-	-	12.72	10.39	-	-	-	-	12.72	10.39
-- Ms. Nikhila R	-	-	-	8.68	-	-	-	-	-	8.68
-- Ms. Aarthi Balan	-	-	13.00	4.35	-	-	-	-	13.00	4.35
<b>Consultancy Charges</b>										
-- Ms Preetha Balan	-	-	-	-	11.18	8.90	-	-	11.18	8.90
<b>Dividend paid</b>										
-- Mr. R Chellappan	-	-	244.92	61.21	6.14	1.54	5.29	1.32	256.35	64.07
-- Mr. A. Balan	-	-	221.94	55.48	-	-	-	-	221.94	55.48
-- Mr. K.V. Nachiappan	-	-	14.08	3.52	-	-	-	-	14.08	3.52
-- Mr. V.C.Raghunath	-	-	4.96	1.24	-	-	-	-	4.96	1.24
-- Ms. V.C.Mirunalini	-	-	1.76	0.44	-	-	-	-	1.76	0.44
-- Others	-	-	2.13	0.53	-	-	-	-	2.13	0.53
<b>Non-Current investments made</b>										
-- Swelect Sun Energy Pvt Ltd -Equity Shares	-	-	1,852.00	1,852.00	-	-	-	-	1,852.00	1,852.00
-- Swelect Renewables Energy Pvt Ltd	-	-	1,800.30	1,800.30	-	-	-	-	1,800.30	1,852.00
<b>Commission</b>										
-- Mr. R. Chellappan	-	-	36.80	42.85	-	-	-	-	36.80	42.85
-- Mr. A. Balan	-	-	24.54	28.57	-	-	-	-	24.54	28.57
-- Mr. K.V. Nachiappan	-	-	6.13	7.14	-	-	-	-	6.13	7.14
<b>Conversion of Loan to Shares</b>										
-- SWELECT Inc. USA	-	-	6.13	7.14	-	-	-	-	6.13	7.14
<b>Advances made</b>										
-- Swelect Solar Energy Pvt Ltd	9,200.00	6,048.86	-	-	-	-	-	-	9,200.00	6,048.86
-- Noel Media & Advertising Pvt Ltd	7.78	12.28	-	-	-	-	-	-	7.78	12.28
-- Amex Alloys Pvt Ltd	62.22	70.40	-	-	-	-	-	-	62.22	70.40
-- K J Solar Systems Pvt Ltd	3,053.52	589.60	-	-	-	-	-	-	3,053.52	589.60
-- Swelect Power Systems Pvt Ltd	107.46	102.25	-	-	-	-	-	-	107.46	102.25
-- Swelect Green Energy Solutions Pvt Ltd	586.60	2,849.36	-	-	-	-	-	-	586.60	2,849.36
-- SWELECT Inc. USA	70.78	92.13	-	-	-	-	-	-	70.78	92.13
-- Swelect HHV Solar Photovoltaics Pvt Ltd	2,497.98	0.08	-	-	-	-	-	-	2,497.98	0.08
-- Swelect Renewables Energy Pvt Ltd	836.45	-	-	-	-	-	-	-	836.45	-
-- Swelect Sun Energy Pvt Ltd	1,977.21	2,332.76	-	-	-	-	-	-	1,977.21	2,332.76
<b>Repayment of advances</b>										
-- Swelect Solar Energy Pvt Ltd	4.45	-	-	-	-	-	-	-	4.45	-
-- Noel Media & Advertising Pvt Ltd	20.00	125.46	-	-	-	-	-	-	20.00	125.46
-- Amex Alloys Pvt Ltd	2,665.15	549.03	-	-	-	-	-	-	2,665.15	549.03
-- K J Solar Systems Pvt Ltd	355.05	295.94	-	-	-	-	-	-	355.05	295.94
-- Swelect Power Systems Pvt Ltd	4,207.05	1,184.15	-	-	-	-	-	-	4,207.05	1,184.15
-- Swelect Green Energy Solutions Pvt Ltd	70.75	93.13	-	-	-	-	-	-	70.75	93.13
-- Swelect HHV Solar Photovoltaics Pvt Ltd	724.20	-	-	-	-	-	-	-	724.20	-
-- Swelect Renewables Energy Pvt Ltd	836.45	-	-	-	-	-	-	-	836.45	-
-- Swelect Sun Energy Pvt Ltd	151.40	2,194.01	-	-	-	-	-	-	151.40	2,194.01

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**33 Related party transactions**

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Balance outstanding as at the year end:</b>										
<b>Advance Received on Sales</b>	<b>338.55</b>	-	-	-	-	-	-	-	<b>338.55</b>	-
--Swelect Renewables Energy Pvt Ltd	338.55	-	-	-	-	-	-	-	338.55	-
<b>Trade payables</b>	<b>10,118.28</b>	<b>6,443.11</b>	-	-	-	-	<b>20.97</b>	<b>37.93</b>	<b>10,139.25</b>	<b>6,481.04</b>
-- Swelect Energy Systems Pte. Limited., Singapore	10,079.93	6,443.11	-	-	-	-	-	-	10,079.93	6,443.11
-- Swelect Green Energy Solutions Pvt Ltd	2.13	-	-	-	-	-	-	-	2.13	-
-- Arken Solutions Pvt Ltd	-	-	-	-	-	-	16.44	37.34	16.44	37.34
-- Mr. K.V. Nachiappan	-	-	-	-	-	-	4.53	-	4.53	-
--Swelect Electronics Pvt Ltd	-	-	-	-	-	-	-	0.59	-	0.59
--Swelect Sun Energy Pvt Ltd	36.22	-	-	-	-	-	-	-	36.22	-
<b>Capital Creditors</b>	<b>17.60</b>	<b>17.07</b>	-	-	-	-	-	-	<b>17.60</b>	<b>17.07</b>
-- Swelect Energy Systems Pte. Limited., Singapore	17.60	17.07	-	-	-	-	-	-	17.60	17.07
<b>Amounts receivable from related parties</b>										
<b>Trade receivables</b>	<b>736.74</b>	<b>4,497.32</b>	-	-	-	-	-	-	<b>736.74</b>	<b>4,497.32</b>
-- Amex Alloys Pvt Ltd	683.56	662.53	-	-	-	-	-	-	683.56	662.53
-- Swelect Inc	-	50.38	-	-	-	-	-	-	-	50.38
-- Noel Media & Advertising Pvt Ltd	1.03	117.14	-	-	-	-	-	-	1.03	117.14
-- Swelect Green Energy Solutions Pvt Ltd	-	0.14	-	-	-	-	-	-	-	0.14
-- K J Solar Systems Pvt Ltd	-	0.05	-	-	-	-	-	-	-	0.05
-- Swelect Solar Energy Pvt Ltd	9.27	0.86	-	-	-	-	-	-	9.27	0.86
-- Swelect Power Systems Pvt Ltd	0.34	-	-	-	-	-	-	-	0.34	-
--Swelect Sun Energy Pvt Ltd	42.54	3666.22	-	-	-	-	-	-	42.54	3,666.22
--Swelect HHV Solar Photovoltaics Pvt Ltd	-	0.00	-	-	-	-	-	-	-	-
--Swelect Renewables Energy Pvt Ltd	-	0.00	-	-	-	-	-	-	-	-

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Standalone financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
<b>Reimbursement</b>										
-- Swelect Green Energy Solutions Pvt Ltd	-	0.56	-	-	-	-	-	-	-	0.56
	-	0.56	-	-	-	-	-	-	-	0.56
<b>Advances</b>	<b>10,426.55</b>	<b>10,526.01</b>							<b>10,426.55</b>	<b>10,526.01</b>
-- Swelect Solar Energy Pvt Ltd	38.24	34.91	-	-	-	-	-	-	38.24	34.91
-- Noel Media & Advertising Pvt Ltd	852.97	810.75	-	-	-	-	-	-	852.97	810.75
-- Amex Alloys Pvt Ltd	4,912.34	4,523.97	-	-	-	-	-	-	4,912.34	4,523.97
-- K J Solar Systems Pvt Ltd	865.38	1,112.98	-	-	-	-	-	-	865.38	1,112.98
-- Swelect Power Systems Pvt Ltd	19.24	3,639.70	-	-	-	-	-	-	19.24	3,639.70
-- SWELECT Inc, USA	-	264.95	-	-	-	-	-	-	-	264.95
-- Swelect Electronics Pvt Ltd	-	-	-	-	-	-	-	-	-	-
-- Swelect Green Energy Solutions Pvt Ltd	0.03	-	-	-	-	-	-	-	0.03	-
--Swelect HHV Solar Photovoltaics Pvt Ltd	1,773.78	-	-	-	-	-	-	-	1,773.78	-
--Swelect Renewables Energy Pvt Ltd	-	-	-	-	-	-	-	-	-	-
--Swelect Sun Energy Pvt Ltd	1,964.57	138.75	-	-	-	-	-	-	1,964.57	138.75

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Standalone financial statements for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### 34 Directors' remuneration

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries	145.36	70.45
Commission	36.80	42.85
<b>Total Directors' remuneration</b>	<b>182.16</b>	<b>113.30</b>

Remuneration and other benefits pertain to short term employee benefits as the gratuity and compensated absences are determined for all the employees in aggregate, the cost employment benefits and other long term benefits relating to Key management personnel cannot be ascertained individually.

The remuneration payable to Key Managerial Personnel is determined by the Nomination and Remuneration Committee having regard to the performance to the individuals and market trends.

#### 35 Contingent liabilities

The details of claims against the company not acknowledged as debts are given below:

Particulars	As at 31 March 2022	As at 31 March 2021
a) Cenvat related matters ##	671.94	671.94
b) Sales tax related matters **	35.77	35.77
c) Income tax related matters #	2,812.40	2,951.30
<b>Total Contingencies</b>	<b>3,520.11</b>	<b>3,659.01</b>

\*\* ₹ 10.30 lakhs deposited under dispute in the earlier years

# ₹ 140.76 lakhs deposited under dispute in the earlier years

## ₹ 65.68 lakhs deposited under dispute in the earlier years

#### Management Assessment:

The amount shown under Contingent Liabilities and disputed claims represent the best possible estimates arrived at on the basis of available information. Further, various Government authorities raise issues/clarifications in the normal course of business and the Company has provided its responses to the same and no formal demands/claims has been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings, which have been initiated by the Company or the Claimants, as the case may be and therefore cannot be predicted accurately. The Company has reviewed all the proceedings and has adequately provided for wherever provisions are required and disclosed contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

#### 36 Net equity dividend remitted in foreign exchange

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Final equity dividend</b>		
Period to which it relates	<b>2020-21</b>	<b>2019-20</b>
Number of non-resident shareholders	7.00	5.00
Number of equity shares of ₹ 10/- each held on which dividend was due	4,28,550	2,29,900
Dividend per share	3.00	0.75
Amount remitted	12.86	1.72

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**37 Financial Instruments**

**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**Financial instruments by category**

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
<b>Financial assets</b>						
Investment in equity instruments (Other than in Subsidiaries)	30.35	-	30.35	30.35	-	30.35
Investments	28,289.44	500.00	28,789.44	27,171.76	500.00	27,671.76
Loans to Related Parties	-	10,426.55	10,426.55	-	10,526.02	10,526.02
Trade receivables	-	6,378.35	6,378.35	-	8,440.29	8,440.29
Cash and cash equivalents	-	3,418.39	3,418.39	-	314.25	314.25
Bank Balances	-	9,056.97	9,056.97	-	9,797.89	9,797.89
Balance with Government Authorities	-	337.08	337.08	-	8.64	8.64
Security deposits	-	766.62	766.62	-	819.01	819.01
Interest accrued on fixed deposits	-	99.53	99.53	-	130.28	130.28
Advance to employees	-	0.12	0.12	-	0.18	0.18
Statutory and other financial assets	-	8.24	8.24	-	629.93	629.93
<b>Total financial assets</b>	<b>28,319.79</b>	<b>30,991.85</b>	<b>59,311.64</b>	<b>27,202.11</b>	<b>31,166.49</b>	<b>58,368.60</b>
<b>Financial liabilities</b>						
Borrowings - Term loans	-	13,283.65	13,283.65	-	14,347.61	14,347.61
Borrowings - Others	-	15,605.86	15,605.86	-	12,928.27	12,928.27
Interest accrued	-	95.88	95.88	-	86.39	86.39
Trade payables	-	17,590.80	17,590.80	-	8,150.01	8,150.01
Capital creditors	-	17.60	17.60	-	17.07	17.07
Unpaid Dividend	-	8.81	8.81	-	10.85	10.85
Rental Deposit	-	177.48	177.48	-	204.75	204.75
Lease liabilities	-	100.87	100.87	-	185.67	185.67
<b>Total financial liabilities</b>	<b>-</b>	<b>46,880.95</b>	<b>46,880.95</b>	<b>-</b>	<b>35,930.62</b>	<b>35,930.62</b>

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(a) Financial assets and liabilities valued at fair value**

	As at 31 March 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in equity instruments	-	-	18,591.67	-	-	13,964.29
Other Investments	28,319.79	-	-	27,202.11	-	-
	<b>28,319.79</b>	<b>-</b>	<b>18,591.67</b>	<b>27,202.11</b>	<b>-</b>	<b>13,964.29</b>

**(b) Financial assets and liabilities measured at amortised cost**

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, other Bank balances, security deposits, loans and advances to related parties, lease rental receivables, interest accrued on fixed deposits, certain advances to employees, trade payables and employee benefits payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values.

**(c) Offsetting**

The Company has not offset financial assets and financial liabilities as at 31 March 2022 and 31 March 2021.

**38 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, accompanying disclosures, and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Judgements**

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

**Service concession arrangements**

Management has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements to power distribution arrangements entered into by the Company. In assessing the applicability, Management has exercised significant judgment in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, value of construction service, assessment of right to guaranteed cash etc.

**Operating lease commitments - Company as lessor**

The Company has entered into commercial property leases on its Investment Property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**Taxes**

Significant Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Allowance for uncollectible trade receivables**

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when Management deems them not collectible. The Company has evaluated the receivable balances and has made allowances for the estimated irrecoverable amounts and no further allowance/write-off is expected on the receivables by the Company.

**Warranties**

Provision for warranties involves a significant amount of estimation. The provision is based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate is determined based on the Company's past experience of warranty claims and future expectations. These estimates are revised periodically.

**Impairment of financial assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Impairment of non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

**Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment compensated absences and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about defined benefit obligations are given in Note 31.

**38A Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

**Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements



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### **Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### **Ind AS 16 – Proceeds before intended use**

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Improvements**

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any major impact in its financial statements.

#### **Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

## **39 Financial Risk Management Objectives & Policies**

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to the Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior Management oversees Management of these risks. The senior professionals working to manage the financial risks for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite. All foreign currency hedging activities for risk Management purposes are carried out by a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Audit Committee reviews and agree policies for managing each of these risks which are summarised below:

#### **(a) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits and advances.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

Particulars	As at	As at
	31 March 2022	31 March 2021
Variable rate borrowings	28,889.51	27,275.88
Fixed rate borrowings	-	-
<b>Total</b>	<b>28,889.51</b>	<b>27,275.88</b>

**(i) Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all the other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on Profit before tax
31 March 2022	+ 53 basis points	153.11
	- 53 basis points	(153.11)
31 March 2021	+ 76 basis points	207.30
	- 76 basis points	(207.30)

**(ii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily US Dollars and Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign currency risk.

The Company manages its foreign currency risk by way of a periodical assessment for hedging appropriate percentage of its foreign currency exposure, as per its established risk Management policy duly considering the nature of the foreign currency receivable/payables, the fluctuation in the foreign currencies etc.

**Foreign Currency Sensitivity**

The Company does not have outstanding derivatives as at 31 March 2022 and 31 March 2021 and all of its foreign currency exposure is unhedged. The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's Profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the Year Ended	For the Year Ended	For the Year Ended	For the Year Ended
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
US Dollars	+5%	(869.77)	(425.32)	(869.77)	(425.32)
	-5%	869.77	425.32	869.77	425.32
Euro	+5%	(0.35)	(20.83)	(0.35)	(20.83)
	-5%	0.35	20.83	0.35	20.83

**(b) Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with Banks, foreign exchange transactions and other financial instruments.

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Standalone financial statements for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### (i) Trade and other receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk Management. Trade receivables are non-interest bearing and are generally on credit terms in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses based on historical trends and other factors. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, Management believes that the unimpaired amounts that are past due by more than 360 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to several customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

In addition, an impairment analysis is performed at each reporting date on an individual basis for all the major individual customers. The maximum exposure to credit risk as at the reporting date is the carrying value of each class of financial assets that are not secured by security deposits. The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as at 31 March 2022	4,507.18	303.25	1,567.92	6,378.35
Trade Receivables as at 31 March 2021	4,193.90	2,892.59	1,353.81	8,440.30

The requirement for impairment is analysed at each reporting date and provision is based on the Expected Credit Loss Method by following a provision matrix which results in provision percentages in the range of 10% to 100% based on the age bucket of receivables ranging from 1.5 years to 5 years and more.

#### Lease rent receivable

The Company's leasing arrangements represent the Buildings and Land let out to various customers which have been classified as Operating Lease. The creditworthiness of the customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk. The Company does not expect any losses from non-performance by these customers.

#### Cash and Bank balances

The Company holds cash and cash equivalents with credit worthy Banks and financial institutions as at the reporting date. The credit worthiness of such Banks and financial institutions are evaluated by the Management on an ongoing basis and is considered to be good.

#### Other financial assets including investments

The Company does not expect any losses from non-performance by the counter-parties.

#### (ii) Financial instruments and cash deposits

Credit risk from balances with Banks is managed by Company's treasury team in accordance with the policy approved by the Board. Investments of surplus funds are made temporarily with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

#### (c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash Management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

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(All amounts are in ₹ Lakhs, unless otherwise stated)

The table below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31 March 2022				Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years			
Borrowings	17,452.98	10,476.24	960.29		28,889.51	28,889.51
Trade Payables	17,590.80	-	-		17,590.80	17,590.80
Lease liability	92.76	8.11	-		100.87	100.87
Other financial liabilities	266.04	100.89	-		366.93	366.93
<b>Total</b>	<b>35,335.42</b>	<b>10,585.24</b>	<b>960.29</b>		<b>46,880.95</b>	<b>46,880.95</b>

Particulars	As at 31 March 2021				Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years			
Borrowings	14,076.07	12,355.87	843.94		27,275.88	27,275.88
Trade Payables	8,150.01	-	-		8,150.01	8,150.01
Lease liability	84.80	100.87	-		185.67	185.67
Other financial liabilities	141.58	177.48	-		319.06	319.06
<b>Total</b>	<b>22,452.46</b>	<b>12,634.22</b>	<b>843.94</b>		<b>35,930.62</b>	<b>35,930.62</b>

**40 Capital Management**

Capital includes equity attributable to the equity holders of the Company and net debt. Primary objective of Company's capital Management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

**Gearing Ratio:**

Particulars	As at	As at
	31 March 2022	31 March 2021
Borrowings	28,889.51	27,275.88
Less: Cash and cash equivalents	(3,418.39)	(314.25)
<b>Net Debt</b>	<b>25,471.12</b>	<b>26,961.63</b>
Equity	71,042.41	68,095.99
<b>Total Capital</b>	<b>71,042.41</b>	<b>68,095.99</b>
<b>Capital and Net Debt</b>	<b>96,513.53</b>	<b>95,057.62</b>
<b>Gearing Ratio</b>	<b>26.39%</b>	<b>28.36%</b>

- 41** The Company has investments (net) aggregating ₹ 7,186.18 lakhs (As at March 2021 ₹ 7,186.18 lakhs) and loans & advances aggregating ₹ 4,912.37 lakhs (As at 31 March 2021 ₹ 4,523.97 lakhs) relating to two operating subsidiaries of the Company who has accumulated losses as per the audited financial statements as at 31 March 2022. During the year ended 31 March 2022, the Company had carried out a detailed assessment of the recoverability of its investments and loans & advances duly considering revenue projections of the subsidiaries based on the most recent long-term forecasts, resultant cash flows using

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Standalone financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

an appropriate discount rate as well as significant estimates and judgements involving certain new projects and expected clearances and approvals from relevant authorities. All of these estimates and judgements have inherent uncertainties and the actual results may differ from that estimated as at the date of the Balance sheet. The estimation of revenue projections is based on the Management's assessment of probability of securing new businesses in the future, duly considering adverse business impact and uncertainties arising on account of the COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial results is not material as on date.

During the previous year, the Company based on the assessment, made a provision for diminution in the value of investment relating to one of the subsidiaries for ₹691 lakhs and disclosed the same as an exceptional item in the standalone financial statements/results of the Company for the quarter and year ended 31 March 2021. The Management has concluded that the carrying value of the investments, net of the above provision, and Loans & Advances are recoverable duly considering the expected future business projections as at 31 March 2022.

**42 The following are ratios disclosed:**

RATIOS	Numerator	Denominator	31 March 2022	31 March 2021	Variance	Reasons for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.53	2.47	-38%	The current ratio decreased due to increase in working capital loan for commissioning of projects.
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity	0.41	0.40	2%	
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.34	0.32	6%	
(d) Return on Equity Ratio	Profit available for Equity shareholders	Average Shareholder's Equity	4.79	3.57	34%	The Return on equity increased due to better margins from the projects commissioned.
(e) Inventory turnover ratio	COGS or Sales	Average inventory	1.96	2.23	-12%	
(f) Trade Receivables turnover ratio	Net credit sales	Average accounts receivable	3.86	2.84	36%	The debtors turnover ratio improved primarily due to effective collection of receivables, conservative credit policy and high quality customer base.
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	0.84	1.44	-42%	The Company has negotiated terms for better working capital cycle.
(h) Net capital turnover ratio	Net sales	Working capital	1.48	0.54	174%	Net Capital Turnover ratio is higher due to commissioning of the projects with effective utilisation of working capital.
(i) Net profit ratio	Profit After Tax	Net sales	0.12	0.13	-8%	
(j) Return on Capital employed,	Profit before Interest and Tax	Capital employed	0.06	0.04	50%	The Return on capital employed increased due to better profits during the current year.
(k) Return on investment	Computed using Rate of Return	Time Weighted	45.87	43.92	4%	

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(All amounts are in ₹ Lakhs, unless otherwise stated)

**43 Additional Information:**

- a) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (c) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (d) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (e) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (f) To the best of its knowledge, The Company has not had any transaction with any struck-off companies during the year.
- (g) The Company does not have any charges or satisfaction yet to be registered with the ROC beyond the statutory period as at the year ended 31 March 2022.

**44** Previous year figures have been regrouped / reclassified wherever necessary.

**45** The Company assessed the recoverability of receivables, property plant and equipments, other intangible assets and certain investments, due to Covid-19. For this, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

**46** The Board duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 26 May 2022 in accordance with the provisions of Companies Act, 2013.

For and on behalf of the **Board of Directors**  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

Place: Chennai  
Date: 26th May 2022

## INDEPENDENT AUDITOR'S REPORT

### To the Members of SWELECT ENERGY SYSTEMS LIMITED

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the accompanying Consolidated financial statements of **SWELECT ENERGY SYSTEMS LIMITED** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group" which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements / financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit, their consolidated total comprehensive Income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

##### Emphasis of Matter

We draw attention to Note 47 of the consolidated financial statements, which describes the management's assessment of impairment of Property, plant and equipment in two operating subsidiaries, either on account of accumulated losses or significant reduction in revenues in those subsidiaries. This assessment also considers the uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

##### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Response to Key Audit Matter
1	<p><b>Impairment of Property, Plant &amp; Equipment of two operating subsidiaries which has accumulated losses.</b></p> <p>Property, Plant &amp; Equipment (net) aggregating to ₹ 8,624.46 lakhs as at 31 March 2022 relating to two operating subsidiaries, which has accumulated losses [Refer Note 3 to the Consolidated Financial Statements].</p> <p>The group has carried out detailed evaluation considering various factors and concluded that the carrying value of property, plant and equipment are good and recoverable.</p> <p>Due to multitude of factors and assumptions involved in determining the forecasted revenues and cash flows on the discount rate and growth rate used in the projection period, significant judgements are required to estimate the recoverable values. Any adverse changes to these assumptions could result into reduction in the fair value determined, resulting in a potential impairment to be recognised.</p>	<p><b>Principal audit procedure performed:</b></p> <p>Our procedures relating to impairment of property, plant and equipment included the following, among others:</p> <p>We understood and tested the effectiveness of internal controls over the Company's forecasting process and property, plant and equipment impairment review including controls relating to the valuation methodology used, the completeness and accuracy of the input data considered, including the reasonableness of key assumptions considered in determining the future projections and the impairment calculations.</p> <p>We had discussions with the component auditors in regard to the impairment evaluation of property, plant and equipment pertaining to two operating subsidiaries. Also, we have sent out referral instructions to the component auditors and evaluated the responses received from them. The procedures performed by the component auditors and which were evaluated by us are as follows:</p> <p>Component audit team have received the valuation report (prepared by the external valuation specialist or as prepared by the management, as applicable) and considered as part of their impairment testing over the property, plant and equipment.</p> <p>Component audit team have evaluated appropriateness of the valuation methodology used and the reasonableness of the key assumptions considered by the management, such as discount rate and growth rate considering the historical accuracy of the Company's estimates in the prior periods</p> <p>The component audit team has compared the actual revenues and cash flows generated by these subsidiaries during the year as to the projections and estimates considered in the previous year.</p> <p>The component audit team has also assessed the sensitivity of the valuation to key changes in assumptions and tested the mathematical accuracy of the impairment model.</p> <p>The Component auditors have reported to us that they have performed these procedures.</p>

#### Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Consolidated financial statements, Standalone financial statements and our auditor's report thereon. which we obtained prior to the date of this auditor's report, and the Annual report, which is expected to be made available to us after that date.
- Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.



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

### **Management's Responsibility for the Consolidated Financial Statements**

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Parent as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

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

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

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

auditors. For the entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

(a) We did not audit the financial statements of 10 subsidiaries, whose financial statements reflect total assets of ₹ 51,849.11 lakhs as at 31 March 2022, total revenues of ₹13,552.66 lakhs and net cash (outflows) amounting to ₹ 6,505.83 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and 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 subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our report is not modified in respect of this matter.

(b) We did not audit the financial statements of 1 subsidiary, whose financial statements reflect total assets of ₹ 172.30 lakhs as at 31 March, 2022, total revenues of ₹ 131.72 lakhs and net cash flows amounting to ₹ 36.96 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 Consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant 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 Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors of the Parent as on 31 March 2022 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies none of the directors of the Group companies is disqualified as on 31 March 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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 the consolidated financial position of the Group.
    - ii) The Group did not have any material foreseeable losses on 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 Parent.
    - iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall directly indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries
    - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall directly indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries
    - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
  - v) The dividend declared and paid by the Parent during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.
2. As required by the Companies (Auditor's Report) Order, 2020("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**C Manish Muralidhar**  
Partner  
(Membership No.213649)  
(UDIN: 22213649ALZTBV4397)

Place: Chennai  
Date: 26 May 2022

## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 the Group as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of **SWELECT ENERGY SYSTEMS LIMITED** (hereinafter referred to as “Parent”), as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Parent, 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 (“the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent’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 Parent’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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, 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, is sufficient and appropriate to provide a basis for our audit opinion on the Parent’s internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its Subsidiary Companies, which are Companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the criteria for internal financial controls over financial reporting established by the respective Companies considering the essential components of internal controls 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 aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 Subsidiary Companies, which are Companies incorporated in India, is based solely on the corresponding reports of the auditors of such Companies incorporated in India.

Our opinion is not modified in respect of the above matters.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**C Manish Muralidhar**  
Partner  
(Membership No.213649)  
(UDIN: 22213649ALZTBV4397)

Place: Chennai  
Date: 26 May 2022

**SWELECT ENERGY SYSTEMS LIMITED**  
**Consolidated Balance Sheet as at 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	Note No.	As at 31 March 2022	As at 31 March 2021
<b>(A) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	3	40,792.92	29,534.15
(b) Capital work-in-progress	3	2,456.60	7,158.13
(c) Right of use Assets	3(a)	234.31	483.26
(d) Investment Property	4	2,257.20	2,340.33
(e) Goodwill on Consolidation		789.74	789.74
(f) Other Intangible assets	5	12,529.97	13,169.00
<b>(g) Financial Assets</b>			
(i) Investments	6(a)	530.35	530.35
(ii) Loans	6(c)	590.41	494.18
(iii) Trade receivables	9	480.00	930.51
(iv) Other financial assets	6(d)	6,294.17	4,197.39
(h) Income Tax Asset (Net)		959.68	434.77
(i) Deferred Tax Asset (Net)	17(a)	165.84	295.47
(j) Other non-current assets	7	1,341.79	1,426.06
<b>Total Non-Current Assets</b>		<b>69,422.98</b>	<b>61,783.34</b>
<b>Current assets</b>			
(a) Inventories	8	16,177.67	6,653.44
<b>(b) Financial Assets</b>			
(i) Investments	6(b)	28,570.72	27,171.74
(ii) Loans	6(c)	156.12	356.68
(iii) Trade receivables	9	8,623.70	6,676.96
(iv) Cash and cash equivalents	10	10,744.87	1,214.66
(v) Other Bank balances	6(e)	54.68	286.98
(vi) Other financial assets	6(d)	4,832.06	14,765.56
(c) Other Current assets	11	1,687.15	537.95
<b>Total Current assets</b>		<b>70,846.97</b>	<b>57,663.97</b>
<b>TOTAL ASSETS</b>		<b>1,40,269.95</b>	<b>1,19,447.31</b>

PARTICULARS	Note No.	As at 31 March 2022	As at 31 March 2021
<b>(B) EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	1,515.88	1,515.88
(b) Other Equity	13	76,044.25	72,745.73
(c) Non-Controlling interests		1,115.87	646.49
<b>Total Equity</b>		<b>78,676.00</b>	<b>74,908.10</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15(a)	18,532.04	14,898.13
(ia) Lease liabilities	3(b)	8.11	235.88
(ii) Other financial liabilities	15(b)	100.89	177.48
(b) Deferred tax liabilities (net)	17(b)	256.73	338.46
(c) Provisions	18	519.88	511.80
(d) Other non-current liabilities	16(a)	115.13	233.76
<b>Total Non-Current liabilities</b>		<b>19,532.78</b>	<b>16,395.51</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15(a)	27,120.14	20,452.76
(ia) Lease liabilities	3(b)	235.88	256.28
(ii) Trade payables	19		
(A) Total outstanding dues of micro enterprises and small enterprises		629.29	351.64
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,322.96	5,278.15
(iii) Other financial liabilities	15(b)	768.20	748.06
(b) Other current liabilities	20	567.88	843.48
(c) Provisions	18	416.81	213.33
<b>Total Current Liabilities</b>		<b>42,061.17</b>	<b>28,143.70</b>
<b>Total Liabilities</b>		<b>61,593.95</b>	<b>44,539.21</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,40,269.95</b>	<b>1,19,447.31</b>

See accompanying notes forming part of the Consolidated Financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date: 26th May 2022

For and on behalf of the Board of Directors  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
**Consolidated Statement of Profit and Loss for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>INCOME</b>			
Revenue from operations	21	39,111.10	25,253.61
Other Income	22	2,082.05	2,985.18
<b>Total Income</b>		<b>41,193.15</b>	<b>28,238.79</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	23	18,054.77	9,078.99
Purchase of traded goods		11,724.12	1,430.15
Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods	24	(9,316.26)	1,028.41
Employee benefits expense	25	2,802.11	2,526.20
Finance costs	26	2,487.34	1,775.87
Depreciation and amortisation expense	27	3,093.68	2,813.57
Other expenses	28	8,796.34	6,143.62
<b>Total expenses</b>		<b>37,642.10</b>	<b>24,796.81</b>
<b>Profit before Exceptional Item and Tax</b>		<b>3,551.05</b>	<b>3,441.98</b>
Exceptional item		-	(691.00)
<b>Profit before tax</b>		<b>3,551.05</b>	<b>2,750.98</b>
<b>Tax Expense</b>			
Current tax		239.33	198.96
MAT credit		155.12	(66.54)
Deferred Tax (Net)		(85.14)	14.97
<b>Income tax expense</b>		<b>309.31</b>	<b>147.39</b>
<b>Profit for the year</b>		<b>3,241.74</b>	<b>2,603.59</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>			
Exchange differences on translation of foreign operations		483.57	(185.36)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>			
Re-measurement gains on defined benefit plans		35.47	12.35
Income Tax Effect		-	(2.36)
<b>Other comprehensive income/ (loss) for the year, net of tax</b>		<b>519.04</b>	<b>(175.37)</b>
<b>Total Comprehensive income for the year</b>		<b>3,760.78</b>	<b>2,428.22</b>



PARTICULARS	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Profit for the year</b>			
<b>Attributable to :</b>			
Owners of the Parent		3,240.23	2,608.09
Non-Controlling interests		1.51	(4.50)
<b>Total Comprehensive Income / (loss) for the year</b>			
<b>Attributable to :</b>			
Owners of the Parent		3,759.27	2,432.72
Non-Controlling interests		1.51	(4.50)
<b>Earnings per share (Face value of ₹ 10/- each)</b>			
1. Basic (in ₹)	29	21.39	17.18
2. Diluted (in ₹)	29	21.39	17.18

See accompanying notes forming part of the Consolidated Financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date: 26th May 2022

For and on behalf of **the Board of Directors**  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
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Company Secretary

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
**Consolidated Cash flow statement for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Profit after taxation</b>	3,241.74	2,603.59
Adjustments for:		
Tax expense	309.31	147.39
Depreciation and Amortisation Expense	3,093.68	2,813.57
(Profit)/Loss on Investments carried at fair value through Profit and Loss	(942.65)	(266.30)
Net gain from the sale of current investment	(342.39)	(1,392.49)
Dividend Income - on equity Investments	-	(1.22)
Provision for bad and doubtful debts and Bad debts written off	444.02	243.99
Liabilities no longer required, written back	(16.64)	(41.10)
Interest expense	2,487.34	1,775.87
Interest income	(774.32)	(900.86)
Provision for warranties	21.51	24.51
Provision for impairment of Property, Plant and Equipment	-	691.00
Exchange gains/Losses	483.57	(440.91)
Gain/Loss on retirement of Property, Plant and Equipment	(1.85)	18.15
<b>Operating profit before working capital / other changes</b>	<b>8,003.32</b>	<b>5,275.19</b>
<b>Movement in working capital / Others :</b>		
(Increase) / Decrease in trade receivables	(1,940.25)	(590.47)
(Increase) / Decrease in current and non-current assets	(1,064.93)	182.46
(Increase) / Decrease in inventories	(9,524.23)	428.60
Increase in trade payables, other current and long term liabilities	6,888.43	(699.61)
(Decrease) / Increase in provisions	183.79	(759.88)
Increase / (Decrease) in current and non-current financial assets	7,941.05	(154.54)
<b>Cash flow generated from operations</b>	<b>10,487.18</b>	<b>3,681.75</b>
Income Tax paid, net of refunds	(786.32)	(357.86)
<b>Net cash flow generated from operating activities (A)</b>	<b>9,700.86</b>	<b>3,323.89</b>

PARTICULARS	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>B. Cash flow from investing activities:</b>		
Acquisition of property, plant and equipment, investment Property and intangible assets	(8,686.89)	(11,552.95)
Proceeds from Sale of Property Plant and Equipment	43.15	-
(Investment)/ redemption of current investments	(113.94)	(1,809.70)
Changes in other bank balances	232.30	(2,425.99)
Interest received	774.32	900.86
Infusion of Minority interest share capital	469.38	650.99
Dividend Income on equity Investments	-	1.22
<b>Net cash flow used in investing activities (B)</b>	<b>(7,281.68)</b>	<b>(14,235.57)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds / (Repayment) of short term borrowings	9,493.58	(226.30)
Receipts of long term borrowings	3,633.91	11,735.50
Unpaid Dividend transfer	2.05	-
Payment of Lease liabilities	(282.39)	(282.15)
Interest paid	(2,453.12)	(1,683.35)
Dividend paid	(454.76)	(113.69)
<b>Net cash flow used in financing activities (C)</b>	<b>9,939.27</b>	<b>9,430.01</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>12,358.46</b>	<b>(1,481.67)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(9,857.23)</b>	<b>(8,375.56)</b>
<b>Closing cash and cash equivalents</b>	<b>2,501.23</b>	<b>(9,857.23)</b>
<b>Cash and Cash equivalents (Refer Note 10(a))</b>	<b>2,501.23</b>	<b>(9,857.23)</b>

See accompanying notes forming part of the Consolidated Financial Statements.

In terms of our report attached  
For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date: 26th May 2022

For and on behalf of the **Board of Directors**  
**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
**Consolidated Statement of Changes in Equity for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**a. Equity Share Capital**

As at 1 April 2020	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 31 March 2021	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 31 March 2022
1,515.88	-	1,515.88	-	1,515.88

**b. Other Equity**

Particulars	Reserves & Surplus							Total Other Equity	
	Capital Reserve	Securities premium	Retained earnings	Capital Redemption Reserve	Revaluation Reserve	General Reserve	Others		Foreign Currency Translation Reserve
<b>Balance as at 1 April 2020</b>	<b>304.10</b>	<b>4,291.19</b>	<b>43,435.72</b>	<b>375.00</b>	<b>379.35</b>	<b>18,102.14</b>	<b>26.18</b>	<b>3,519.06</b>	<b>70,432.74</b>
Profit for the year			2,608.09						2,608.09
Other Comprehensive Income (Net of tax)			9.99						9.99
Movement in Foreign Exchange									-
<b>Total comprehensive income</b>	<b>304.10</b>	<b>4,291.19</b>	<b>46,053.80</b>	<b>375.00</b>	<b>379.35</b>	<b>18,102.14</b>	<b>26.18</b>	<b>3,519.06</b>	<b>73,050.82</b>
Movement in Revaluation Reserve					(6.04)				(6.04)
Final Dividend for the year			(113.69)						(113.69)
<b>Balance as at 31 March, 2021</b>	<b>304.10</b>	<b>4,291.19</b>	<b>45,940.11</b>	<b>375.00</b>	<b>373.31</b>	<b>18,102.14</b>	<b>26.18</b>	<b>3,333.70</b>	<b>72,745.73</b>
Profit for the year			3,240.23						3,240.23
Other Comprehensive Income (Net of tax)			35.47						35.47
Movement in Foreign Exchange								483.57	483.57
<b>Total comprehensive income</b>	<b>304.10</b>	<b>4,291.19</b>	<b>49,215.81</b>	<b>375.00</b>	<b>373.31</b>	<b>18,102.14</b>	<b>26.18</b>	<b>3,817.27</b>	<b>76,505.00</b>
Movement in Revaluation Reserve			(454.76)		(5.99)				(5.99)
Final Dividend for the year			-						(454.76)
Dividend Distribution Tax for the year			-						-
<b>Balance as at As at 31 March, 2022</b>	<b>304.10</b>	<b>4,291.19</b>	<b>48,761.05</b>	<b>375.00</b>	<b>367.32</b>	<b>18,102.14</b>	<b>26.18</b>	<b>3,817.27</b>	<b>76,044.25</b>

See accompanying notes forming part of the Consolidated Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants  
(Firm's Registration No. 117366W/WV-100018)

Sd/-  
**C Manish Muralidhar**  
Partner

Place : Chennai  
Date : 26th May 2022

For and on behalf of the Board of Directors

**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
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**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**1 Corporate information**

SWELECT ENERGY SYSTEMS LIMITED (hereinafter referred to as 'the Parent' or 'the Company' or 'the Holding Company') was incorporated as a Public Limited Group on 12 September 1994. The Parent and its subsidiaries (together referred to as 'the Group') are engaged in the business of manufacturing and trading of Solar power projects, off-grid solar photovoltaic modules, based on crystalline silicon technology (c-Si), solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters and energy efficient lighting systems. The Parent is domiciled in India and its shares are listed on BSE and NSE. The registered office of the Group is located at Chennai.

**2 Basis of preparation**

**(a) Statement of compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

**(b) Functional and presentation currency**

Currency of the primary economic environment in which the Group operates ("the functional currency") is Indian Rupee (₹ Accordingly, the Management has assessed its functional currency to be Indian Rupee (₹).

**(c) Basis of measurement**

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**(d) Use of estimates and judgements**

In preparing these financial statements, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Judgements**

Note 5 - Revenue from Service Concession Arrangements

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

Note 3 - Useful life of Property, Plant and Equipment

Note 21 - Revenue from Service Concession Arrangements

Note 36 - Fair valuation of Financial Assets/Liabilities

Notes 6 and 9 - Impairment of financial assets and other assets

Note 8 - Allowance for Non- moving, Slow moving inventories

Note 18 - Provision for Warranty and the underlying projections / assumptions / judgements etc.

Note 31 - Measurement of Defined Benefit Obligations: Key actuarial assumptions

**(e) Measurement of fair values**

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values whereby the valuation is obtained from an external independent valuer, where feasible, which is then reviewed by the Chief Financial Officer for the underlying assumptions used in the valuation.

The Chief Financial Officer regularly reviews the significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used by the valuer to measure fair values, then the Chief Financial Officer assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note 4 – Investment Property and

Note 36 – Financial Instruments

**2(A) Summary of significant accounting policies**

**Principles of Consolidation:**

The consolidated financial statements relate to the Company and its Subsidiaries. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its Subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Company's separate financial statements.

The details of the Subsidiaries considered in the preparation of the consolidated financial statements are given below:

SI No.	Name of the Subsidiary	Country of Incorporation	Relationship	Effective Ownership Interest as at the Balance Sheet Date (%)	
				2021-22	2020-21
1	Swelect Energy Systems Pte. Limited., Singapore	Singapore	Subsidiary	100%	100%
2	Swelect Inc. USA	USA	Subsidiary	100%	100%
3	Swelect Solar Energy Private Limited	India	Subsidiary	100%	100%
4	Subsidiaries of Swelect Solar Energy Private Limited:				
a	Noel Media & Advertising Private Limited	India	Subsidiary	100%	100%
b	K J Solar Systems Private Limited	India	Subsidiary	100%	100%
5	Swelect Power Systems Private Limited	India	Subsidiary	100%	100%
6	Amex Alloys Private Limited	India	Subsidiary	100%	100%
7	Swelect Green Energy Solutions Private Limited	India	Subsidiary	100%	100%
8	Swelect Sun Energy Private Limited	India	Subsidiary	74%	74%
9	SWEES Employees' Welfare Trust *	India	Subsidiary	*	*
10	Swelect Renewable Energy Private Limited	India	Subsidiary	74%	*
11	Swelect HHV Solar Photovoltaics Private Limited	India	Subsidiary	100%	*

\* No shareholding and the entity is a trust in which the Company has Control. Two of the Company's directors are also the trustees in the Trust and the trust holds 176,400 shares of the Company. The main object of the trust is for the welfare of the employees of the Group.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**(a) Current versus non-current classification**

The Group presents assets and liabilities in the Balance sheet based on current/ non-current classification which is determined based on the operating cycle.

An asset is treated as current when it is:

- ◆ Expected to be realised or intended to sold or consumed in the normal operating cycle
- ◆ Held primarily for the purpose of trading
- ◆ Expected to be realised within twelve months after the reporting period, or
- ◆ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

- ◆ A liability is treated as current when:
- ◆ It is expected to be settled in normal operating cycle
- ◆ It is held primarily for the purpose of trading
- ◆ It is due to be settled within twelve months after the reporting period, or
- ◆ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

**(b) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the Government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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 commissioning of the contract.

Sales Tax/Value Added Tax (VAT), Goods and Service Tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

**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.

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued up to the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**Renewable Energy Certificate (REC) Income:**

Income arising from REC is initially recognised in respect of the number of units of power exported at the minimum expected realisable value, determined based on the rates specified under the relevant regulations duly considering the entitlements as per the policy, industry specific developments, Management assessment etc and when there is no uncertainty in realising the same. The difference between the amount recognised initially and the amount realised on sale of such RECs at the Power Exchange are accounted for as and when such sale happens.

**Income from service**

Revenue from maintenance contracts is recognised in the Statement of Profit and Loss on a periodic basis over the period of the contract according to the terms and conditions of the agreements. Income from installation contracts is recognised when the certificate of installation is received from the customer.

**Interest income**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included in 'Other Income' in the Consolidated Statement of Profit and Loss. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend**

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

**Rental Income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in Revenue from Operations in the Statement of Profit and Loss due to its operating nature.

**(c) Service Concession Agreement**

The Group constructs Infrastructure used to provide a public service, operates and maintains that Infrastructure (operation services) for a specified period of time.

These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The Intangible asset model is used to the extent that the Group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated with reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group manages concession arrangements which include constructing Solar power distribution assets for distribution of electricity. The Group maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the Infrastructure and the services to be provided.

The right to consideration gives rise to an Intangible asset and financial receivable and accordingly, both the Intangible asset and financial receivable models are applied. Income from the concession arrangements earned under the Intangible asset model consists of the value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and payments actually received from the users. The Intangible asset is amortised over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group, starting from the date when the right to operate starts to be used. Based on these principles, the Intangible asset is amortised in line with the actual usage of the specific public facility or the agreement period, whichever is less.

Financial receivable is recorded at fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expires.



**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**(d) 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 (until 30 June 2017).
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 costs to make the sale.

**(e) Taxes**

**Current income tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in Equity, in which case it is recognised in Equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in Other Comprehensive Income or in Equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset, if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period. With the introduction of the new Income tax provisions, the Group has the option to adopt lower rate of tax under Section 115BAA. Upon availing this option, MAT accruals till date of adoption will be expunged for the respective companies.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in Other Comprehensive Income or in Equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in Equity.

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 taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**(f) Employee Benefits**

**Defined Contribution Plan**

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises 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 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.

Employee State Insurance

Contributions to Employees State Insurance Scheme are recognised as expense in the year in which the services are rendered.

**Defined Benefit Plan**

Gratuity

The Group makes annual contribution to a Gratuity Fund administered by trustees and managed by LIC. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined every year using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in Retained Earnings through Other Comprehensive Income in the period in which they occur. Re-measurements are not re-classified to profit or loss in subsequent periods. The defined benefit obligation recognised in the balance sheet represents the present value of the Defined Benefit Obligation less the Fair Value of Plan Assets out of which the obligations are expected to be settled.

Long Term Compensated Absences

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 Statement of Profit and Loss and are not deferred. The Group 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.

Short Term Employee Benefits

Short Term Employee Benefits includes short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

**(g) Foreign Currency Transactions and Translations**

The Group's financial statements are presented in ₹ which is also the Group's functional currency.

Initial Recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate 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.

Treatment of 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 expense in the year in which they arise.

Translation of foreign subsidiaries:

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian rupees using the exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity. On the disposal of a foreign operation, the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

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**Notes to Consolidated financial statements for the year ended 31 March 2022**

**Forward exchange contracts entered into to hedge foreign currency risk of an existing Asset/Liability**

Where Group enters into such transaction, 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.

**(h) Earnings per share (EPS)**

Basic earnings per share is computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / loss after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**(i) Property, Plant and Equipment and Other Intangible assets**

Property, Plant and Equipment and Other Intangible assets are stated at original cost net of tax/duty credit availed, 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.

Other Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Other Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure related to an item of Property, Plant and Equipment 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 Property, Plant & Equipment, 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.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification. Gains and losses arising from derecognition of Property, Plant and Equipment and Other 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.

The Group identifies and determines cost of each component/part of the Property, Plant and Equipment separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which Property, Plant and Equipment is not ready for their intended use and capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

**(j) Depreciation and amortization**

Depreciation is provided using the straight line method as per the useful lives of the Property, Plant and Equipment 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

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**Notes to Consolidated financial statements for the year ended 31 March 2022**

**(k) Useful lives/depreciation rates**

Considering the applicability of Schedule II, the Management has estimated the useful lives and residual values of all its Property, Plant & Equipment. The Management believes that the depreciation rates currently used fairly reflect its estimate of the useful life and residual values of Property, Plant & Equipment, 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 Property, Plant & Equipment.

The useful life of certain Solar Plant and Machinery and Intangible assets recognised under Service Concession Agreement is 25 years, respectively. These lives are higher than those indicated in Schedule II.

Other Intangible assets are amortised using the straight-line method over a period of three years or five years as applicable.

**(l) Impairment of Property, Plant and Equipment and Other Intangible assets**

The carrying amounts of Property, Plant and Machinery is 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.

**(m) Investment Properties**

Investment Property represents Property (Land or a Building or part of a Building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment Property is measured initially at cost, including transaction costs. Subsequent to initial recognition, Investment Property is stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts if the recognition criteria are met. When significant parts of the Investment Property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of Profit and Loss as incurred.

Depreciation on Building classified as Investment Property has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013. These are based on the Group's estimate of their useful lives taking into consideration technical factors.

Though the Group measures Investment Property using cost basis measurement, the fair value of Investment Property is disclosed in Note 4. Fair values are determined on an annual evaluation performed by applying a valuation model.

Investment Property is derecognised when either they have been disposed off or when the Investment Property is permanently withdrawn from use and no future economic benefit is expected from its disposal. When the use of a property changes from investment property to owner-occupied, the property is reclassified as property, plant and equipment at its carrying amount on the date of classification.

The difference between the net disposal proceeds and the carrying amount of the Investment Property is recognised in the Statement of Profit and Loss in the period of derecognition.

**(n) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of Property, Plant and Equipment 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 Property, Plant and Equipment. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

**(o) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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**Notes to Consolidated financial statements for the year ended 31 March 2022**

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 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 Property, Plant and Equipment. 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.

**(p) Provisions and Contingencies**

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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 recognized 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

**(q) Provision for Warranties**

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and Management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claims will arise, being typically up to twenty five years.

The estimates used for accounting of warranty liability/recoveries are reviewed periodically and revisions are made as required.

**(r) Financial instruments**

**Financial Assets:**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognised in Other Comprehensive Income (i.e. fair value through Other Comprehensive Income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the Statement of Profit and Loss, except for those equity investments for which the entity has elected to present value changes in 'Other Comprehensive Income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the Statement of Profit and Loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
  - (a) The Group has transferred substantially all the risks and rewards of the asset, or
  - (b) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

**Impairment of financial assets**

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

**Financial Liabilities:**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
- Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
- Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

**Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet, if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(s) Fair value measurement**

The Group measures specific financial instruments of certain investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises the accounting policy for fair value. Other fair value related disclosures are given in relevant notes.

**(t) Cash and cash equivalents**

Cash and cash equivalent in the Balance Sheet comprise cash at Banks and on hand including cheques on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**(u) Cash dividend**

The Group recognises a liability when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends paid/payable are recognised in the year in which the related dividends are approved by the Shareholders or Board of Directors as appropriate.

**(v) Cash flow statement**

Cash flows are presented using indirect method, whereby Profit/Loss after tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Group is segregated based on the available information.



**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**

**(w) Business combinations**

Business combinations involving entities under the common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Any consideration in excess of the net worth of the acquire Group is adjusted against the reserves of the acquiring Group.

**(x) Exceptional item**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

**(y) Segment Reporting**

Operating segments reflect the Group's Management structure and the way the financial information is regularly reviewed by the Group's Chief Executive Officer (CEO). The CEO considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and Management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)  
**3 Property, Plant and Equipment**

Particulars	Land	Buildings	Plant and Machinery	Office & Electrical Equipment	Computers	Furniture and Fittings	Vehicles	Total
<b>Cost</b>								
<b>Balance as at 1 April 2020</b>	<b>1,881.74</b>	<b>4,252.81</b>	<b>28,837.39</b>	<b>613.10</b>	<b>104.83</b>	<b>362.89</b>	<b>226.32</b>	<b>36,279.08</b>
Additions	111.01	93.80	4,960.43	8.72	11.22	32.79	32.90	5,250.87
Deletions (Refer Note (i) below)	(58.04)	-	-	-	-	-	(6.73)	(64.77)
<b>As at 31 March, 2021</b>	<b>1,934.71</b>	<b>4,346.61</b>	<b>33,797.82</b>	<b>621.82</b>	<b>116.05</b>	<b>395.68</b>	<b>252.49</b>	<b>41,465.18</b>
Additions	48.33	260.77	12,784.25	79.50	13.05	23.52	51.68	13,261.10
Deletions	-	-	-	-	-	-	-	-
Other Transfers / Adjustments	(2.29)	(2.29)	-	201.03	-	-	-	198.74
<b>As at 31 March, 2022</b>	<b>1,983.05</b>	<b>4,605.09</b>	<b>46,582.06</b>	<b>902.35</b>	<b>129.09</b>	<b>419.20</b>	<b>304.17</b>	<b>54,925.01</b>
<b>Depreciation</b>								
<b>Balance as at 1 April 2020</b>	-	<b>555.79</b>	<b>6,491.38</b>	<b>397.80</b>	<b>83.68</b>	<b>322.01</b>	<b>142.15</b>	<b>7,992.81</b>
Charge for the year	-	87.92	1,514.37	73.98	12.88	15.89	26.30	1,731.34
Deletions	-	-	-	-	-	-	(6.73)	(6.73)
Other Transfers / Adjustments	-	-	-	0.01	-	-	-	0.01
<b>As at 31 March, 2021</b>	-	<b>643.71</b>	<b>8,005.75</b>	<b>471.79</b>	<b>96.56</b>	<b>337.90</b>	<b>161.72</b>	<b>9,717.43</b>
Charge for the year	-	112.74	1,783.62	61.08	12.78	9.99	26.34	2,006.55
Deletions	-	-	-	-	-	-	-	-
Other Transfers / Adjustments	-	(1.61)	-	196.16	-	-	-	194.55
<b>As at 31 March, 2022</b>	-	<b>754.80</b>	<b>9,789.37</b>	<b>729.03</b>	<b>109.34</b>	<b>347.89</b>	<b>188.06</b>	<b>11,918.49</b>
<b>Impairment</b>								
<b>As at 31 March, 2021</b>	-	-	<b>2,213.60</b>	-	-	-	-	<b>2,213.60</b>
Charge for the year	-	-	-	-	-	-	-	-
<b>As at 31 March, 2022</b>	-	-	<b>2,213.60</b>	-	-	-	-	<b>2,213.60</b>
<b>Net Block</b>								
<b>As at 31 March, 2021</b>	<b>1,934.71</b>	<b>3,702.90</b>	<b>23,578.47</b>	<b>150.03</b>	<b>19.49</b>	<b>57.78</b>	<b>90.77</b>	<b>29,534.15</b>
<b>As at 31 March, 2022</b>	<b>1,983.05</b>	<b>3,850.29</b>	<b>34,579.09</b>	<b>173.32</b>	<b>19.75</b>	<b>71.31</b>	<b>116.11</b>	<b>40,792.92</b>

**Notes:**

- Other transfers represent Land and Buildings that are transferred to / from Investment Property to/from Property, Plant and Equipment for use in the business operations of the Company. Leasehold improvements of Written Down value ₹ 0.74 lakhs are reclassified as part of Buildings.
- The Company's obligation under finance leases (See Note 15(a)) are secured by the lessors' title to the leased assets ( Vehicles), which have a carrying amount is Nil (31 March 2021 ₹ 23.28 lakhs).
- Capital Work In progress Ageing Schedule

Amount in CWIP for a period of	Less than 1 year	1-2 years	More than 2 years	Total
Projects in progress as on March 31 2022	1,604.06	52.22	800.32	2,456.60
Projects in progress as on March 31 2021	6,357.81	-	800.32	7,158.13
- For Capital-work-in progress which is more than 2 years the Group has taken steps to conclude the projects by the subsequent year.
- The Group's obligations (Refer Note 15) are secured by the hypothecation of plant and machinery, which has a carrying amount of ₹ 25,749.64 lakhs (31 March 2021- ₹ 19,595.62 lakhs)

**SWELECT ENERGY SYSTEMS LIMITED**  
**Notes to Consolidated financial statements for the year ended 31 March 2022**  
(All amounts are in ₹ Lakhs, unless otherwise stated)

**3(a) Leases**

The group has a lease for machinery and building.

**(a) Right of Use Asset "ROU":**

The following are the changes in the carrying value of right of use assets for the year ended 31 March 2022

Particulars	Building	Machinery	Total
<b>Balance as at 1 April 2020</b>	<b>6.67</b>	<b>468.06</b>	<b>474.73</b>
Additions	257.00		<b>257.00</b>
Depreciation*	85.19	163.28	248.47
<b>As at 31 March, 2021</b>	<b>178.48</b>	<b>304.78</b>	<b>483.26</b>
Additions	-	-	-
Deletions	-	-	-
Depreciation*	85.67	163.28	248.95
<b>As at 31 March, 2022</b>	<b>92.81</b>	<b>141.50</b>	<b>234.31</b>

\* The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

**(b) Lease Liabilities:**

The following is the movement in lease liabilities during the year ended 31 March 2022

Particulars	Building	Machinery	Total
<b>Balance as at 1 April 2020</b>	<b>7.87</b>	<b>455.84</b>	<b>463.71</b>
Additions	257.00	-	257.00
Finance Cost accrued during the year	18.63	34.96	53.59
Payment of Lease liabilities	97.83	184.32	282.15
<b>As at 31 March, 2021</b>	<b>185.67</b>	<b>306.49</b>	<b>492.16</b>
Additions	-	-	-
Finance Cost accrued during the year	13.27	20.95	34.22
Payment of Lease liabilities	98.07	184.32	282.39
<b>As at 31 March, 2022</b>	<b>100.87</b>	<b>143.12</b>	<b>243.99</b>

The following is the break-up of current and non-current lease liabilities as at 31 March 2022

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	235.88	256.28
Non Current lease liabilities	8.11	235.88

**(c) Amounts recognized in profit and loss were as follows:**

Particulars	As at 31 March 2022	As at 31 March 2021
Depreciation Expenditure	248.95	248.47
Finance cost on Lease liabilities	34.22	53.59

**(d) The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:**

Particulars	As at 31 March 2022	As at 31 March 2021
Not later than 1 year	282.39	282.39
Later than 1 year and not later than 5 years	8.17	290.56
Later than 5 years	-	-

**Note:** The company does not face a significant liquidity risk with regards to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**4 Investment Property**

Particulars	Land and Buildings	
	As at 31 March 2022	As at 31 March 2021
<b>Cost</b>	<b>2,928.49</b>	<b>2,593.97</b>
Additions during the year	55.19	276.48
Deletions during the year	(41.30)	-
Other Transfers	2.29	58.04
<b>Closing balance</b>	<b>2,944.67</b>	<b>2,928.49</b>
<b>Depreciation</b>		
Opening balance	588.16	509.65
Depreciation during the year	97.70	97.26
Other Transfers	1.61	-
<b>Closing balance</b>	<b>687.47</b>	<b>588.16</b>
<b>Net Block</b>	<b>2,257.20</b>	<b>2,340.33</b>

**Information regarding Income and Expenditure of Investment Property**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Rental income derived from Investment Property	475.35	365.76
(b) Direct operating expenses (including repairs and maintenance) generating rental income	-	-
(c) Direct operating expenses (including repairs and maintenance) that did not generate rental income	12.15	11.97
<b>Profit arising from investment property before depreciation and indirect expenses</b>	<b>463.20</b>	<b>353.79</b>
Less – Depreciation	97.70	97.26
<b>Profit arising from Investment Property before indirect expenses</b>	<b>365.50</b>	<b>256.53</b>

**Measurement of fair values:**

**Description of valuation techniques used and key inputs for valuation of Investment Property:**

As at 31 March 2022 and 31 March 2021, the fair value of the Property is ₹ 28,827.87 lakhs and ₹ 18,942.30 lakhs respectively. The valuation is based on fair value assessment done. A valuation model in accordance with the one recommended by the International Valuation Standards Committee has been applied. The fair value is not based on the valuation by an independent valuer.

The Company has no restrictions on the realisability of its Investment Property and has no contractual obligations to purchase, construct or develop Investment Property or has any plans for major repairs, maintenance and enhancements. Fair Value Hierarchy disclosures for Investment Property have been provided in Note 36.

This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

Under the Discounted cash flow method, fair value is estimated using assumptions regarding the fair market value of the Property.

In this regard, the key assumptions used for fair value calculations are as follows :-

- It is presumed that the vacancy durations of the Property will have no material impact on the cash flow projections, as they are immaterial.
- Existing rental escalation terms will continue to exist in the future without any modification.
- It is presumed that no brokerage, commission costs will be incurred on the let out of Property.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

The weighted average cost of capital (WACC) is the rate that the Group is expected to pay on average to all its security holders to finance its assets. The weighted average cost of capital is calculated by Capital Asset Pricing Model (CAPM). This model takes into account the asset's sensitivity to non-diversifiable risk (also known as systematic risk or market risk), represented by the quantity beta ( $\beta$ ) in the financial industry, as well as the expected return of the market and the expected return of a theoretical risk-free asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment or refurbishment. The appropriate duration is typically driven by market behaviour that is characteristic of the class of real Property. Periodic cash flow is typically estimated as gross income, non-recoverable expenses, collection losses, lease incentives, maintenance cost, and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increase (decrease) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the Property. Significant increase (decrease) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by :

- i. A directionally similar change in the rent growth per annum and discount rate (and exit yield).
- ii. An opposite change in the long term vacancy rate.

**Reconciliation of fair value:**

	<b>Amount</b>
<b>Gross Block as on As at 31 March, 2022</b>	2,944.67
Fair value difference (net)	25,883.20
<b>Fair value as on As at 31 March, 2022</b>	<b>28,827.87</b>

**5 Other Intangible assets**

Particulars	Certification Process	Service Concession Arrangement (Refer Note 1 below)	Computer Software	Total
<b>Cost</b>				
<b>As at 1 April 2020</b>	<b>134.40</b>	<b>16,175.56</b>	<b>210.69</b>	<b>16,520.65</b>
Additions	21.37	2.36	29.64	53.37
Deletions	-	(93.38)	-	(93.38)
<b>As at 31 March, 2021</b>	<b>155.77</b>	<b>16,084.54</b>	<b>240.33</b>	<b>16,480.64</b>
Additions	83.36	-	17.68	101.04
Deletions	-	-	-	-
<b>As at 31 March, 2022</b>	<b>239.14</b>	<b>16,084.54</b>	<b>258.01</b>	<b>16,581.69</b>
<b>Amortisation</b>				
<b>As at 1 April 2020</b>	<b>100.10</b>	<b>2,306.72</b>	<b>120.94</b>	<b>2,527.76</b>
Charge for the year	23.14	757.91	18.66	799.71
Deletions	-	(15.83)	-	(15.83)
<b>As at 31 March, 2021</b>	<b>123.24</b>	<b>3,048.80</b>	<b>139.60</b>	<b>3,311.64</b>
Charge for the year	46.72	652.66	40.70	740.08
Deletions	-	-	-	-
<b>As at 31 March, 2022</b>	<b>169.96</b>	<b>3,701.46</b>	<b>180.30</b>	<b>4,051.72</b>
<b>Net block</b>				
<b>As at 31 March, 2021</b>	<b>32.53</b>	<b>13,035.74</b>	<b>100.73</b>	<b>13,169.00</b>
<b>As at 31 March, 2022</b>	<b>69.18</b>	<b>12,383.08</b>	<b>77.71</b>	<b>12,529.97</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Notes:**

1. The Group (Operator) has entered into the following Power Purchase Agreements (PPA) with counter parties (Grantor). The Group has assessed the same as an arrangement which needs to be accounted under the principles of Appendix C of Ind-AS 115 as the following conditions are met: The Grantor controls or regulates which services the Operator must provide to the Infrastructure (Solar Power Plant), to whom it must provide and at what price and the controls, the Grantor will exercise through ownership, beneficial entitlement or other significant residual interest in the Infrastructure at the end of the term of the arrangement. Infrastructure within the scope of Appendix C of Ind-AS 115 is not recognised as Property, Plant and Equipment of the Operator because the contractual service arrangement does not convey the right to control the use of the Infrastructure to the Operator.

Consideration for the construction services received or receivable by the Operator is recognised at its fair value. The consideration may be rights to:

- (a) a financial asset, or
- (b) an Intangible asset.

The Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the Grantor for the construction services; the Grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, even if payment is contingent on the operator ensuring that the Infrastructure meets specified quality or efficiency requirements. The tenure of the PPA represents the significant useful life of the Infrastructure. Consequently, the Group has an intangible right to receive cash through the tenure of the PPA and the same has been recognised as an Other Intangible asset. The Other Intangible asset is amortised over the agreement period.

- 2. Other Intangible asset with a carrying amount of Nil (As at 31 March 2021: ₹ 756.6 lakhs) has been pledged to secure borrowings of the Company (Refer Note 16).
- 3. Other Intangible asset with a carrying amount of ₹ 4,362.82 lakhs (As at 31 March 2021: ₹ 4,601.88 lakhs) has been pledged in favour of the Grantor against the grant received and receivable from the Grantor.

**6 Financial Assets**

**6 (a) Non-current investments**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unquoted Investment in equity shares at fair value through Statement of Profit and Loss</b>		
3,00,000 (31 March 2021 : 3,00,000) Equity shares of ₹ 10/- each fully paid in Gem Sugars Limited	30.00	30.00
3,520 (31 March 2021 : 3,520) Equity shares of ₹ 10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35
<b>Investment in tax free bonds (unquoted) carried at amortised cost</b>		
50,000 (31 March 2021: 50,000) bonds of ₹ 1,000/- each fully paid in Housing and Urban Development Corporation Limited *	500.00	500.00
	<b>530.35</b>	<b>530.35</b>
Aggregate value of unquoted investments	530.35	530.35

**Note:**

\* Investment in tax free bonds are non-derivative financial assets which generate an effective interest income of 8.51% for the Company. Investments marked have been pledged as collateral securities with Bank for the borrowings of the Company. (Refer Note 15A).

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**6 (b) Current investments**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments at fair value through profit or loss (FVTPL)</b>		
<b>Quoted Mutual funds</b>		
2,725,901.41 units (31 March 2021: 2,725,901.41 units) of Aditya Birla Sunlife Banking & PSU Debt fund - Regular - Growth *	8,082.69	7,720.91
316,156.000 units (31 March 2021: 316,156.000 units) of ICICI Prudential Savings - Fund Growth *	1,370.11	1,315.22
LIC Endowment Plus	-	12.14
67,994.421 units (31 March 2021: 67,994.421 units) of UTI Liquid Cash Plan -Regular Growth*	-	2,279.94
16,889,967.522 units ( 31 March 2021-16,889,967.522 units) ICICI Prudential Banking and PSU Debt Fund - Growth *	4,414.16	4,219.35
22,094,457.000 units ( 31 March 2021-22,094,457.000 units) IDFC Banking & PSU Debt Fund - Regular Plan - Growth *	4,422.51	4,249.80
30,000.348 units ( 31 March 2021- 30,000.348 units) HDFC Money Market Fund- Regular plan - Growth *	1,377.20	1,325.60
16,585,394.21 units (31 March 2021-16,585,394.21 units) HDFC Credit Risk Debt Fund - Regular Growth*	3,228.96	3,019.85
8,490,488.36 units (31 March 2021-8,924,990.65 units) ICICI Prudential Medium Term Bond Fund- Growth*	3,036.31	3,028.94
8,450,586.97 (31 March 2021- Nil) IDFC Ultra Short Term Fund Regular Plan-Growth *	1,042.40	-
5,275,367.68 units (31 March 2021- Nil) AXIS Short Term Fund -Growth *	1,315.10	-
1,379,651.35 (31 March 2021- Nil) Axis AAA Bond Plus SDL ETF-2026 Maturity Fund Regular - Growth	140.37	-
50704.12 (31 March 2021- Nil) Aditya Birla Sun Life Floating Rate Fund - Regular -Growth	140.91	-
	<b>28,570.72</b>	<b>27,171.74</b>
Aggregate cost of quoted investments	24,062.01	23,598.55
Aggregate market value of quoted investments	28,570.72	27,171.74

**Note:**

\* Investments marked have been pledged as collateral securities with Banks for the borrowings of the Group and its subsidiaries (Refer Note 16).

**6(c) Financial assets carried at Amortised cost**

**Loans (Unsecured, considered good, unless otherwise stated) carried at amortised cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
Other Financial Assets**	590.41	494.18
<b>Total</b>	<b>590.41</b>	<b>494.18</b>
<b>(ii) Current</b>		
Loans to employees	20.10	9.13
Other Financial Assets**	136.02	347.55
<b>Total</b>	<b>156.12</b>	<b>356.68</b>

\*\* Other financial assets are non-derivative financial assets which generate an effective interest income of 8.50% - 9.00 % for the Group.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**6 (d) Other financial assets (Unsecured, considered good, unless otherwise stated) carried at amortised cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
Security deposit	368.21	174.39
Deposits with original maturity more than 12 months #	5,925.96	4,023.00
<b>Total</b>	<b>6,294.17</b>	<b>4,197.39</b>
<b>(ii) Current</b>		
Interest accrued on fixed deposits	113.23	142.10
Security deposit	111.00	0.15
Other Current Financial assets	1,023.23	1,136.54
Deposits with original maturity more than 3 months and less than 12 months #	4,231.33	13,641.77
	<b>5,478.79</b>	<b>14,920.56</b>
Provision for doubtful advance	(646.73)	(155.00)
<b>Total</b>	<b>4,832.06</b>	<b>14,765.56</b>
Considered good	10,479.50	18,807.95
Considered doubtful	646.73	155.00

**6 (e) Bank balances (Carried at amortised cost)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Current</b>		
Earmarked balances	54.68	286.98
<b>Total</b>	<b>54.68</b>	<b>286.98</b>

# The balance on deposit accounts bears an average interest rate of 5% and have been pledged as collateral securities with Banks for availing Term loan, working capital limits, Packing credit facility, Foreign Currency Non-resident Loan for the Group. (Refer Note 15A).

**7 Other Non-current assets (Unsecured, considered good)**

Particulars	As at 31 March 2022	As at 31 March 2021
Balance with Government authorities	811.33	881.30
Provision for doubtful advance	(280.44)	(280.43)
Capital advances	503.61	653.70
Prepaid expenses	262.49	152.03
Others	44.80	19.46
<b>Total</b>	<b>1,341.79</b>	<b>1,426.06</b>

**8 Inventories**

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials and components (at cost)	2,781.58	2,633.64
Raw materials in transit (at cost)	159.46	99.43
Work-in-progress (at cost) (Refer Note below)	1,586.08	1,505.73
Finished goods (at cost or net realisable value)	3,982.78	1,875.09
Traded goods (at cost)	7,667.77	539.55
<b>Total</b>	<b>16,177.67</b>	<b>6,653.44</b>



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Notes: Work-in Progress comprises of Solar Photo Voltaic Panels, mechanical and electrical items.

Inventories have been pledged as security against certain bank borrowings, details relating to which has been described in note 15A.

**9 Trade receivables**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Non-current</b>		
(a) Receivables considered good	480.00	930.51
	<b>480.00</b>	<b>930.51</b>
<b>Current</b>		
(a) Receivables considered good	8,623.70	6,676.97
(b) Receivables which have significant increase in Credit Risk	405.37	363.25
(c) Receivables - credit impaired	332.92	311.19
	<b>9,361.99</b>	<b>7,351.41</b>
Less: Allowance for Expected Credit Loss	(738.29)	(674.45)
<b>Total</b>	<b>8,623.70</b>	<b>6,676.96</b>

During the year ended March 31, 2022 the Group has creating allowance for doubtful debts of ₹ 63.84 lakhs (net)  
(Previous Year: ₹ 28.06 lakhs net)

Particulars	Outstanding as on 31 March 2022					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	6,573.85	1,063.36	1,224.48	242.01	-	9,103.70
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.54	10.00	203.11	191.72	-	405.37
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	332.92	332.92

Particulars	Outstanding as on 31 March 2021					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade receivables – considered good	5,442.44	1,134.72	849.07	181.25	-	7,607.48
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.60	4.57	146.97	209.11	-	363.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	311.19	311.19

Allowance for bad and doubtful debts	As at 31 March 2022	As at 31 March 2021
Allowance for Expected Credit Loss	738.29	674.45

Unbilled revenue	As at 31 March 2022	As at 31 March 2021
Unsecured, Considered Good	468.25	409.89

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**10 Cash and cash equivalents**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks:		
On current accounts	1,332.94	1,161.03
On unpaid dividend accounts	8.81	10.86
Deposits with original maturity less than 3 months	9,396.30	36.88
Cash on hand	6.82	5.89
<b>Total</b>	<b>10,744.87</b>	<b>1,214.66</b>

**10(a) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks:		
On current accounts	1,332.94	1,161.03
Deposits with original maturity less than 3 months	9,396.30	36.88
Cash on hand	6.82	5.89
	<b>10,736.06</b>	<b>1,203.80</b>
Less : Bank overdrafts (Refer Note 15 (b))	(8,234.83)	(11,061.03)
<b>Total</b>	<b>2,501.23</b>	<b>(9,857.23)</b>

**11 Other Current assets**

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Government authorities	284.31	33.64
Supplier advances	1,232.31	380.59
Prepaid expenses	113.09	93.69
Others	57.44	30.03
<b>Total</b>	<b>1,687.15</b>	<b>537.95</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**12 Equity Share Capital**

Particulars	Equity Shares of ₹ 10/- each	
	Nos.	Amount
<b>Authorised Share Capital</b>		
<b>As at 1 April 2021</b>	470,00,000	4,700.00
Increase/(Decrease) during the year	-	-
<b>As at March 31, 2022</b>	470,00,000	4,700.00
<b>Issued, Subscribed &amp; Fully paid up</b>		
<b>As at 1 April 2021</b>	15,158,760	1,515.88
Issue of Equity Share Capital	-	-
<b>As at March 31, 2022</b>	15,158,760	1,515.88

**a. Terms/rights attached to equity shares**

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

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive the 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.

**b. Details of Shareholders holding more than 5% shares in the Company**

Equity shares of ₹ 10/- each fully paid	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
R. Chellappan, Managing Director	73,97,860	48.80%	73,97,860	48.80%

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.

**c. Number of Shares held by the promoters**

Promoter name	As at 31 March 2022	As at 31 March 2021	% of total shares	% Change during the year
Chellappan R	73,97,860	73,97,860	48.80%	-
Balan A	4,69,499	4,69,499	3.10%	-
Nachiappan K V	1,65,348	1,65,348	1.09%	-
Gunasundari C	1,23,129	1,23,129	0.81%	-
Mirunalini V C	71,008	71,008	0.47%	-
Raghunath V C	58,515	58,515	0.39%	-
Aarthi Balan	24,600	24,600	0.16%	-
Preetha Balan	24,300	24,300	0.16%	-
Vasanth B	16,884	16,884	0.11%	-
Rishii Nandhan K N	15,355	15,355	0.10%	-
Jayashree Nachiappan	1,375	1,375	0.01%	-
Swelect Electronics Private Limited	45	45	0.00%	-
Raghunath V C on behalf of SWEES Employees Welfare Trust	1,76,400	1,76,400	1.16%	-
<b>Total</b>	<b>85,44,318</b>	<b>85,44,318</b>	<b>56.37%</b>	<b>-</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**13 Other Equity**

**Other Equity movement during the years 2020-21 and 2021-22:-**

Particulars	Capital Reserve	Capital Redemption Reserve	Revaluation Reserve	Retained earnings	General Reserve	Securities premium	Others	Foreign Currency Translation Reserve	Total
<b>As at 01 April 2020</b>	304.10	375.00	379.35	43,435.72	18,102.14	4,291.19	26.18	3,519.06	70,432.74
Profit for the year	-	-	-	2,608.09	-	-	-	-	2,608.09
Other comprehensive income for the year	-	-	-	9.99	-	-	-	-	9.99
Movement in Revaluation Reserve	-	-	(6.04)	-	-	-	-	-	(6.04)
Final Dividend for the year 2019-20	-	-	-	(113.69)	-	-	-	-	(113.69)
Movement in Foreign Currency Translation Reserve	-	-	-	-	-	-	-	(185.36)	(185.36)
<b>Balance as at 31st March 2021</b>	<b>304.10</b>	<b>375.00</b>	<b>373.31</b>	<b>45,940.11</b>	<b>18,102.14</b>	<b>4,291.19</b>	<b>26.18</b>	<b>3,333.70</b>	<b>72,745.73</b>
Profit for the year	-	-	-	3,240.23	-	-	-	-	3,240.23
Other comprehensive income for the year	-	-	-	35.47	-	-	-	-	35.47
Movement in Revaluation Reserve	-	-	(5.99)	-	-	-	-	-	(5.99)
Final Dividend for the year 2020-21	-	-	-	(454.76)	-	-	-	-	(454.76)
Movement in Foreign Currency Translation Reserve	-	-	-	-	-	-	-	483.57	483.57
<b>Closing Balance as at 31 March, 2022</b>	<b>304.10</b>	<b>375.00</b>	<b>367.32</b>	<b>48,761.05</b>	<b>18,102.14</b>	<b>4,291.19</b>	<b>26.18</b>	<b>3,817.27</b>	<b>76,044.25</b>

- (i) **General Reserve** - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the consolidated statement of profit and loss. The Company can use this reserve for payment of dividend and issue fully paid-up and not paid-up bonus shares.
- (ii) In accordance with Notification G.S.R. 404(E), dated April 6, 2016, remeasurement of defined benefit plans is recognised as part of retained earnings.

**14 a. Distribution made and proposed**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Cash dividends on equity shares declared and paid:</b>		
Final dividend for the year ended 31 March 2021 : ₹ 3/- per share (31 March 2020: ₹ 0.75/- per share)	454.76	113.69
Proposed dividends on Equity shares:		
Proposed Dividend for the year ended 31 March 2022: ₹ 3/- per share (31 March 2021: ₹ 3/- per share)	454.76	454.76

Proposed Dividend of ₹ 3/- per share on Equity shares are subject to the approval at the Annual General Meeting and are not recognised as a liability as at 31 March 2022.

**14 b. Net dividend remitted in foreign exchange**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Period to which it relates</b>	<b>2021-22</b>	<b>2020-21</b>
Number of non-resident shareholders	7.00	5.00
Number of equity shares of ₹ 10/- each held on which dividend was due	4.29	2.30
Dividend per share	3.00	0.75
Amount remitted	12.87	1.73

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**15(a) Borrowings**

**Financial Liabilities carried at amortized cost**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(a) Non-Current</b>		
Term Loan	18,532.04	14,898.13
<b>Total</b>	<b>18,532.04</b>	<b>14,898.13</b>
Secured Borrowings	14,638.20	11,821.15
Unsecured borrowings	3,893.84	3,076.98

Refer Note 15A for details

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(b) Current (Secured)</b>		
Bank overdrafts	8,234.83	11,061.03
Packing Credit Foreign Currency (PCFC)	1,912.45	947.09
Working Capital Loan	11,671.02	3,937.20
External Commercial Borrowing (ECB)	2,826.32	2,734.64
Current Maturities of Long term debt	2,475.52	1,772.80
<b>Total Current Borrowings</b>	<b>27,120.14</b>	<b>20,452.76</b>

Refer Note 15A for details

**15A Details of long-term borrowings are given below:**

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Term loan 1	2,603.47	7.71%	INR	Loan obligation plus interest, is payable in 90 equal monthly instalments.	Solar Power Plant
Term loan 2	764.61	7.50%	INR	Loan obligation plus interest, is payable in 58 equal monthly instalments.	Solar Power Plant
Term loan 3	381.94	9.30%	INR	Loan obligation and interest is payable in 55 monthly installments.	Solar Power Plant
Term loan 5	2,045.63	7.71%	INR	Loan obligation is payable in 43 monthly instalments and interest is payable in 42 monthly installments.	Solar Power Plant
Term loan 6	2,538.00	6.75%	INR	Loan obligation is payable in 47 monthly instalments and interest is payable in 47 monthly installments.	Unsecured
Term loan 7	4,950.00	6.25%	INR	Loan obligation is payable the end of two years.	Mutual Funds
Term loan 8	924.75	7.45%	INR	Loan obligation is payable in 48 monthly instalments and interest is payable in 60 monthly installments	Unsecured
Term loan 9	431.09	7.50%	INR	Loan obligation is payable in 48 monthly instalments and interest is payable in 60 monthly installments	Unsecured
Term loan 10	2,100.76	6.70%	INR	Loan obligation is payable in 75 equal monthly instalments.	Solar Power Plant

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**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Term loan 11	931.73	7.50%	INR	Loan obligation plus interest, is payable in 48 equal monthly instalments.	Plant and Machinery
Term loan 12	3,335.58	6.95%	INR	Loan obligation is payable in 111 equal monthly instalments.	Solar Power Plant
<b>Sub Total</b>	<b>21,007.56</b>				
<b>Less: Current Portion</b>	<b>2,475.52</b>				
<b>Non-Current Borrowings</b>	<b>18,532.04</b>				

**15(b) Other Financial Liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non Current</b>		
Rental Deposit	100.89	177.48
<b>Total</b>	<b>100.89</b>	<b>177.48</b>
<b>(ii) Current</b>		
Unpaid dividend	8.79	10.87
Interest accrued but not due	136.34	91.19
Capital creditors	382.38	456.44
Rental deposits	83.99	34.44
Other Financial Liabilities	156.70	155.12
<b>Total</b>	<b>768.20</b>	<b>748.06</b>

**16(a) Other non-current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Security deposit for Land	51.05	51.04
Deferred AMC Income	22.29	24.28
Deferred Interest Income	41.79	158.44
<b>Total</b>	<b>115.13</b>	<b>233.76</b>

**17 (A) Deferred Tax Asset (Net)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non-Current</b>		
MAT credit entitlement	165.84	295.47
<b>Total</b>	<b>165.84</b>	<b>295.47</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**17(B) (a) Deferred tax liabilities (net)**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred tax liabilities</b>		
Impact on difference between tax, depreciation and amortisation charged for the financial reporting	(1,966.42)	(3,111.89)
<b>Gross deferred tax liabilities</b>	<b>(1,966.42)</b>	<b>(3,111.89)</b>
<b>Deferred tax assets</b>		
Carry forward business loss and unabsorbed depreciation	1,875.53	2,773.43
<b>Gross deferred tax assets</b>	<b>1,875.53</b>	<b>2,773.43</b>
<b>Total Deferred tax liabilities (net) *</b>	<b>(90.89)</b>	<b>(338.46)</b>

**(b) Income Tax**

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

**Consolidated Ind AS Statement of Profit or Loss:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
<b>Current income tax:</b>		
Current income tax charge	239.33	198.96
MAT credit (entitlement) / availed	155.12	(66.54)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(85.14)	14.97
<b>Total</b>	<b>309.31</b>	<b>147.39</b>

\*As at 31 March 2022, the Group has total eligible deferred tax asset of ₹ 1875.53 Lakhs (including on account of business loss, unabsorbed depreciation and MAT Credit entitlement) as per Income Tax Returns filed/Income Tax workings. In this regard, based on estimated tax workings and the accounting policy followed by the Company for recognition of deferred tax assets on such losses/unabsorbed depreciation, the Company has recognised deferred tax asset to the extent of ₹ 1875.53 Lakhs towards carried forward tax losses and unabsorbed depreciation to the extent of deferred tax liabilities.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate is different for multiple entities as some have adopted for the new regime and some have continued in the earlier regime.

**18 Provisions**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>(i) Non- current</b>		
Provision for warranties (Refer Note below)	341.64	331.49
Provision for gratuity (Refer Note 31)	82.46	92.40
Provision for compensated absences	95.78	87.91
<b>Total</b>	<b>519.88</b>	<b>511.80</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(ii) Current**

Provision for warranties (Refer Note below)	142.09	129.81
Provision for gratuity (Refer Note 31)	-	-
Provision for compensated absences	24.49	27.99
Provision for Income tax (net of advance tax)	250.23	55.53
<b>Total</b>	<b>416.81</b>	<b>213.33</b>
<b>Total Provisions [(i)+(ii)]</b>	<b>936.69</b>	<b>725.13</b>

**Note:**

**Provision for warranties**

Particulars	As at 31 March 2022	As at 31 March 2021
At the beginning of the year	461.30	439.89
Arising during the year	44.58	23.65
Utilisation of warranties	(22.15)	(2.24)
<b>At the end of the year</b>	<b>483.73</b>	<b>461.30</b>
Non-current portion	341.64	331.49
Current portion	142.09	129.81

**19 Trade payables**

Particulars	As at 31 March 2022	As at 31 March 2021
(A) Total outstanding dues of micro enterprises and small enterprises (Refer note below regarding dues to micro, small and medium enterprises)	629.29	351.64
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- to others	12,301.99	5,240.22
- to related parties (Refer Note 33)	20.97	37.93
<b>Total</b>	<b>12,952.25</b>	<b>5,629.79</b>

As at March 2022

Particulars	<1 year	1-2 years	2-3 years	Total
(i)MSME	629.29	-	-	629.29
(ii)Others	11,349.21	695.04	278.70	12,322.96

As at March 2021

Particulars	<1 year	1-2 years	2-3 years	Total
(i)MSME	351.64	-	-	351.64
(ii)Others	4,815.57	64.72	397.86	5,278.15



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Note:** Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	617.11	351.64
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1.61	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	1.61	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1.60	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	1.61	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**20 Other current liabilities**

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues payable	149.62	69.51
Advance from customers	402.62	767.22
Deferred AMC Income	15.64	6.75
<b>Total</b>	<b>567.88</b>	<b>843.48</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**21 Revenue from operations**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods		
Solar Photovoltaic Panels	6,742.19	3,154.83
Solar Power Generating Systems and accessories"	481.10	4,957.02
Alloys and castings	7,072.72	5,960.70
Grey Iron and Ductile Iron Castings	3,767.24	3,097.11
Traded goods	8,011.30	335.22
Sale of services		
Installation	3,907.88	1,754.30
Annual Maintenance Contracts	128.43	15.06
Facility Management Services	58.85	113.57
Sale of power	5,659.62	4,851.27
<b>Other operating revenue</b>		
Scrap Sales	351.73	229.71
Rental Income	21.75	365.76
Renewable Energy Certificate Income (net)	2,283.84	143.84
Export Benefits	170.70	274.98
Other operating revenue	453.75	0.24
<b>Revenue from operations</b>	<b>39,111.10</b>	<b>25,253.61</b>

**21.1 Disaggregation of the revenue information**

The tables below presents disaggregated revenues from contracts with customers for the year ended 31 March 2022 by offerings. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

**(i) Sale of Products comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Manufactured goods</b>		
Solar Photovoltaic Panels	6,742.19	3,154.83
Solar Power Generating Systems and accessories	481.10	4,957.02
Alloys and castings	7,072.72	5,960.70
Grey Iron and Ductile Iron Castings	3,767.24	3,097.11
Traded goods	8,011.30	335.22
<b>Total</b>	<b>26,074.55</b>	<b>17,504.88</b>

**(ii) Sale of Services comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Installation	3,907.88	1,754.30
Annual Maintenance Contracts	128.43	15.06
Others	58.85	113.57
<b>Total</b>	<b>4,095.16</b>	<b>1,882.93</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**(iii) Other operating revenue comprises the following:-**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Scrap Sales	351.73	229.71
Rental Income	21.75	365.76
Renewable Energy Certificate Income (net)	2,283.84	143.84
Export Benefits	624.45	275.22
<b>Total</b>	<b>3,281.77</b>	<b>1,014.53</b>

No other single customers contributed 10% or more to the Company's revenue during the financial years 2021-22 and 2020-21

**Revenue by Geography (Revenue from Operations)**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
India	24,255.98	19,090.17
Outside India	7,427.56	6,163.44
<b>Total</b>	<b>31,683.54</b>	<b>25,253.61</b>

**21.2 Trade Receivables and Contract Balances**

The Group classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised as and when the related goods are delivered to the customer. Trade receivables are presented net of impairment in the Balance Sheet. Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

**21.3 Performance Obligations and remaining performance obligations**

The remaining performance obligations disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS-115, the Company has not disclosed information about remaining performance obligations in contracts, where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

**22 Other income**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Dividend Income on equity investments carried at cost	-	1.22
Gain on sale of investments (net)	342.39	1,392.49
Profit on sale of land	1.85	-
Exchange gains	-	305.88
Gain on investments carried at fair value through Profit and Loss	942.65	266.30
Provision no longer required written back (Net)	16.64	41.10
Liabilities no longer required, written back	2.99	7.48
Other non-operating income	1.21	69.85
Interest income on financial assets carried at amortised cost	774.32	900.86
	<b>2,082.05</b>	<b>2,985.18</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**23 Cost of raw material and components consumed**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the beginning of the year	2,733.07	2,133.26
Add: Purchases	18,262.74	9,678.80
	<b>20,995.81</b>	<b>11,812.06</b>
Less: Inventories at the end of the year	2,941.04	2,733.07
<b>Total</b>	<b>18,054.77</b>	<b>9,078.99</b>

**24 Decrease / (Increase) in Inventories of work-in-progress, traded goods and finished goods**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Traded goods	(7,128.22)	597.18
Work-in-progress	(80.35)	(425.29)
Finished goods	(2,107.69)	856.52
<b>Total</b>	<b>(9,316.26)</b>	<b>1,028.41</b>

**25 Employee benefits expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	2,445.70	2,146.00
Contribution to provident and other funds	141.60	120.63
Gratuity expense (Refer note 31)	53.67	64.27
Staff welfare expenses	161.14	195.30
<b>Total</b>	<b>2,802.11</b>	<b>2,526.20</b>

**26 Finance costs**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest on borrowings and lease liabilities	2,322.68	1,650.76
Bank and other charges	164.66	125.11
	<b>2,487.34</b>	<b>1,775.87</b>

**27 Depreciation and amortisation expense**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of Property, Plant and Equipment and Right of use assets	2,255.46	1,932.43
Depreciation of Investment Property	97.70	97.26
Amortisation of Other Intangible assets	740.52	783.88
	<b>3,093.68</b>	<b>2,813.57</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**28 Other expenses**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Sub-contracting and processing expenses	3,906.29	2,530.94
Consumption of stores and spares	6.73	9.11
Power and fuel	838.08	775.77
Wheeling charges	350.47	258.98
Freight and forwarding charges	289.53	213.91
Rent	81.12	39.81
Rates and taxes	101.89	84.46
Insurance	101.59	77.54
Repairs and maintenance		
- Plant & Machinery	431.32	290.03
- Buildings	28.38	29.78
- Others	231.55	213.85
Corporate Social Responsibility (Refer Note (i) below)	40.11	34.03
Sales promotion	34.95	23.43
Advertisement	26.91	33.73
Security charges	164.48	140.37
Travelling and conveyance	205.23	144.29
Communication costs	43.85	46.26
Printing and stationery	23.33	17.68
Exchange differences (net)	624.84	155.15
Legal and professional fees	357.50	337.32
Payment to auditor (Refer Note (ii) below)	60.11	61.67
Liquidated damages	86.88	29.98
Provision for Doubtful/Trade/Other receivables	444.02	243.99
Bad debts/advances written off	-	70.00
Net loss on retirement of Property, Plant and Equipment	-	18.15
Provision for warranties (net of reversals)(Refer Note 18)	21.51	24.51
Directors' sitting fees	8.55	8.20
Miscellaneous expenses	287.12	229.36
<b>Total</b>	<b>8,796.34</b>	<b>6,143.62</b>

**(i) Corporate Social Responsibility**

Corporate Social Responsibility	For the year ended 31 March 2022	For the year ended 31 March 2021
Amount required to be spent by the Group during the year	40.11	34.03
Amount spent during the year	40.11	34.03
Nature of CSR activities	As detailed in the CSR report	As detailed in the CSR report
Details of related party transactions	-	-
Where the provision is made with respect to a liability incurred by entering into a contractual obligation the movement in provision	NA	NA

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

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In pursuance of Section 135 of the Companies Act, 2013, the Group has spent towards various activities as enumerated in the CSR Policy of the Group which covers promoting education, promoting health and preventive health care to underprivileged people and conservation of natural resources and maintaining quality of soil, air and water.

**(ii) Payment to auditor**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Audit fee	38.89	36.43
Limited review	10.82	10.62
Tax Audit Fee	2.95	4.45
Certification	6.81	8.25
Reimbursement of expenses	0.64	1.92
	<b>60.11</b>	<b>61.67</b>

**29 Earnings price per share (EPS)**

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

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Profit attributable to equity shareholders of the Group (A)	3,241.74	2,603.59
Weighted average number of Equity shares for basic and diluted EPS (B)	1,51,58,760	1,51,58,760
Basic Earnings per share (A/B)	21.39	17.18
Diluted Earnings per share (A/B)	21.39	17.18

\* The weighted average number of shares takes into account the weighted average effect of changes in equity share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

**30A Defined Contribution Plan**

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits. The Group provides benefits such as provident fund plans to its employees which are treated as defined contribution plans.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Employer's Contribution to Provident Fund and other funds	141.60	120.63

### 30B Defined Benefits Plan

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.

#### Reconciliation of opening and closing balances of obligation

	Gratuity Plan (funded)	
	As at 31 March 2022	As at 31 March 2021
Defined Benefit obligation as at the beginning of the year	275.13	230.21
Current Service Cost	45.57	41.24
Interest Cost	21.93	20.04
Actuarial loss	(24.82)	(8.31)
Benefits paid	(23.19)	(8.05)
<b>Defined Benefit obligation as at the end of the year</b>	<b>294.62</b>	<b>275.13</b>

#### Reconciliation of opening and closing balances of fair value of plan assets

	As at	As at
	31 March 2022	31 March 2021
Fair value of plan assets as at the beginning of the year	168.17	122.26
Expected return on plan assets	17.09	14.97
Actuarial gain / loss	10.63	5.66
Employer's contribution	52.52	42.40
Benefits paid	(23.19)	(17.12)
<b>Fair value of plan assets as at the end of the year</b>	<b>225.22</b>	<b>168.17</b>

#### Reconciliation of fair value of assets and obligations

	As at	As at
	31 March 2022	31 March 2021
Fair value of plan assets	225.22	168.17
Present value of obligation	294.62	275.13
Net Obligation disclosed as:		
- Current	-	-
- Non - Current	82.46	92.40

#### Recognised in profit or loss:

	For the year ended 31 March 2022	For the year ended 31 March 2021
Current Service Cost	45.57	41.24
Interest Cost	4.84	5.07

#### Recognised in other comprehensive income:

Actuarial loss / (gain)	(35.47)	(12.35)
<b>Net Cost</b>	<b>14.94</b>	<b>33.96</b>

**31 The major categories of plan assets of the fair value of the total plan assets are as follows:**

Particulars	Gratuity plan	
	As at 31 March 2022	As at 31 March 2021
<b>Investments details:</b>		
Fund with LIC	225.22	168.17
<b>Total</b>	<b>225.22</b>	<b>168.17</b>

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	2021-22	2020-21
Discount rate:	6.90%	6.45%
Future salary increases:	6.25%	6.25%
Expected Return on Plan Assets	10.16%	7.96%
Employee turnover	8.00%	8.00%
Contribution Expected to be paid during the next year	30.00	0.00

**32 A quantitative sensitivity analysis for significant assumptions as at 31 March 2022 is as shown below:**

Assumptions - Sensitivity Level	For the year ended 31 March 2022			
	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
Discount rate:	7.90%	5.90%	352.69	410.61
Future salary increases:	7.25%	5.25%	410.36	352.42

Assumptions - Sensitivity Level	For the year ended 31 March 2021			
	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
Discount rate:	7.45%	5.45%	329.86	385.83
Future salary increases:	7.25%	5.25%	385.43	329.71

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 7.77 years (31 March 2021: 8.14 years).



### 33 Related party transactions

Key Management Personnel (KMP)	Mr. R. Chellappan - Managing Director Mr.A.Balan - Joint Managing Director Mr. V.C.Raghunath - Whole Time Director Ms. V.C.Mirunalini - Whole Time Director Mr. K. V. Nachiappan Whole Time Director Mr. G.S.Samuel - Independent Director Mr. S.Annadurai - Independent Director Mr.S.Krishnan - Independent Director Ms. Jayashree Nachiappan - Non Executive Director Mr.S.Iniyan - Independent Director Ms.Nikhila R-Chief Financial Officer Mr. R. Sathishkumar - Company Secretary
Relatives of Key Management Personnel	Ms. Gunasundari Chellappan Ms. Aarthi Balan Ms. Preetha Balan Ms. Vasantha Balan Mr. K. N. Rishii Nandhan
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Arken Solutions Private Limited (upto 30.09.2021) Swelect Electronics Private Limited
Entity in which the Company has control	SWEES Employees Welfare Trust

#### Terms and conditions of transactions with Related parties:

The transactions with related parties are made on terms equivalent to those that prevail at arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021: Nil). This assessment is undertaken at the end each financial year through examining the financial position of the related parties and the market in which the related parties operate.

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**33 Related party transactions**

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Total	
	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021	
<b>Sale of goods</b>	<b>1.43</b>	<b>0.40</b>	-	-	<b>2.43</b>	<b>1.26</b>	<b>3.86</b>	<b>1.66</b>	
Mr. R. Chellappan	0.95	0.02	-	-	-	-	0.95	0.02	
Mr. A. Balan	0.36	0.02	-	-	-	-	-	0.36	
Mr. K.V. Nachiappan	0.48	0.02	-	-	-	-	0.48	0.02	
Ms. Mirunalini	-	-	-	-	-	-	-	-	
Arken Solutions Private Limited	-	-	-	-	2.43	1.26	2.43	1.26	
<b>Receipt of services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.43</b>	<b>134.72</b>	<b>33.43</b>	<b>134.72</b>	
Arken Solutions Private Limited	-	-	-	-	33.43	134.72	33.43	134.72	
<b>Rent expense</b>	<b>2.55</b>	<b>2.41</b>	<b>-</b>	<b>-</b>	<b>0.78</b>	<b>0.26</b>	<b>3.33</b>	<b>2.67</b>	
Mr. R. Chellappan	2.55	2.41	-	-	-	-	2.55	2.41	
Swelect Electronics Private Limited	-	-	-	-	0.78	0.26	0.78	0.26	
<b>Sitting fees</b>	<b>8.55</b>	<b>8.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.55</b>	<b>8.20</b>	
Mr. G.S. Samuel	2.10	1.90	-	-	-	-	2.10	1.90	
Mr. S. Annadurai	1.95	1.80	-	-	-	-	1.95	1.80	
Mr. S. Krishnan	1.20	1.40	-	-	-	-	1.20	1.40	
Mr. S. Iniyar	1.20	1.40	-	-	-	-	1.20	1.40	
Ms. Jayashree Nachiappan	2.10	1.70	-	-	-	-	2.10	1.70	
<b>Remuneration</b>	<b>191.88</b>	<b>131.31</b>	<b>11.18</b>	<b>8.90</b>	<b>-</b>	<b>-</b>	<b>203.06</b>	<b>140.22</b>	
Mr. R. Chellappan	47.09	46.21	-	-	-	-	47.09	46.21	
Mr. A. Balan	43.46	23.23	-	-	-	-	43.46	23.23	
Mr. K.V. Nachiappan	35.66	17.05	-	-	-	-	35.66	17.05	
Mr. V.C. Raghunath	12.73	8.76	-	-	-	-	12.73	8.76	
Ms V.C. Mirunalini	9.94	7.17	-	-	-	-	9.94	7.17	
Mr. Wong Yuk Hung	9.59	-	-	-	-	-	9.59	-	
Mr. P. Jagan	-	8.68	-	-	-	-	-	8.68	
Ms. Nikhila R	13.00	4.35	-	-	-	-	13.00	4.35	
Mr. R. Sathishkumar	12.72	10.39	-	-	-	-	12.72	10.39	
Ms. B. Shafia	7.69	5.48	-	-	-	-	7.69	5.48	
Ms. Aarthi Balan	-	-	11.18	8.90	-	-	11.18	8.90	
<b>Consultancy Charges</b>	<b>-</b>	<b>-</b>	<b>6.94</b>	<b>4.96</b>	<b>-</b>	<b>-</b>	<b>6.94</b>	<b>4.96</b>	
Ms. Preetha Balan	-	-	6.94	4.96	-	-	6.94	4.96	
<b>Commission</b>	<b>36.80</b>	<b>42.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36.80</b>	<b>42.85</b>	
Mr. R. Chellappan	24.54	28.57	-	-	-	-	24.54	28.57	
Mr. A. Balan	6.13	7.14	-	-	-	-	6.13	7.14	
Mr. K.V. Nachiappan	6.13	7.14	-	-	-	-	6.13	7.14	
<b>Dividend paid</b>	<b>244.92</b>	<b>61.22</b>	<b>6.14</b>	<b>1.54</b>	<b>5.29</b>	<b>1.32</b>	<b>256.35</b>	<b>64.07</b>	
Mr. R. Chellappan	221.94	55.48	-	-	-	-	221.94	55.48	
Mr. A. Balan	14.08	3.52	-	-	-	-	14.08	3.52	
Mr. K.V. Nachiappan	4.96	1.24	-	-	-	-	4.96	1.24	
Mr. V.C. Raghunath	1.76	0.44	-	-	-	-	1.76	0.44	
Ms. V.C. Mirunalini	2.13	0.53	-	-	-	-	2.13	0.53	
Others	0.05	-	6.14	1.54	5.29	1.32	11.48	2.86	

**SWELECT ENERGY SYSTEMS LIMITED**

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(All amounts are in ₹ Lakhs, unless otherwise stated)

**33 Related party transactions**

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	As at 31 March 2022	As at 31 March 2021
<b>Balance outstanding as at the year end:</b>		
<b>Trade payables</b>	<b>20.97</b>	<b>37.93</b>
Arken Solutions Private Limited	16.44	37.34
Mr. K.V. Nachiappan	4.53	-
Swelect Electronics Private Limited	-	0.59

Remuneration and other benefits pertain to short term employee benefits as the gratuity and compensated absences are determined for all the employees in aggregate, the cost employment benefits and other long term benefits relating to Key management personnel cannot be ascertained individually.

The remuneration payable to Key Managerial Personnel is determined by the Nomination and Remuneration Committee having regard to the performance to the individuals and market trends.

**34 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 2022.

Goodwill on consolidation as at 31 March 2022 stood at ₹ 789.74 lakhs (previous year 31 March 2021 : ₹ 789.74 lakhs). Significant acquisitions over the years which resulted in Goodwill were Amex Alloys Private Limited, Noel Media & Advertising Private Limited, K J Solar Systems Private Limited and Swelect Green Energy Solutions Private Limited and the details of the same are given below:

- The Group acquired 100% equity share stake in Amex Alloys Private Limited for a consideration of ₹ 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of ₹ 455.04 lakhs was recognised as Goodwill.
- The Group's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 76% equity share stake in BS Powertech Solutions Private Limited for a consideration of ₹ 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of ₹ 150.02 lakhs was recognised as Goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of ₹ 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Group. The excess purchase consideration paid over the net assets taken over to the extent of ₹ 167.07 lakhs is recognised as Goodwill. The Group acquired 100% share of Noel Media & Advertising Private Limited on 2 April 2015 for a consideration of ₹ 2.11 lakhs and the excess purchase consideration paid over the net assets taken over to the extent of ₹ 1.71 lakhs is recognised as Goodwill. In the year 2016, the Group had entered into a Scheme of Amalgamation between Noel Media & Advertising Private Limited, a step down subsidiary of the Group 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.
- The Group acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of ₹ 70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net assets taken over to the extent of ₹ 0.56 lakhs is recognised as Goodwill.
- The Group'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 ₹ 25 lakhs on 18 February 2016. The excess purchase consideration paid over the net asset taken over to the extent of ₹ 15 lakhs was recognised as Goodwill.
- The Group acquired 100% equity share stake in Swelect Power Systems Private Limited for a consideration of ₹ 1 lakh on 11 April 2016. The excess purchase consideration paid over the net asset taken over to the extent of ₹ 0.34 lakhs was recognised as goodwill.

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For the purpose of impairment testing, Goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the Goodwill for any impairment at the individual subsidiary level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalisation. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGU's over a period of five years. An average of the range of each assumption used is mentioned below. As of 31 March 2022 and 31 March 2021, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

**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 2022 stood at ₹ 151.46 lakhs (31 March 2021 : ₹ 151.46 lakhs). The details of which is provided below:

- a. The Group acquired 92% equity share stake in Amex Alloys Private Limited for a consideration of ₹ 421.71 lakhs on 05 December 2010. The excess net asset value over the purchase consideration to the extent of ₹ 165.49 lakhs was recognised as capital reserve. The balance 8% equity share stake was acquired on 08 July 2013 for a consideration of ₹ 119.47 lakhs. Consequently, Amex Alloys Private Limited became a 100% subsidiary of the Group. The excess purchase consideration paid over the net assets taken over to the extent of ₹ 14.03 lakhs is adjusted with the capital reserve.

**35 Contingent liabilities and Commitments:**

**(a) Contingencies**

The details of claims against the company not acknowledged as debts are given below:

Particulars	As at 31 March 2022	As at 31 March 2021
a) Sales tax related matters **	40.87	40.87
b) Income tax related matters #	2,841.63	2,980.53
c) Excise related matters ##	671.94	671.94
<b>Total</b>	<b>3,554.44</b>	<b>3,693.34</b>

\*\* ₹ 11.57 lakhs deposited under dispute in the earlier years

# ₹ 150.60 lakhs deposited under dispute in the earlier years

## ₹ 65.68 lakhs deposited under dispute in the earlier years

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums/authorities. The Management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognised in the financial statements.

The Group's pending litigations comprise of proceedings pending with tax authorities. The Group has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

**Management Assesment:**

The amount shown under Contingent Liabilities and disputed claims represent the best possible estimates arrived at on the basis of available information. Further, various Government authorities raise issues/clarifications in the normal course of business and the Group has provided its responses to the same and no formal demands/claims has been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings which have been initiated by the Group or the Claimants, as the case may be and, therefore, cannot be predicted accurately. The Group expects a favourable decision with respect to the above disputed demands/claims based on professional advise and hence, no specific provision for the same has been made.

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**(b) Commitments:**

- (i) The estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 12.01 lakhs (31 March 2021: ₹ 65.94 lakhs)

**36 Financial Instruments**

**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

**Financial instruments by category**

	As at 31 March 2022			As at 31 March 2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
<b>Financial assets</b>						
Investment in equity instruments	30.35	-	30.35	30.35	-	30.35
Investments	28,570.72	500.00	29,070.72	27,171.74	500.00	27,671.74
Trade receivables	-	9,103.70	9,103.70	-	7,607.47	7,607.47
Cash and cash equivalents	-	10,744.87	10,744.87	-	1,214.66	1,214.66
Balances with Government Authorities	-	1,095.64	1,095.64	-	634.51	634.51
Security deposits	-	111.00	111.00	-	174.54	174.54
Deposits with banks	-	10,157.29	10,157.29	-	17,664.77	17,664.77
Other Current Financial assets	-	1,740.64	1,740.64	-	1,950.85	1,950.85
Interest accrued on fixed deposits	-	113.23	113.23	-	142.10	142.10
Advance to employees	-	20.10	20.10	-	9.13	9.13
<b>Total financial assets</b>	<b>28,601.07</b>	<b>33,610.13</b>	<b>62,211.20</b>	<b>27,202.09</b>	<b>29,925.45</b>	<b>57,127.54</b>
<b>Financial liabilities</b>						
Borrowings - Term loans	-	21,007.56	21,007.56	-	16,670.93	16,670.93
Borrowings - Others	-	21,818.30	21,818.30	-	15,945.32	15,945.32
Interest accrued	-	136.34	136.34	-	91.19	91.19
Trade Payables	-	12,952.25	12,952.25	-	5,629.79	5,629.79
Capital Creditors	-	382.38	382.38	-	456.44	456.44
Unpaid Dividend	-	8.79	8.79	-	10.87	10.87
Rental Deposit	-	184.88	184.88	-	211.92	211.92
External Commercial Borrowing (ECB)	-	2,826.32	2,826.32	-	2,734.64	2,734.64
Lease liability	-	243.99	243.99	-	492.16	492.16
<b>Total financial liabilities</b>	<b>-</b>	<b>59,560.81</b>	<b>59,560.81</b>	<b>-</b>	<b>42,243.26</b>	<b>42,243.26</b>

**Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

**(a) Financial assets and liabilities valued at fair value**

	As at 31 March 2022			As at 31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in equity instruments	-	-	30.35	-	-	30.35
Other Investments	28,570.72	-	-	27,171.74	-	-
Investment Property	-	-	31,410.56	-	-	18,942.30
	<b>28,570.72</b>	<b>-</b>	<b>31,440.91</b>	<b>27,171.74</b>	<b>-</b>	<b>18,972.65</b>

**SWELECT ENERGY SYSTEMS LIMITED**

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**(b) Financial assets and liabilities measured at amortised cost**

The Group has not disclosed fair values of financial instruments such as trade receivables and related cash and cash equivalents, other bank balances, Security deposits, Loans and advances to related parties, Lease rental receivables, Interest accrued on Fixed deposits, certain advances to employees, trade payables and employee benefit payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values.

**(c) Offsetting**

The Group has not offset any financial assets and financial liabilities as at 31 March 2022 and 31 March 2021.

**36A Significant accounting judgements, estimates and assumptions**

The preparation of the Group's financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, accompanying disclosures, and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

**Judgements**

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated Ind AS financial statements:

**Service concession arrangements**

The Group has assessed applicability of Appendix C of Ind AS 115: Service Concession Arrangements to power distribution arrangements entered into by the Group. In assessing the applicability, Management has exercised significant judgment in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, value of construction service, assessment of right to guaranteed cash etc.

**Operating lease commitments – Group as lessor**

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

**Taxes**

Significant management judgement is required to determine the amount of deferred tax assets (including MAT credit) that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**Allowance for uncollectible trade receivables**

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when Management deems them not collectible. The Group has evaluated the receivable balances and has made allowances for the estimated irrecoverable amounts and no further allowance/write-off is expected on the receivables by the Group.

**Warranties**

Provision for warranties involves a significant amount of estimation. The provision is based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate is determined based on the Group's past experience of warranty claims and future expectations. These estimates are revised periodically.

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Consolidated financial statements for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

#### Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 31.

### 36B Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

#### Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 – Improvements

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any major impact in its financial statements.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**Ind AS 116 – Annual Improvements to Ind AS (2021)**

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

**37 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
<b>Parent</b>				
Swelect Energy Systems Limited	90.24%	70,997.70	88.70%	3,334.38
<b>Subsidiaries</b>				
<b>Foreign</b>				
Swelect Energy Systems Pte. Limited, Singapore	16.28%	12,804.72	3.10%	116.42
SWELECT Inc, USA	0.22%	172.22	0.36%	13.68
<b>Indian</b>				
Amex Alloys Private Limited	-0.56%	(441.05)	-9.66%	(363.14)
Swelect Solar Energy Private Limited	0.41%	319.42	-0.33%	(12.33)
Noel Media & Advertising Private Limited	0.33%	263.12	0.19%	6.98
Swelect Green Energy Solutions Private Limited	7.64%	6,014.76	12.36%	464.76
K J Solar Systems Private Limited	0.55%	434.97	1.45%	54.45
Swelect Power Systems Private Limited	4.42%	3,473.83	4.89%	183.68
SWEES Employees Welfare Trust	0.52%	406.73	0.26%	9.81
Swelect Sun Energy Private Limited	3.19%	2,508.23	0.60%	22.53
Swelect HHV Solar Photovoltaics Private Limited	-0.03%	(21.16)	-0.59%	(22.16)
Swelect Renewable Energy Systems Limited	2.27%	1,783.58	-0.44%	(16.72)
Less : Inter-Group eliminations	-25.47%	(20,041.07)	-0.88%	(33.07)
<b>Total</b>		<b>78,676.00</b>		<b>3,759.27</b>

**38 Directors' remuneration**

	31 March 2022	31 March 2021
Salaries	154.60	102.42
Commission	36.80	42.85
	<b>191.40</b>	<b>145.27</b>

**39 Segment Information**

For Management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- Solar and Solar Related Activities
- Foundry Business
- Others



**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

The Executive Management Committee monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

Particulars	2021-22	2020-21
<b>SEGMENT REVENUE:</b>		
Solar Energy Systems / Services	28,466.52	15,871.17
Foundry	11,488.86	9,750.63
Less: Inter segment Revenue	(844.28)	(368.19)
<b>Total Revenue from Operations</b>	<b>39,111.10</b>	<b>25,253.61</b>
<b>SEGMENT RESULTS:</b>		
Solar Energy Systems / Services	3,821.55	1,738.37
Foundry	134.79	494.30
<b>Total Segment Results</b>	<b>3,956.34</b>	<b>2,232.67</b>
Add/(Less) :		
Other Income	2,082.05	2,985.18
Interest and other financial charges	(2,487.34)	(1,775.87)
<b>Profit before exceptional item and tax</b>	<b>3,551.05</b>	<b>3,441.98</b>
Exceptional item	-	(691.00)
Income Taxes	309.31	147.39
<b>Profit After Tax</b>	<b>3,241.74</b>	<b>2,603.59</b>
<b>SEGMENT ASSETS:</b>		
Solar Energy Systems / Services	73,962.67	59,468.19
Foundry	11,897.71	10,570.40
Others	54,409.57	49,408.72
<b>Total</b>	<b>1,40,269.95</b>	<b>1,19,447.31</b>
<b>SEGMENT LIABILITIES:</b>		
Solar Energy Systems / Services	11,787.99	4,845.25
Foundry	3,897.05	4,004.60
Others	45,908.91	35,689.36
<b>Total</b>	<b>61,593.95</b>	<b>44,539.21</b>
<b>SEGMENT CAPITAL EMPLOYED: (SEGMENT ASSETS-SEGMENT LIABILITIES)</b>		
Solar Energy Systems / Services	62,174.68	54,622.94
Foundry	8,000.66	6,565.80
Unallocable #	8,500.66	13,719.36
<b>Total</b>	<b>78,676.00</b>	<b>74,908.10</b>
# Unallocable assets and liabilities include all tax assets and liabilities (including deferred tax) and such balances, being Investments, Investment Property, Cash and Bank balances and borrowings, which are used interchangeably between segments/unallocable.		
<b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
Solar Energy Systems / Services	2,455.82	2,202.35
Foundry	637.86	611.22
<b>Total</b>	<b>3,093.68</b>	<b>2,813.57</b>

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

Particulars	2021-22	2020-21
<b>NON CASH EXPENSE OTHER THAN DEPRECIATION AND AMORTISATION</b>		
Solar Energy Systems / Services	1,008.55	368.12
Foundry	168.70	155.51
<b>Total</b>	<b>1,177.25</b>	<b>523.63</b>

The details in respect of the Key Geographical areas in which the Group has operations are given below:

Particulars	2021-22	2020-21
Revenue from operations		
India	31,683.54	19,090.17
Europe	7,427.56	6,006.96
Others	-	156.48
<b>Total</b>	<b>39,111.10</b>	<b>25,253.61</b>
<b>Non-current assets (Excluding Financial assets &amp; Deferred tax asset)</b>		
India	57,792.36	51,233.73
Singapore	3,569.85	3,500.85
<b>Total</b>	<b>61,362.21</b>	<b>54,734.58</b>

**Information about major customers :**

There are no customers who contributed individually more than 10 % to the Group's revenue for the years ended 31 March 2022 and 31 March 2021.

**40A Financial Risk Management Objectives & Policies**

The Group's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to the Group's working capital cycle. The Group has trade and other receivables, loans and advances that arise directly from its operations.

The Group is accordingly exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees management of these risks. The senior professionals working to manage the financial risks for the Group are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite. All foreign currency hedging activities for risk management purposes are carried out a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Audit Committee reviews and agree policies for managing each of these risks which are summarised below:

**(a) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances and derivative financial instruments.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

PARTICULARS	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings	45,652.18	35,350.89
<b>Total</b>	<b>45,652.18</b>	<b>35,350.89</b>

**i) Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's loss before tax is affected through the impact on floating rate borrowings, as follows:

PARTICULARS	Increase/ decrease in basis points	Effect on Profit before tax
31 March 2022	- 52 basis points	237.39
	+ 52 basis points	(237.39)
31 March 2021	- 186 basis points	657.53
	+ 186 basis points	(657.53)

**ii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily US Dollars. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Group manages its foreign currency risk by way of a periodical assessment for hedging appropriate percentage of its foreign currency exposure, as per its established risk management policy duly considering the nature of the foreign currency receivable/payables, the fluctuation in the foreign currencies etc.

As at the reporting dates, the Group did not have any outstanding derivative contracts to hedge its foreign currency exposures as at these dates.

**Foreign Currency Sensitivity**

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Group, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2022	For the year ended 31 March 2021
US Dollars	-5%	(877.74)	(433.87)	(877.74)	(433.87)
	5%	877.74	433.87	877.74	433.87
Euro	5%	(0.36)	(121.44)	(0.36)	(121.44)
	-5%	0.36	121.44	0.36	121.44

**(b) Credit Risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with Banks, foreign exchange transactions and other financial instruments.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**i) Trade and other receivables**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Group to determine incurred and expected credit losses based on historical trends and other factors. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Group expects the historical trend of minimal credit losses to continue. Further, Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. The impairment loss as at the reporting dates related to several customers that have defaulted on their payments to the Group and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

In addition, an impairment analysis is performed at each reporting date on an individual basis for all the major individual customers. The summary of exposure in trade receivables are as follows:

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as at 31 March, 2022	5,354.03	2,338.28	1,411.39	9,103.70
Trade Receivables as at 31 March, 2021	7,082.16	3,499.29	1,476.70	12,058.15

The requirement for impairment is analysed at each reporting date and provision is based on the Expected Credit Loss Method by following a provision matrix which results in provision percentages in the range of 10% to 100% based on the age bucket of receivables ranging from 0.5 years to 5 years and more.

**Lease rent receivable**

The Group's leasing arrangements represent the buildings and land let out to various customers which have been classified as Operating Lease. The creditworthiness of the customer is evaluated prior to sanctioning credit facilities. Appropriate procedures for follow-up and recovery are in place to monitor credit risk. The Group does not expect any losses from non-performance by these counter-parties.

**Cash and bank balances**

The Group held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good.

**Other financial assets including investments**

The Group does not expect any losses from non-performance by the counter-parties.

**ii) Financial instruments and cash deposits**

Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

## SWELECT ENERGY SYSTEMS LIMITED

### Notes to Consolidated financial statements for the year ended 31 March 2022

(All amounts are in ₹ Lakhs, unless otherwise stated)

#### (c) Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international Banks at an optimised cost.

The table below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31 March 2022			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	27,120.14	15,386.58	3,145.46	45,652.18	45,652.18
Trade Payables	12,952.25	-	-	12,952.25	12,952.25
Lease liability	235.88	8.11	-	243.99	243.99
Other financial liabilities	768.20	100.89	-	869.09	869.09
<b>Total</b>	<b>41,076.47</b>	<b>15,495.58</b>	<b>3,145.46</b>	<b>59,717.51</b>	<b>59,717.51</b>

Particulars	As at 31 March 2021			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	20,452.76	14,054.18	843.95	35,350.89	35,350.89
Trade Payables	5,629.79	-	-	5,629.79	5,629.79
Lease liability	256.28	235.88	-	492.16	492.16
Other financial liabilities	748.06	177.48	-	925.54	925.54
<b>Total</b>	<b>27,086.89</b>	<b>14,467.54</b>	<b>843.95</b>	<b>42,398.38</b>	<b>42,398.38</b>

#### 40B Capital Management

Capital includes equity attributable to the equity holders of the Group and net debt. Primary objective of Group's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Gearing Ratio:

Particulars	As at	As at
	31 March 2022	31 March 2021
Borrowings	45,652.18	35,350.89
Less: Cash and cash equivalents	(10,799.55)	(1,501.64)
<b>Net Debt</b>	<b>34,852.63</b>	<b>33,849.25</b>
Equity	78,676.00	74,908.10
<b>Total Capital</b>	<b>78,676.00</b>	<b>74,908.10</b>
<b>Capital and Net Debt</b>	<b>1,13,528.63</b>	<b>108,757.35</b>
<b>Gearing Ratio</b>	<b>30.70%</b>	<b>31.12%</b>

- 41 The Group assesses the recoverability of its Group Assets on an annual basis, duly considering the significant estimates and judgements which inter-alia includes the discounted cash flows determined based on the revenue projections, probable recovery of claims and discount rates calculated based on the cost of equity for the applicable Asset, adjusted for the proposed restructuring. All of these estimates and judgements have inherent uncertainties and the actual results may differ from that estimated as at the date of the Balance sheet. The Group has revisited the projections made in the previous year taking into account the probable beneficial results arising from the various initiatives being undertaken with regard to restructure of the customer contracts, submission and pursuing with appropriate authorities on relevant claims.

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

**42** The Company commissioned the 10 MW Solar Power Plant in Kunigal, Karnataka during the financial year 2017-18 . The Company has paid advance to a Land Aggregator for the purchase of Land aggregating to a total area of 33.20 acres. The Company has completed registration for 3.77 Acres during the current year and is in the process of completing the registration for the balance acres.

**43 The following are ratios disclosed:**

RATIOS	Numerator	Denominator	31 March 2022	31 March 2021	Variance	Reasons for variance
(a) Current Ratio	Current Assets	Current Liabilities	1.68	2.05	-18%	
(b) Debt-Equity Ratio	Total Debt	Shareholders Equity	0.58	0.48	22%	
(c) Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.30	0.32	-9%	
(d) Return on Equity Ratio	Profit available for Equity shareholders	Average Shareholder's Equity	0.04	0.03	19%	
(e) Inventory turnover ratio	COGS or Sales	Average inventory	1.79	1.68	7%	
(f) Trade Receivables turnover ratio	Net credit sales	Average accounts receivable	4.68	3.71	26%	The debtors turnover ratio improved primarily due to effective collection of receivables, conservative credit policy and high quality customer base.
(g) Trade payables turnover ratio	Net credit purchases	Average trade payables	3.23	2.02	60%	The Group has negotiated terms for better working capital cycle.
(h) Net capital turnover ratio	Net sales	Working capital	1.36	0.86	59%	Net Capital Turnover ratio is higher due to commissioning of the projects with effective utilisation of working capital.
(i) Net profit ratio	Profit After Tax	Net sales	0.08	0.10	-20%	
(j) Return on Capital employed,	Profit before Interest and Tax	Capital employed	0.05	0.05	16%	
(k) Return on investment	Computed using Rate of Return	Time Weighted	50.17	47.99	5%	

**44** Previous year figures have been regrouped / reclassified wherever necessary.

**45** The Group carries property, plant and equipment (net) and other intangibles assets aggregating ₹ 8,624.44 lakhs (As at 31 March 2021 ₹ 8525.02 lakhs), relating to two operating subsidiaries of the Group whose net worth is either substantially eroded and/or revenues have significantly reduced, as per the audited standalone financial statements of those subsidiaries as at 31 March 2022. The Group had as at 31 March 2022, assessed the recoverability of its property, plant and equipment duly considering revenue projections of the subsidiaries based on the most recent long-term forecasts, resultant cash flows using an appropriate discount rate as well as significant estimates and judgements involving certain new projects, expected clearances and approvals from relevant authorities. All of these estimates and judgements have inherent uncertainties and the actual results may differ from that estimated as at the date of the Balance Sheet. The estimation of revenue projections is based on the Management's assessment of probability of securing new businesses in the future, duly considering adverse

**SWELECT ENERGY SYSTEMS LIMITED**

**Notes to Consolidated financial statements for the year ended 31 March 2022**

(All amounts are in ₹ Lakhs, unless otherwise stated)

business impact and uncertainties arising on account of the COVID-19 pandemic to the extent known. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these financial results dependent on circumstances that evolve in the future.

The Management has concluded that the carrying value of the property, plant and equipment and intangible assets are recoverable duly considering the expected future recoverable value as at 31 March 2022.

**46 Additional Information:**

- (a) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year
- (c) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (d) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (e) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (f) To the best of its knowledge, The Group has not had any transaction with any struck-off companies during the year.
- (g) The Group does not have any charges or satisfaction yet to be registered with the ROC beyond the statutory period as at the year ended 31 March 2022.

- 47** The Group assessed the recoverability of receivables, property plant and equipments, other intangible assets and certain investments, due to Covid-19. For this, the Group has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material charges to future economic conditions.

The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 26th May 2022 in accordance with the provisions of Companies Act, 2013.

For and on behalf of **the Board of Directors**

**Swelect Energy Systems Limited**

Sd/-  
**R. Chellappan**  
Managing Director  
DIN:00016958

Sd/-  
**A. Balan**  
Joint Managing Director  
DIN:00017091

Place: Chennai  
Date: 26th May 2022

Sd/-  
**R. Sathishkumar**  
Company Secretary

Sd/-  
**Nikhila R**  
Chief Financial Officer

**SWELECT ENERGY SYSTEMS LIMITED**  
(All amounts are in ₹ Lakhs, 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	Date since when Subsidiary acquired	Reporting period	Reporting Currency	Exchange Rate (₹)	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Turnover (net)	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend	% of share holding	Country
1	SWELECT Energy Systems Pte. Limited, Singapore	13-05-04	Apr-Mar	\$	75.51	4,372.90	8,431.81	20,929.39	8,124.67	10,738.00	119.56	3.14	116.42	-	100%	Singapore
2	SWELECT Inc, USA	23-02-16	Jan- Dec	\$	75.51	335.82	(163.60)	172.30	0.08	131.72	13.68	-	13.68	-	100%	USA
3	Amex Alloys Private Limited	05-12-10	Apr-Mar	₹		650.00	(1,091.06)	11,897.71	12,338.76	11,488.86	(363.14)	-	(363.14)	-	100%	India
4	SWELECT Solar Energy Private Limited	02-09-09	Apr-Mar	₹		444.00	(124.57)	367.54	48.12	4.18	(12.33)	-	(12.33)	-	100%	India
5	Noel Media & Advertising Private Limited (Refer Note 2)	15-05-15	Apr-Mar	₹		21.08	242.05	1,122.74	859.62	175.46	6.98	-	6.98	-	100%	India
6	SWELECT Green Energy Solutions Private Limited	13-05-13	Apr-Mar	₹		1,860.95	4,153.81	6,289.52	274.76	183.85	694.59	229.83	464.76	-	100%	India
7	K J Solar Systems Private Limited (Refer Note 2)	11-02-16	Apr-Mar	₹		10.00	424.97	1,610.05	1,175.08	228.71	54.45	-	54.45	-	100%	India
8	SWELECT Power Systems Private Limited	11-04-16	Apr-Mar	₹		930.00	2,543.83	6,309.12	2,835.29	868.83	253.65	69.98	183.67	-	100%	India
9	SWELECT Sun Energy Private Limited	29-12-20	Apr-Mar	₹		2,503.00	5.23	7,594.52	5,086.29	473.71	22.53	-	22.53	-	74%	India
10	SWELECT HHV Solar Photovoltaics Private Limited	03-05-21	Apr-Mar	₹		1.00	(22.16)	1,783.77	1,804.93	-	(22.16)	-	(22.16)	-	100%	India
11	SWELECT Renewable Energy Private Limited	23-06-21	Apr-Mar	₹		1,800.30	(16.72)	5,426.07	3,642.49	-	(16.72)	-	(16.72)	-	74%	India

**Note:**

- 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 2022.
- Noel Media & Advertising Private Limited and K J Solar Systems Private Limited are 100 % subsidiaries of SWELECT Solar Energy Private Limited.

**Part "B": Associates and Joint Ventures**

The Company does not have any investment in Associate and Joint venture Companies as at 31.03.2022.

**For and on behalf of the board of directors**

Place : Chennai	Sd/-	Sd/-	Sd/-
Date: 26th May 2022	R. Chellappan	A.Balan	R. Sathishkumar
	Managing Director	Joint Managing Director	Company Secretary
			Nikhila.R
			Chief Financial Officer





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