

July 16, 2019

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

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: 532051

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Submission of Notice of the 24th Annual General Meeting (AGM) and Addendum to the Notice of AGM along with Annual Report of the Company for the financial year 2018 -19.

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Notice of 24th Annual General Meeting (AGM) and Addendum to the Notice of AGM to be held on Friday 9th August 2019 at 3:30 p.m. at Savera Hotel, 'Samavesh Hall', No.146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004 along with Annual Report of the Company for the financial year 2018 -19.

Kindly take on record the above Compliance and Acknowledge receipt of the same.

Thanking you,

Yours faithfully,

For SWELECT ENERGY SYSTEMS LIMITED



R. Sathishkumar
Company Secretary & Compliance Officer
Encl.: as above



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

E-mail: cg.ird@swelectes.com Website: www.swelectes.com

NOTICE OF THE TWENTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the **TWENTY FOURTH** Annual General Meeting of the members of **SWELECT ENERGY SYSTEMS LIMITED** will be held on Friday the 9th August 2019 at 3.30 P.M. at Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004 to transact the following business:

ORDINARY BUSINESS:

1. Adoption of the audited financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT the audited standalone financial statements of the Company for the financial year ended March 31, 2019 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, 2019 together with the report of the Auditors, be and are hereby considered and adopted.

2. Declaration of Dividend

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT a dividend of Rs.2.50 per equity share [i.e. 25 % on the paid up equity share capital of Rs.10,10,58,400/- (Rupees Ten Core Ten Lakh Fifty Eight Thousand Four Hundred Only)] of the Company as recommended by the Board of Directors be and is hereby declared and that the same be paid within 30 days to all the shareholders whose names appear on the Register of Members as on 2nd August 2019.

3. Appointment of Mr. K. V. Nachiappan as a Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mr. K. V. Nachiappan (DIN: 00017182), 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 Mrs. V. C. Mirunalini as a Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT Mrs. V. C. Mirunalini (DIN: 07860175), 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.

SPECIAL BUSINESS:

5. Remuneration payable to Executive Directors as per SEBI Regulation

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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 the following Executive Directors who are promoters or members of promoter group, exceeding 5% of the net profit of the Company as calculated under section 198 of the Companies Act, 2013, in any year during the remaining tenure of their respective appointment.

Name of Executive Director	DIN	Designation	Date of commencement of Term of office	Date of expiration of the term	Date of General Meeting in which the remuneration was approved by Shareholders
Mr. R. Chellappan	00016958	Managing Director	01.05.2015	30.04.2020	29.07.2015
Mr. A. Balan	00017091	Joint Managing Director	03.10.2015	02.10.2020	28.07.2016
Mr. K.V. Nachiappan	00017182	Whole Time Director	20.04.2018	19.04.2023	09.08.2018
Mr. V.C. Raghunath	00703922	Whole Time Director	28.07.2014	27.07.2019	28.07.2014
Mrs. V.C. Mirunalini	07860175	Whole Time Director	28.06.2017	27.06.2022	11.08.2017

RESOLVED FURTHER THAT the above approval is valid till the expiry of the term of appointment of the above Directors.

RESOLVED FURTHER THAT all the existing terms and conditions of remuneration including salary, perquisites and commission as per the resolutions passed in the General Meeting shall remain unchanged.

6. Appointment of Mr. R. Chellappan as the Managing Director of the Company for a period of 5 years.

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 149 read with sections 152, 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (as amended from time to time) and the rules made thereunder, Mr. R. Chellappan (DIN: 00016958) be and is hereby re-appointed as the Managing Director of the Company for a period of 5 (Five) years with effect from 1st May 2020 to 30th April 2025, 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.3,00,000/- per month or Rs.36,00,000/- 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. Mobile phone bill shall be paid 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 Medical Expenses for Self and Family, as approved by CCIT.

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 applicable provisions under the Income Tax Rules 1962.

3. Commission: In addition to the above, commission @1% of the Net Profits of the Company will be paid.

RESOLVED FURTHER THAT pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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. R. Chellappan, Managing 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.

7. Appointment of Mr. V. C. Raghunath as a Whole Time Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of section 149 read with sections 152, 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013 (as amended from time to time) and the rules made thereunder, Mr. V. C. Raghunath (DIN: 00703922) be and is hereby re-appointed as a Whole Time Director of the Company for a period of five years with effect from 28th July 2019 to 27th July 2024, on such 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 (1) above, he will also be eligible for the following perquisites:-
 - 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 medical Expenses for self and family as per the rules of the Company.
 - f) Leave travel concession 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 applicable provisions under the Income Tax Rules 1962.

RESOLVED FURTHER THAT pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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. V. C. Raghunath, 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.

8. Appointment of Dr. S. Iniyam as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder and applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), Dr. S. Iniyam (DIN: 08355447), who was appointed as an Additional Director of the Company by the Board of Directors with effect from April 1, 2019, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from himself under Section 160 of the Companies Act, 2013 signifying his intention to propose himself as a candidature for the office of a Director of the Company, be and is hereby appointed as an independent Director of the Company up to 31st March 2024, and that his office shall not be subject to retirement by rotation.

9. Ratification of remuneration of Cost Auditors

To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT the Shareholders hereby ratify the actions of the Board of Directors 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, (as amended) for approving recommendation of Audit Committee for remuneration at Rs.1,32,000/- (Rupees One Lakh Thirty Two Thousand Only) plus applicable tax and out of pocket expenses in connection with the Audit incurred by 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 31.03.2020.

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

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED
Sd/-

R. Sathishkumar
Company Secretary

Chennai
28th May 2019

NOTES:

1. The related Explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out all the material facts concerning item No(s) 5 to 9 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and such proxy need not be a member of the company.
3. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Pursuant to the provisions of section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of Shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
4. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorising such representative to attend and vote on their behalf at the meeting.
6. The Register of Members of the Company will remain closed from 3rd August 2019 to 9th August 2019 both days inclusive, for determining the name of Members eligible for payment of dividend on equity shares and AGM.
7. The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be credited / deposited within 15 days from the date of AGM (ie. on or before August 24, 2019) to those Members whose names appear on the Company's Register of Members on 2nd August 2019.
8. 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 26.09.2018, the Company has transferred Rs.1,05,438/- (Rupees One Lakh Five Thousand Four Hundred Thirty Eight Only) towards unpaid / unclaimed dividend amount in respect of the financial year 2010-2011 to the Investor Education and Protection Fund (IEPF).

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 5820 & 450 Equity Shares to the Investor Education and Protection Fund Authority vide Corporate Action taken on 15.6.2018 and 8.10.2018 pertaining to dividend declared for the financial years 2009-10 and 2010-11 respectively.

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

Based on Dividend declared for the Financial Year	No. of shares transferred	Date of Corporate Action
2008-2009	5170	04-12-2017
2009-2010	5820	15-06-2018
2010-2011	450	08-10-2018
Total:	11440	

In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the last AGM i.e. August 9, 2018, on the website of IEPF viz. www.iepf.gov.in and under “Investors” section on the website of the Company.

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.

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	Unclaimed Amount Rs. (As on 31.03.2019)
2011-2012	Final	3.00	21.07.2012	24.08.2019	47,340.00
2012-2013	Interim	120.00	09.07.2012	13.08.2019	18,71,640.00
2012-2013	Final	8.00	24.07.2013	28.08.2020	2,04,912.00
2013-2014	Final	9.00	28.07.2014	01.09.2021	2,66,481.00
2014-2015	Final	2.50	29.07.2015	05.09.2022	82,240.00
2015-2016	Interim	3.00	14.03.2016	19.04.2023	1,02,195.00
2015-2016	Final	1.00	28.07.2016	02.09.2023	43,203.00
2016-2017	Final	4.00	11.08.2017	16.09.2024	1,83,456.00
2017-2018	Final	4.00	09.08.2018	07.09.2025	1,35,660.00

9. Members who have not claimed their dividend for the financial year ended 2011-2012 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 2011-2012 in the website of the company and the shareholders can view the details at www.swelectes.com under investors page.
10. In order to make payment of dividend by direct credit to the bank accounts of the Shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates such as Details of PAN and Bank to M/s. Cameo Corporate Services Limited. Those holding shares in Demat form are requested to update their records with Depository Participants in this respect.
11. Electronic copy of the Annual Report for the year 2018-19 and the Notice of the 24th Annual General Meeting (AGM) are being sent to all Shareholders whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Shareholders who have not registered their email address, physical copies of the Annual Report for the year are being sent in the permitted mode. These Shareholders are requested to register their E-mail IDs with the DP/Registrar. Annual Report and the Notice of the AGM are available in the Company's website viz., www.swelectes.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at “SWELECT HOUSE”, No.5, Sir P.S.Sivasamy Salai, Mylapore, Chennai - 600004 between 11.00 A.M. and 5.00 P.M. on all working days up to the date of the AGM.
12. Pursuant to section 108 of the Companies Act, 2013, read with the relevant rules of the Act, the Company is required to provide Shareholders the facility to cast their vote by electronic means. The detailed instructions for Remote e-voting are annexed to this Notice.
13. Location /Road map layout of the AGM Hall is given at the last page of the Notice.

Annexure to Notice

Explanatory statement pursuant to 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. 5

In terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 9, 2018 (“Amended Listing Regulations”), the remuneration payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if the aggregate annual remuneration payable to such directors exceeds 5% of the net profits of the Company, as calculated under section 198 of the Companies Act, 2013.

The applicability of the above amendment is effective from 1st April 2019 and in order to comply with the above listing regulations, it is necessary to obtain approval of the Shareholders by passing a Special Resolution.

No Director, Key Managerial Personnel or their relatives, except Mr. R. Chellappan, Managing Director, Mr. A. Balan, Joint Managing Director, Mr. K.V. Nachiappan, Mr. V.C. Raghunath and Mrs. V. C. Mirunalini, Whole Time Directors, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No.5 of the Notice for the approval of the members.

Item No.6

At the Annual General Meeting held on 29th July 2015, Mr. R. Chellappan, was appointed as Managing Director of the Company for a period of five years with effect from 1st May 2015. The term of his appointment will expire on 30th April 2020 and pursuant to the proviso of Section 196(2) of the Companies Act, 2013, the reappointment may be made within one year before the expiry of the term.

Mr. R. Chellappan has been on the Board from the date of inception and has rich experience in various areas of operation of the Company. Under his leadership, the Company maintains the No.1 position in specific market verticals.

As recommended by the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 28th May 2019 after taking into consideration the above and his leadership skills, performance of business, various strategic and growth initiatives contemplated and being pursued, and other criteria, decided that his continued association with the Company will be of immense benefit to the Company and approved the re-appointment of Mr. R. Chellappan, as the Managing Director for a period of five year with effect from May 1, 2020 to 30th April 2025 as per the terms and conditions as set out in the resolution, subject to the approval of the shareholders.

Since Mr. R. Chellappan will be completing seventy years of age in May 2023, it is necessary in terms of the proviso to Section 196(3)(a) of Companies Act, 2013 to seek approval of shareholders, by way of a special resolution, for his re-appointment as Managing Director and accordingly the Board of Directors recommends this special resolution for approval.

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

No Director, Key Managerial Personnel or their relatives, except Mr. V. C. Raghunath and Mrs. V. C. Mirunalini, to whom the resolution relates, is interested or concerned in the resolution.

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

Item No.7

At the Annual General Meeting held on 28th July 2014, Mr. V. C. Raghunath was appointed as a Whole Time Director of the Company for a period of five years with effect from 28th July 2014. The term of his appointment will expire on 27th July 2019.

On the recommendation of the Nomination and Remuneration Committee, the Board, at its meeting held on May 28, 2019, had re-appointed Mr. V. C. Raghunath, as a Whole Time Director for a period of five year with effect from July 28, 2019 to July 27, 2024 as per the terms and conditions as set out in the resolution, subject to the approval of the shareholders.

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

No Director, Key Managerial Personnel or their relatives, except Mr. R. Chellappan and Mrs. V. C. Mirunalini, to whom the resolution relates, is interested or concerned in the resolution.

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

Item No.8

Dr. S. Iniyani (DIN: 08355447), was appointed as an Additional Director of the Company with effect from 1.4.2019 and he was also appointed as an Independent Director of the Company for a term of five years from 1st April 2019 to 31st March 2024, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company. Dr. S. Iniyani has fulfilled the conditions as specified in Section 149(6) of the Companies Act, 2013.

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from him proposing himself as a candidature for the office of Independent Director, to be appointed under the provisions of Sections 149, 152 of the Companies Act, 2013.

The Company has received (i) consent in writing from Dr. S. Iniyani to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014 from Dr. S. Iniyani, to the effect that he is not disqualified under subsection (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and applicable SEBI Regulations.

The resolution seeks the approval of Shareholders for the appointment of Dr. S. Iniyani, as an independent director of the Company up to March 31, 2024 pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

No Director, Key Managerial Personnel or their relatives, except Dr. S. Iniyani, is interested or concerned in the resolution.

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

Item No.9

On the recommendation of the Audit Committee, the Board, at its meeting held on 28.05.2019, 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, 2020. 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 Act 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.

No Director, Key Managerial Personnel or their relatives, is interested or concerned in the resolution.

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

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

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

Age & Date of Birth	53 years, 30.09.1965
Qualification	Qualified Engineer in Electrical & Electronics and a rank holder from Bharathiar University.
Experience	<ul style="list-style-type: none"> ▪ Member of Institute of Electrical & Electronics Engineers (IEEE) ▪ 30 Years in Electrical and Power Electronics Industry. <p><u>Shanti Electricals, Bangalore:</u> 1988 - 1990: Site Engineer for Electrical Projects</p> <p><u>Hi-Power Electronics Private Limited:</u> 1991 - 1993: Director</p> <p><u>Numeric Power Systems Limited</u> 1994-2005: Product Development, UPS Manufacturing, and Country Manager for 3ph Technical and Field support.</p> <p><u>Socomec - Numeric UPS Pvt. Limited</u> 2006 -2007: Country Sales Manager - responsible for sales of 3ph UPS</p> <p><u>Numeric Power Systems Limited</u> 2007 - 2012: Head - 3 Phase UPS Division</p> <ul style="list-style-type: none"> ▪ Overall responsibility for the 3 Phase UPS Division, which includes marketing, sales, and after sales functions for the Country. <p><u>Novateur Electrical and Digital Systems Pvt. Limited</u> 2013-2018: Head: Marketing and R&D Responsible for implementing key marketing initiatives such as market analysis, new product launches and is also heading the research & development activities.</p>
Terms and conditions of appointment & Remuneration	Re-appointment on the basis of retire by rotation. There is no change in the existing remuneration as approved by shareholders at the AGM held on 09.8.2018.
Date of first appointment on the Board	20.04.2018
Shareholding in the Company	Own: 1,10,232 Equity Shares Held by/for other persons on a beneficial basis: Nil
Inter-se relationship with other Directors	Husband of Mrs. Jayashree Nachiappan, Non-Executive Director.
Number of Board meetings attended during the year	6
Directorships held in other Companies	Nil
Chairmanship/ Membership in Committees of the other Board	Nil

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

Age & Date of Birth	34 years, 08.12.1984
Qualification	<ul style="list-style-type: none"> ▪ BE (Electrical and Electronics Engineering) from College of Engineering, Chennai – May 2006 ▪ Master of Science (Electrical Engineering, Electric Power and Power Electronics) from Texas A&M University, USA – Aug 2008
Experience	<ul style="list-style-type: none"> ▪ 9 Years in the Power Electronics and Solar Industry ▪ 1 Year with Texas A&M University, USA as Research Assistant
Portfolio	<ul style="list-style-type: none"> ▪ Head of Module Manufacturing factory (100 MW SPV Module Plant, HHV Solar Modules, Bangalore), handling daily operational activities, sourcing and marketing ▪ Sourcing of the Products, Product design, validation and design support and monitoring the projects ▪ Solar Water Pumping – sourcing, product evaluation, certification and launch into the market ▪ Works on specialised projects such key CSR Activities and key customer relationship management ▪ Technical support for the projects and the procurement / sourcing team ▪ Bangalore Regional Office management ▪ Contribute to the development of the marketing strategy ▪ Operational and customer support ▪ Support in design, engineering and technical management for EPC of MW range of Solar projects
Achievements	<ul style="list-style-type: none"> ▪ IEEE Member, Power Electronics Society and invited twice as reviewer for selection of papers ▪ Ranked among top 2 percent in the qualifying Exam for professional courses (2002), India ▪ Ranked 6th (out of 100) in Department of Electrical and Electronics Engineering, Anna University ▪ Release of a very unique Hybrid Energy Monitoring System that is compatible with all kinds of installation upto 10 kW. This helps in measuring the energy saved, the cost saved and the carbon footprint that was avoided. ▪ Design and Development of Solar Power Converters to suit the Indian Market conditions and for export market. ▪ Study and Analysis of cost reduction and optimisation methods in the Solar system installation to enable better power availability at optimal price for the customer. ▪ Release of High MPPT Efficiency Solar Charge controller at 12 – 120 V, 3 kW capacities suitable for all range of Solar Inverters. ▪ Release of Bidirectional Inverter (with grid feed-in), first of its kind to be designed and developed completely in India.
Terms and conditions of appointment & Remuneration	Re-appointment on the basis of retire by rotation. There is no change in the existing remuneration as approved by shareholders at the AGM held on 11.08.2017.
Date of first appointment on the Board	28.06.2017
Shareholding in the Company	Own: 43,838 shares Held by/for other persons on a beneficial basis: 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	4
Directorships held in other Companies	SWELECT Power Systems Private Limited
Chairmanship/ Membership in Committees of the other Board	Nil

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

Age & Date of Birth	66 years, 08 th May 1953
Qualification	<ul style="list-style-type: none"> ▪ DEE and qualified Engineer in Electrical and Electronics from Thiagarajar Polytechnic College, Salem – April 1972 ▪ BE (EEE) from Coimbatore Institute of Technology with University rank – Nov 1979 ▪ An active Senior Member of Institute of Electrical & Electronics Engineers Inc. – USA (IEEE) over 20 years.
Experience	<ul style="list-style-type: none"> ▪ 34 Years in Power Electronics – Started the company in 1984 ▪ 8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore ▪ 5 Years with Ashok Leyland Ltd, Chennai
Credentials	<ul style="list-style-type: none"> ▪ One of the Founder Members / Trustee of National Solar Energy Federation of India (NSEFI), South Chapter ▪ Appointed as chairman of IEEE – Madras Chapter, PELS society ▪ One of the RE Council Member of Confederation of Indian Industry (CII) ▪ Bonafide member of MAIT – Manufacturers' Associate for Information Technology ▪ Member of KSMBOA – Karnataka Small & Medium Business Owner's Association. ▪ Key member of the board of studies in the faculty of Electrical Engineering of Anna University, Chennai. ▪ Key member of the Board of Research Studies (BORS) in Periyar University, Salem ▪ 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. ▪ In November 2013, awarded the winner of the TIECon Award 2013 as "The Entrepreneur of the Year 2013".
Achievements	<ul style="list-style-type: none"> ▪ Started the company (in 1984) with a team of just six members, and then builded the company to a 2600 employees (in 2012) across its branches in India and overseas. ▪ In May 2012, Numeric transferred the UPS division to Novateur Electrical & Digital Systems Pvt Ltd, a wholly owned subsidiary of LEGRAND S.A. FRANCE under a BTA (Business Transfer Agreement). ▪ In Aug 2012, SWELECT was empanelled by BEE (Bureau of Energy Efficiency) as ESCO (Energy Service Company). ▪ In Dec 2012, SWELECT was recognized as the No.1 Solar Solution Provider (Integrator) company of the Year 2012. ▪ In Dec 2012, SWELECT was adjudged as SD Awards 2012 for Leadership in Roof Top Solar Installations. ▪ 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. ▪ Amex Alloys was awarded as Export Excellence Award for FY(12-13) ▪ In May 2015, SWELECT was accredited by MNRE as "Empanelled Inverter Manufacturer" under Off-Grid and Decentralized Solar application programme ▪ Was adjudged by KSMBOA – Business Excellence & Achievement Awards 2015 as "SME Excellence Award in Quality in SOLAR RENEWABLE sector". ▪ SWELECT was recognized as SD's No.1 off Grid / Roof Top Solar PV power solution provider for the years 2013 to 2017, consequent 5 years

	<ul style="list-style-type: none"> ▪ SWELECT was adjudged as Winner of the Largest Number of Rooftop Installations in the country from 2012 to 2017. ▪ SWELECT was recognized as No.2 Grid Sharing Solar PV Power Solution Provider from 2015 to 2017 and No.2 SPCU Manufacturer of the year 2015 and 2016 ▪ A++ SD's star green rating for continuous four years ▪ Amex Alloys was adjudged as "Best Foundry – Small Scale" - Rangasayee Award for the year 2018 by Institute of Indian Foundrymen (IIF), Coimbatore Chapter ▪ HHV Solar Technologies was recognized by Silicon India Magazine as "Brand of the Year 2017" ▪ Was awarded as one of the 50 Most Influential Solar Leaders (A Global Listing) ▪ SWELECT was awarded as Leading RE Developers – Solar Rooftop at the Renewable Energy India Awards 2017 ▪ CEO Insight magazine recognized SWELECT as one of the 25 Best Green Energy Companies - 2018.
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	12.09.1994
Shareholding in the Company	Own: 49,19,278 shares Held by/for other persons on a beneficial basis: Nil
Inter-se relationship with other Directors	Father of Mr. V. C. Raghunath and Mrs. V. C. Mirunalini, Whole Time Directors of the Company.
Number of Board meetings attended during the year	7
Directorships held in other Companies	<ol style="list-style-type: none"> 1. SWELECT Electronics Private Limited 2. SWELECT Energy Systems Pte. Limited, Singapore 3. SWELECT Solar Energy Private Limited 4. Amex Alloys Private Limited 5. SWELECT Green Energy Solutions Private Limited 6. SWELECT Power Systems Private Limited 7. Novateur Electrical & Digital Systems Private Limited 8. Noel Media & Advertising Private Limited 9. SWELECT Inc. USA 10. SWELECT Energy Systems LLC, USA 11. VB Cricket Academy Private Limited
Chairmanship/ Membership in Committees of the other Board	Nil

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

Age & Date of Birth	37 years, 11 th July 1981
Qualification	<ul style="list-style-type: none"> ▪ BE (EEE) ▪ Master of Science (Electrical Engineering)
Experience	<ul style="list-style-type: none"> ▪ 12 Years in the Power Electronics and Solar Industry, Started his career in 2006
Certification	<ul style="list-style-type: none"> ▪ Certified SAP Solution Consultant for Supply Chain Management / Order Fulfilment
Portfolio	<ul style="list-style-type: none"> ▪ Handling of all India Level Solar Power Project Management and Solutions <ul style="list-style-type: none"> - Contributes to the development of marketing strategy of the Company and communication. - Training and Guiding the Sales team in achieving their target. - Key function is to negotiate complex, high-value contracts for the supply of Solar Power products and solutions. - Meet key customers and give presentations of new products and proposals, besides maintaining relations with the existing ones. - Project Execution and Management - Ensuring that customers' requirements related to the products and solutions are made available within shortest possible time. - Work closely with other members of the sales team and other departments within the company to ensure customer and company expectations are met.
Projects Handled	<ul style="list-style-type: none"> ▪ Few Major MW Range projects to mention: <ul style="list-style-type: none"> (a) 15 MW SPV Modular Solar Park at Vellakoil Plant, Aravakurichi Taluk, Karur as a Turnkey EPC Project (b) 10 MW SPV Power Plant at Thottiyam Taluk, Trichy with Engineering and Installations (c) 4 MW SPV Solar Park for KMCH at Tirupur as a Turnkey Project (d) 3.5 MW SPV Solar Park for Milky Mist Dairy at Erode (e) 1.65MW SPV Solar Park at Hosur for Exide Industries Ltd as a Turnkey EPC Project (f) 1MW SPV Power Plant at TADA for Nippo Batteries with Engineering and Installations (g) 1MW SPV Park at Karur for Yajur Energy Solutions Pvt. Ltd (h) 2MW SPV Park at Karur for Amex Alloys Pvt Ltd
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	11.11.2013
Shareholding in the Company	Own: 39,010 shares Holding on behalf of SWEES Employees Welfare Trust: 1,17,600 shares
Inter-se relationship with other Directors	Son of Mr. R. Chellappan, Managing Director and Brother of Mrs. V.C. Mirunalini, Whole Time Director
Number of Board meetings attended during the year	8
Directorships held in other Companies	<ol style="list-style-type: none"> 1. Amex Alloys Private Limited 2. SWELECT Energy Systems Pte. Limited, Singapore 3. NOEL Media & Advertising Private Limited 4. K J Solar Systems Private Limited
Chairmanship/ Membership in Committees of the other Board	Nil

5. Brief profile of Dr. S. Iniyan and nature of his expertise in specific functional areas:

Age & Date of Birth	58 years, 28.05.1961
Qualification	B.E., M.E., Ph.D. from Anna University, Guindy
Experience	<p>Sept. 1985 - Sept. 1988 : Worked as a Teacher Trainee in the Department of Mechanical Engineering, Anna University, Madras.</p> <p>Oct. 1988 - Sep. 1994 : Worked as a Lecturer in the Department of Mechanical Engineering, Anna University, Madras.</p> <p>Oct. 1994 – Oct. 1998 : Worked as a Senior Lecturer in the Department of Mechanical Engineering, Anna University, Chennai</p> <p>Oct. 1998 – Oct. 2006 : Worked as Assistant Professor in the Department of Mechanical Engineering, Anna University, Chennai</p> <p>July 1999 - Mar. 2000 : Done Post Doctoral research in the Department of Mechanical Engineering, The University of Hong Kong, Hong Kong</p> <p>Oct. 2006 – till date : Working as Professor, Institute for Energy Studies, Department of Mechanical Engineering, Anna University Chennai.</p> <p>Teaching:</p> <p>Under Graduation:</p> <ol style="list-style-type: none"> 1. Gas Dynamics and Jet Propulsion 2. Engineering Management 3. Renewable Energy Systems <p>Post Graduation:</p> <ol style="list-style-type: none"> 1. Design of condensers, evaporators and cooling towers 2. Energy conservation, modeling and project management 3. Renewable Energy Systems <p>Research :</p> <ul style="list-style-type: none"> ▪ Guiding projects for Under Graduate and Post Graduate students in the field of Renewable Energy Systems. ▪ Supervising Ph.D research work in the field of energy modelling, wind energy system, solar thermal and Solar PV system.
Terms and conditions of appointment & Remuneration	As set out in the proposed Resolution No.8 of the accompanying notice. No remuneration payable except sitting fees for Meetings.
Date of first appointment on the Board	01.04.2019
Shareholding in the Company	NIL
Inter-se relationship with other Directors	NIL
Number of Board meetings attended during the year	Not applicable
Directorships held in other Companies	Nil
Chairmanship/ Membership in Committees of the other Board	Nil

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED
Sd/-
R. Sathishkumar
Company Secretary

Chennai
28th May 2019

Electronic voting (Remote e-voting)

Pursuant to provisions of section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide Remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 24th Annual General meeting of the Company to be held on Friday the 9th August 2019 at 3.30 p.m. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The voting period begins on 6th August 2019 at 9:00 am and ends on 8th August 2019 at 5:00 pm. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 2nd August 2019, may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.

“Remote e-voting” means the facility of casting votes by a Member using an electronic voting system from a place other than venue of a general meeting.

Please read the instructions printed below before exercising your vote.

The instructions for Remote E-Voting are as under:-

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on “Shareholders / Members” tab.
- (iii) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below.

Now, fill up the following details in the appropriate boxes:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name followed by 8 digits serial number (printed on the first line of address label affixed on envelope carrying the Annual Report) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. For Example: Your name : SURESH KUMAR 8 digits Serial No : 00002800 Then type in the PAN Field : SU00002800
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

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

- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members 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 SWELECT ENERGY SYSTEMS LIMITED 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 Resolutions.
- (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 printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (ix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (x) For any queries or issues regarding remote e-voting, you may also contact our Registrar and Share Transfer Agents, M/s. Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002. Name of contact person: Mr. P. Muralidharan, Assistant Manager, email id: murali@cameoindia.com, Tel: + 91 44 28460390.

Mobile app m-Voting:

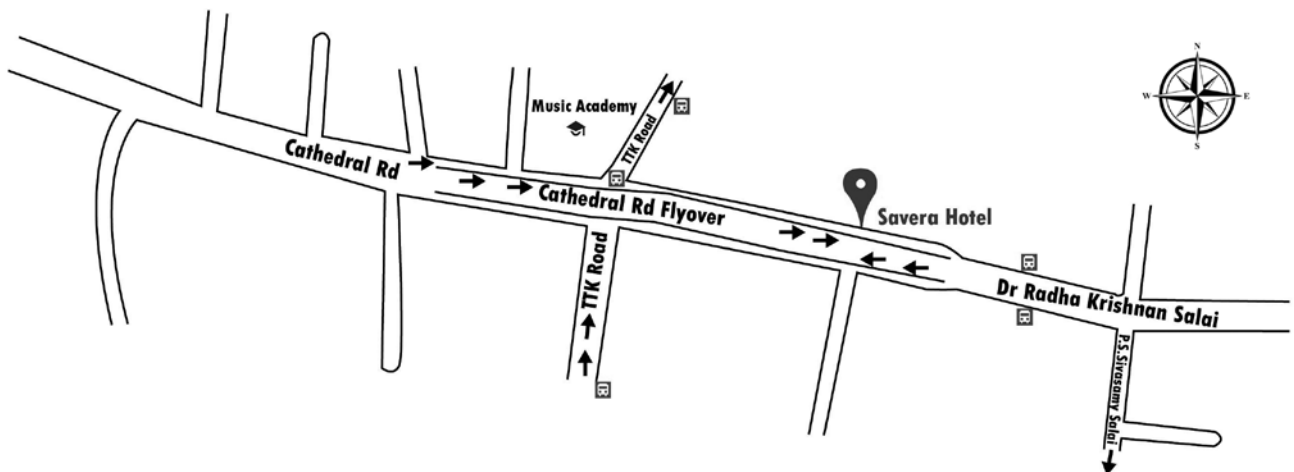
Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

General Instructions

- a. M/s. P. Eswaremoorthy and Company, Company Secretaries (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the process of Remoting e-voting and Poll at the AGM in a fair and transparent manner.
- b. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same.
- c. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.swelectes.com, website of CDSL and the same will also be communicated to BSE Ltd., and National Stock Exchange of India Limited.
- 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 2nd August 2019.
- e. Members who did not cast their vote through Remote e-voting during the e-voting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through Remote e-voting can attend the meeting but cannot vote again through ballot paper at AGM.

For your immediate reference, we have given below the location/route map to reach the venue of the Annual General Meeting of the Company.

LOCATION MAP



Venue of AGM:

Saveria Hotel, Samavesh Hall,
146, Dr. Radhakrishnan Road,
Mylapore, Chennai – 600004.
Phone : +91 - 44 - 2811 4700.

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

E-mail: cg.ird@swelectes.com Website: www.swelectes.com

ADDENDUM TO THE NOTICE OF THE TWENTY FOURTH ANNUAL GENERAL MEETING

The Board of Directors of the Company on 28th May 2019, had approved the Notice of 24th Annual General Meeting ("AGM") of the shareholders of the Company scheduled to be held on Friday, 09th August, 2019 at 3.30 p.m. at Savera Hotel, 'Samavesh Hall', No.146, Dr.Radhakrishnan Road, Mylapore, Chennai – 600 004.

Subsequent to the above approval, the Board at its Meeting held today i.e., 8.7.2019, considered and recommended to issue Bonus shares to the shareholders of the Company at the proportionate value as specified in the proposed resolution contained in this notice. Pursuant to provisions of section 63 of the Companies Act, 2013 and other applicable regulations of the Securities and Exchange Board of India (SEBI), the prior approval of the shareholders of the Company is required for issue of Bonus shares. Accordingly, the Board has decided to obtain the shareholders' approval in the 24th 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 and by physical mode through ballot form. The special resolution for issue of bonus shares will be included as Item No.10 for voting by the members using Remote e-voting facility which commences on 6th August 2019 at 9:00 am and ends on 8th August 2019 at 5:00 pm. and the same will also be included in the Physical ballot form to be supplied to the members at the AGM venue. The detailed procedures including cut-off date for eligible to vote and Remote e-voting periods as stated in the Notice of 24th AGM shall also be applicable for obtaining the shareholders' approval for issue of Bonus shares.

The Addendum to the Notice of the AGM shall form an integral part of the Notice dated 28th May, 2019.

SPECIAL BUSINESS:

10. Issue of Bonus Shares in the proportion of 1 (One) equity share for every 2 (Two) existing equity shares held by the members

To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Section 63 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and other applicable regulations and guidelines issued by the Securities and Exchange Board of India (SEBI), the relevant provisions of the Memorandum and Articles of Association of the Company and the recommendation of the Board and subject to such approvals as may be required in this regard, consent of the members be and is hereby accorded to the Board for capitalization of such sum standing to the credit of the securities premium account of the Company as determined by the Board, as may be necessary for the purpose of the issue of bonus shares of Rs.10/- each, credited as fully paid-up shares to the holders of the existing equity shares of the Company, whose names appear in the Register of Members of the Company / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), on such date ('Record Date') as may be fixed in this regard by the Board of Directors of the Company, in the proportion of 1 (One) equity share for every 2 (Two) existing equity shares held by the members and that the bonus equity shares so issued and allotted shall, for all purposes, be treated as the Paid-up Share Capital of the Company entitled to by each such member.

RESOLVED FURTHER THAT no letter of allotment shall be issued to the allottees and the bonus shares shall be credited to the respective de-mat account of the allottees and that the certificate(s) in respect of bonus shares shall be completed and thereafter be dispatched to those allottees who do not hold shares in dematerialized form.

RESOLVED FURTHER THAT the issue and allotment of the said bonus shares to the extent they relate to Non-Resident Indians ('NRIs'), Persons of Indian Origin ('PIO') / Overseas Corporate Bodies ('OCBs') and other foreign investors of the Company will be subject to the approval of the Reserve Bank of India ('RBI'), and any other regulatory authority, as may be necessary.

RESOLVED FURTHER THAT the bonus shares so allotted shall be subject to the terms and conditions contained in the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects with and carry the same rights as the fully paid-up equity shares of the Company as existing on the Record Date and shall be entitled to participate in full in any dividends and any other corporate action declared after the New Equity Shares are allotted.

RESOLVED FURTHER THAT in case of fractions of shares, if any, arising out of issue and allotment of Bonus Shares, the Board be and is hereby authorised to make suitable arrangements to deal with such fractions for the benefit of the eligible members, as they may deem fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all other steps as may be necessary to give effect to the aforesaid resolution and determine all other terms and conditions of the issue of bonus shares as the Board may in its absolute discretion deem fit.

Chennai
8th July 2019

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED
Sd/-
R. Sathishkumar
Company Secretary

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.10

The Company has adequate Reserves and Surplus (Securities Premium Reserve, Retained Earnings and General Reserve) as on date. The Board of Directors of the Company at their meeting held on July 8, 2019 considered and recommended to issue of fully paid-up Bonus Shares in the ratio of 1 (One) share for every 2 (Two) shares by capitalization of Securities Premium Account subject to the approval of the shareholders and such other authorities as may be required. Such issue will benefit all the shareholders and improve the liquidity.

The Bonus shares, on allotment shall rank pari-passu in all respects with and carry the same rights as the existing equity shares of the company and entitled to participate in full in any dividends and any other corporate action declared after the New Equity Shares are allotted. The proposed Bonus issue is not in lieu of Dividend.

The Record Date for determining the eligibility of the shareholders to receive the said Bonus Shares will be announced by the Company through designated stock exchanges and will also be displayed on the website of the company www.swelectes.com.

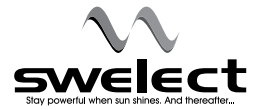
Pursuant to the provisions of the Articles of Association of the Company, the Companies Act, 2013 and rules made thereunder and applicable regulations of SEBI, the capitalization of Securities Premium Account and bonus issue thereof, require approval of the members in general meeting and such other authorities as may be required.

No Director, Key Managerial Personnel or their relatives are interested in or concerned with the Resolution except to the extent of shares held by them in the Company.

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

Chennai
8th July 2019

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED
Sd/-
R. Sathishkumar
Company Secretary



Form No.MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

Registered Office: SWELECT House, No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai-600004.

Tel: 044-24993266 Fax: 044-24995179 E-mail: cg.ird@swelectes.com, Website: www.swelectes.com

Name of the member(s):

Registered address:

E-mail Id:

Folio No / Client Id:

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DP Id:

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I / We, being the member(s) of the above named Company holding _____ shares hereby appoint.

1. Name :
Address :
.....
E-mail Id :
Signature :, or failing him/her

2. Name :
Address :
.....
E-mail Id :
Signature :, or failing him/her

3. Name :
Address :
.....
E-mail Id :
Signature :

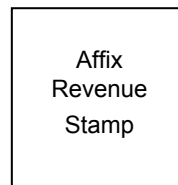
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on Friday the 9th August 2019, At 3:30 p.m. at Savera Hotel, No.146, Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Subject matter of Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	Adoption of the audited financial statements of the Company for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon			
2	Declaration of Dividend			
3	Appointment of Mr. K. V. Nachiappan as a Director of the Company			
4	Appointment of Mrs. V. C. Mirunalini as a Director of the Company			
Special business				
5	Remuneration payable to Executive Directors as per SEBI Regulation			
6	Appointment of Mr. R. Chellappan as the Managing Director of the Company for a period of 5 years.			
7	Appointment of Mr. V. C. Raghunath as a Whole Time Director of the Company			
8	Appointment of Dr. S. Iniyar as an Independent Director of the Company			
9	Ratification of remuneration of Cost Auditors			
10	Issue of Bonus Shares in the proportion of 1 (One) equity share for every 2 (Two) existing equity shares held by the members.			

Signed this day of 2019.

Signature of shareholder:.....

Signature of the Proxy holder(s):



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

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

Tel: 044-24993266 Fax: 044-24995179 Email: cg.ird@swelectes.com, Website: www.swelectes.com

ATTENDANCE SLIP

1. Name and Address :
2. Joint Holder(s) :
3. E-mail Id :
4. Folio No. / DP Id / Client Id :
5. No. of Shares :

I/We hereby certify that I/ We, am/ are registered Member/Proxy for the registered Member of the Company and hereby record my /our presence at the 24th Annual General Meeting of the Company on Friday the 9th August 2019, At 3:30 p.m. at Savera Hotel, No.146, Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004.

Name of the Registered Holder / Proxy (IN BLOCK LETTERS)	Signature of the Registered Holder / Proxy

Note:

Members / Proxies to Members are requested to sign and hand over this slip at the entrance of the venue of the Meeting.



swelect ENERGY SYSTEMS LIMITED

24th ANNUAL REPORT 2018-19

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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)

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

DIRECTORS

Mrs. JAYASHREE NACHIAPPAN
(DIN: 03173327)

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

Mr. S. KRISHNAN
(DIN: 07163629)
(w.e.f. 23.07.2018)

Dr. S. INIYAN
(DIN: 08355447)
(w.e.f. 01.04.2019)

Mr. N. NATARAJAN
(DIN: 00017368)
(upto 31.03.2019)

CHIEF FINANCIAL OFFICER

Mr. P. JAGAN

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
YES BANK
BNP PARIBAS
ICICI BANK

REGISTERED OFFICE

'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.CAMEOCORPORATESERVICESLTD
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 AUDITOR

Mr. R. KANNAN
Practising Company Secretary
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.

PLANT LOCATIONS

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	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspet, Nelamangala Taluk, Bengaluru – 562111, Karnataka.
3	1.1 MW Solar Plant	SF. No. 166 & 169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107, Tamil Nadu.
4	0.5 MW Wind Mill Power Unit - 3 Nos	296,224/1 & 294, Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District - 638657, Tamil Nadu.
5	10 MW Solar Plant	Kolakudi Village, Thottiyam Taluk, Musiri, Trichy - 621208, Tamil Nadu.
6	12 MW Solar Power Plant	SF. No. 894/B2, 895/6, 914/1, 914/4, 913/2, 913/3, 913/4, 913/5, 915, 916, 902/1, 929/B2, 894/B1, 894/B3, 895/1, 895/2, 895/3, 895/4, 895/5, 895/7, 914/2, 914/3, 913/1, 913/6, 902/2, Monjanur Village, Aravakurichi Taluk, Karur District - 630561, Tamil Nadu.
7	3 MW Solar Power Plant	SF. No. 8902/1 & 899/3 Monjanur Village, Aravakurichi Taluk, Karur District - 630561, Tamil Nadu.
Plant Locations of Wholly owned Subsidiaries		
8	Amex Alloys Private Limited - Manufacturing of Iron, Alloy and Investment Casting	SF. No. 289/2, Kunnathur Pudur (PO), Sathy Road, Coimbatore - 641107, Tamil Nadu.
9	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.
10	NOEL Media & Advertising Private Limited - 1 MW Solar Plant	SF. No. 191/15, 191/7, 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.
11	SWELECT Green Energy Solutions Private Limited - 12 MW Solar Plant	(SF. No. 889, 890A, 887, 892, 891A & 891B); (SF. No. 929/A(P) & 929/B1(P)) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
12	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.
13	SWELECT Power Systems Private Limited -10 MW Solar Power Plant	Huralagere, Thuraganoor and Byaderahalli villages of Kunigal Taluk, Tumkur District - 572130, Karnataka.

BOARD'S REPORT

Our Valued Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2019.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

S.No.	Particulars	Standalone		Consolidated	
		For the year ended 31/03/2019	For the year ended 31/03/2018	For the year ended 31/03/2019	For the year ended 31/03/2018
1	Revenue from operations	11984.43	17382.92	22766.88	29617.25
2	Other income	3494.58	3807.93	2623.56	2734.48
3	Total Income from Operations	15479.01	21190.85	25390.44	32351.73
4	Total Expenditure (Excluding Finance cost, Depreciation and Amortisation)	11808.89	16180.38	20243.04	26256.39
5	Profit Before Finance cost, Depreciation and Amortisation and Tax	3670.12	5010.47	5147.40	6095.34
6	Finance Costs	744.63	580.58	1532.89	1027.12
7	Depreciation and Amortisation expense	1415.41	1343.04	2599.25	2327.54
8	Profit Before Exceptional Item and Tax	1510.08	3086.85	1015.26	2740.68
9	Add: Exceptional items	30.00	-	30.00	-
10	Profit Before Tax	1540.08	3086.85	1045.26	2740.68
11	Income Tax Expense	434.73	739.92	362.40	1151.72
12	Net Profit after Tax	1105.35	2346.93	682.86	1588.96
13	Other Comprehensive income for the year, net of tax	12.37	(41.08)	3.89	(41.08)
14	Total comprehensive income for the year, net of tax	1117.72	2305.85	686.75	1547.88
15	Dividend paid on Equity Shares	404.23	404.23	404.23	404.23
16	Dividend Distribution Tax	83.09	82.29	83.09	82.29
17	Equity Share Capital	1010.58	1010.58	1010.58	1010.58
18	Other equity (Reserves & Surplus)	66940.32	66309.92	71593.34	70470.01
19	EPS (Rs.)	10.94	23.22	6.76	15.72

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 (IPP and under RESCO)
- IV – Solar Energy Storage Solutions (new vertical)
- V – Iron and Steel Foundry Products for Domestic and Export Markets

SWELECT, a national leader in Solar Photovoltaic industry has consistently been able to demonstrate its business agility to quickly adapt to the ever evolving Indian and Global clean tech space. With a commanding brand recall, offering the highest plant uptime, SWELECT has earned the respect and trust of its valuable customers. With well demonstrated technical superiority and international quality standards your Company is fully geared to face the ever changing Clean Energy market landscape, with a unique status of one of the very few companies in the SPV Industry in India to offer the complete range of Products and Services.

Export of Iron & Steel castings: Your group's Wholly Owned Subsidiary (WOS) Company AMEX Alloys has earned a foreign exchange of over Rs.504.54 Lakhs in Euros and US Dollars.

GENERAL REVIEW OF THE BUSINESS OF THE COMPANY

During the year, your Company registered a turnover (Standalone) of Rs.11984.43 Lakhs against the previous year turnover of Rs.17382.92 Lakhs and Profit After Tax (PAT) for the current year is Rs.1105.35 Lakhs against the previous year profit of Rs. 2346.93 Lakhs.

DIVIDEND

The Board of Directors have recommended a Dividend of Rs.2.50 per equity share [@ 25% on the equity share capital of Rs.10,10,58,400/- (Rupees Ten Crore Ten Lakh Fifty Eight Thousand Four Hundred Only)], for the year ended 31st March 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The outflow for the Company would be Rs.252.65 Lakhs towards dividend and Rs.51.93 Lakhs towards dividend distribution tax.

SHARE CAPITAL

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2019, it stood at Rs.10,10,58,400/- divided into 1,01,05,840 equity shares of Rs.10/- each.

TRANSFER TO GENERAL RESERVE

During the year, your Company does not propose to transfer amounts to the general reserve out of the amount available for appropriation.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

The Company has 6 Wholly Owned Subsidiaries and 3 step down subsidiary as on the date of the report. The Board of Directors at their meeting held on 28th May 2019, approved the consolidated accounts of subsidiaries. Pursuant to the provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, 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 the report.

During the year our step down subsidiary company namely SWELECT Energy Systems (Asia Pacific) PTE. Limited, Singapore made application with the appropriate authorities for closure of the company and accordingly the company was struck off in the month of February 2019.

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.

CHANGE IN DIRECTORS OR KEY MANAGERIAL PERSONNEL

- At the Annual General Meeting held on 29th July 2015, the shareholders of the Company had appointed **Mr. R. Chellappan** (DIN: 00016958), as Managing Director of the Company for a period of 5 years with effect from 1.5.2015. The term of office of Mr. R. Chellappan will expire on April 30, 2020. The Board at its meeting held on 28.05.2019, re-appointed Mr. R. Chellappan as the Managing Director of the Company for a period of 5 years from 1st May 2020 to 30th April 2025, subject to approval of the Shareholders at the ensuing Annual General Meeting.
- At the Annual General Meeting held on 28.7.2014, the shareholders of the Company had appointed **Mr. V. C. Raghunath** (DIN: 00703922), as Whole Time Director of the Company for a period of 5 years with effect from 28th July 2014. The term of office of Mr. V.C. Raghunath will expire on July 27, 2019. The Board at its meeting held on 28.05.2019, re-appointed Mr. V.C. Raghunath as a Whole Time Director of the Company for a period of 5 years from 28th July 2019 to 27th July 2024 subject to approval of the Shareholders at the ensuing Annual General Meeting.
- **Mrs. V. C. Mirunalini** (DIN: 07860175) and **Mr. K. V. Nachiappan** (DIN: 00017182), Whole Time Directors, are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.
- **Dr. S. Iniyam** (DIN: 08355447), was appointed as an Additional Director of the Company with effect from 1.4.2019 and he was also appointed as an Independent Director of the Company for a term of five years from 1st April 2019 to 31st March 2024, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company. Dr. S. Iniyam has fulfilled the conditions as specified in Section 149(6) of the Companies Act, 2013.

The Profiles of Mr. R. Chellappan, Mr. V. C. Raghunath, Mrs. V. C. Mirunalini, Mr. K. V. Nachiappan and Dr. S. Iniyam, are given separately in the notice of AGM.

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

- The Board of Directors at its Meeting held on 23.07.2018, appointed **Mr. S. Krishnan** (DIN: 07163629) as an Independent Director of the Company by filling casual vacancy in place of Mr. V. M. Sivasubramaniam (DIN: 00017249), who had resigned before his term of office. The term of office of Mr. S. Krishnan was ended on 31.3.2019 and he was re-appointed as an Independent Director for a period of five years with effect from 1st April 2019 to 31st March 2024 by the Shareholders through postal ballot on 27.03.2019.
- At the Annual General Meeting held on 28.7.2014, the shareholders of the company had appointed **Mr. N. Natarajan** (DIN: 00017368) as an Independent Director of the Company for a period of five years with effect from 1.4.2014. The term of office of Mr. N. Natarajan was ended on 31.3.2019 and the Board expressed its appreciation for his excellent contribution to the Company during his tenure.

NUMBER OF BOARD MEETINGS

During the Financial Year 2018-19, eight meetings of the Board of Directors of the Company 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 complied with provisions relating to the constitution of an Internal Complaints Committee (ICC) as required under the act to redress the complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

The members of the Committee are:

CORPORATE OFFICE:

1. Mrs. C. Shenbagapushpam, 2. Mrs. Rebecca Teresa Briggs, 3. Mr. M. Madhava and 4. Mr. R. Kalidasan

PLANT (SALEM):

1. Ms. Malathi, 2. Ms. A. Kokilavani, 3. Mr. S. Namasivayam and 4. Mr. T. Ramachandramurthy

SOLAR PHOTOVOLTAIC PLANT (BANGALORE)

1. Ms. Deepa ML, 2. Ms. Lavanya, 3. Ms. Manjula T, 4. Ms. Harshitha K.S. and 5. Ms. S. Preema

The following is a summary of sexual harassment complaints received and disposed off during the year 2018-2019

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

All Directors, Key Management Personnel and Senior Management Personnel of the Company have confirmed compliance with the code of conduct applicable to them and a 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 are available in Company's website www.swelectes.com under investors page.

STATUTORY AUDITORS

Pursuant to provisions of Section 139(1) of the Companies Act, 2013, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Chennai (Firm Registration No.117366W/W - 100018) were appointed as the Statutory Auditors of the Company by the Shareholders at the 22nd Annual General Meeting (AGM) held on 11.8.2017 for a term of five consecutive years from the conclusion of the 22nd AGM up to 27th AGM of the Company.

STATUTORY AUDITORS REPORT

There were no qualifications or observations or remarks made by the Statutory Auditors in their report for the financial year 2018-2019.

SECRETARIAL AUDIT REPORT

A Secretarial Audit was conducted during the year by the Secretarial Auditor Mr. R. Kannan, Practicing Company Secretary, in accordance with the provisions of Section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is also attached as part of this Report. There were no qualifications or remarks made by the Secretarial Auditor in his Report and the same is given in Annexure - 1.

COST AUDIT

Pursuant to the Companies (Cost Records and Audit) Rules, 2014, the Company filed the Cost Audit Report, with the Ministry of Corporate Affairs, for the financial year 2017-18 in XBRL format. For the financial year 2018-19, the Board appointed M/s. Ravichandran Bhagyalakshmi & Associates, as Cost Auditors and they will submit their report 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 2019 - 2020. The Board also considered and approved the remuneration of Rs.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. 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.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2018-19 is given in Annexure – 3 and also available on the Company's website www.swelectes.com under investors page.

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 Corporate Governance Report.

CORPORATE SOCIAL RESPONSIBILITY

The Company undertakes "Corporate Social Responsibility" (CSR) initiatives directly / through agency to the public in improving the quality of life. During the year 2018-19, the Company has undertaken many initiatives through a policy framework for expanding some of the present initiatives and undertaking newer CSR initiatives in the year to come.

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

Details of composition of the CSR Committee, number of meetings held during the year under review 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 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 not entered into any contracts/

arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

Accordingly, the disclosure required u/s 134(3)(h) of the Act in form AOC-2 is not applicable to the Company.

The Policy on materiality of Related Party Transactions and dealing with related party transaction as approved by the Board may be accessed on the Company's website www.swelectes.com. Members may refer to the notes to the financial statements which sets out related party disclosures.

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 is a part of this report.

ANNUAL BOARD EVALUATION AND FAMILIARIZING PROGRAMME

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

Further, during the year the Independent Directors of the Company met on February 9, 2019 to review the performance of non-independent directors, Chairman of the Board and the board of directors as a whole.

The Independent Directors of the Company are being familiarized by the management 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 2019 and the date of the report 28th May 2019.

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, Practicing Company Secretary, 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, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The Board, based on the recommendation of the Nomination and Remuneration Committee, has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management 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 - 5.

PARTICULARS OF EMPLOYEES

Pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the details in respect of employees of the Company are given in Annexure - 6.

SECRETARIAL STANDARDS

The Company has complied with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India during the year.

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

Chennai
28th May 2019

Sd/-
R. CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

KEY HIGHLIGHTS

Our Respected Investors,

India is the third largest solar market and solar has overtaken wind and all other technologies to become leading power source. SWELECT with proven track record and a deep market understanding was successful in tapping key revenue opportunities.

SWELECT is proud to announce that it has effectively been able to handle the market transition from Goods and Projects Company to Energy Solutions Company. A dedicated team of Professionals has been deployed for building the Energy Solutions portfolio and revenue stream. The team has been successful in making major inroads in the Energy solutions portfolio.

With on-going volatility in the global supply chain because of international trade policy by the participating nations has seen major correction and consolidation in the Global solar market space. SWELECT in its sincere endeavour and strong commitment to protect its stakeholder's interest, with long term vision for a sustainable growth is immune to the market pressure. Combined with its legendary manufacturing prowess and total backward integrated supply chain approach was able to effectively negate the adverse market conditions.

SOLAR POWER GENERATION AND SYSTEMS INTEGRATION (NEW ADDITIONS):

1. SWELECT has recently commissioned a 1.2 MW SPV ground mount power plant for a major Hospital in Tamil Nadu.
2. 2.5 MW SPV utility scale Project for a Spinning Mill Company in Tamil Nadu.
3. 12 MW SPV power plant was commissioned successfully on Energy sale model in Tamil Nadu.
4. 3 MW SPV power plant is set up on power sale model for a major shopping mall in Tamil Nadu.
5. SWELECT is proud to announce that it has been selected by United Nations for its Green energy initiatives and a 160 kWp SPV power plant has been successfully installed and commissioned on their Green building in India.
6. Several roof top projects have been installed for prestigious clients such as Infosys, NCR Corporation, AquaSub Engineering and many more.

BUSINESS DEVELOPMENT IN NEW MARKETS:

SWELECT is proud to announce that it has successfully launched and commercialized its Mono PERC SPV with major international certifications already obtained. In addition, SWELECT has successfully developed 1500 V SPV modules for new and international markets.

With advent of next generation technologies taking commercial stage, such as Energy storage and its applications in combination with solar has ushered in new markets for exploration. SWELECT is in the process of setting up pilot projects for application of Energy storage nearing commercial launch soon.

IRON AND STEEL FOUNDRY PRODUCTS

AMEX Alloys Pvt. Limited, a Wholly Owned Subsidiary (WOS) An ISO 9001-2015 certified company has in its fold, the following capabilities to supply High Quality castings to Oil & Gas, Transportation, Marine, Pharmaceuticals, Infrastructure, Flow Control etc.,

Alloys Division: - Design, Manufacturing, Machining & Export of a wide range of Steel Castings (using CO₂ sand Process, cake moulds and intricate core assembly based complex moulds).

Iron Foundry Division: - Design, Manufacturing, Machining & Export of a wide range of Iron Castings – Grey Iron and Spheroidal Graphite Iron (using CO₂ and Green sand Process).

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

Thus making **AMEX Brand as India's first Foundry Group offering all the above under one roof and a One-Stop-Solution Foundry with latest state of art facilities.**

This has enabled 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.

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.

AWARDS / CREDENTIALS

- CEO Insight - Best Green Energy Companies - 2018
- CSR Awards - Solar Energy Company of the Year - 2018
- Dare to dream - Company of the year (category - Power & Energy) - 2018
- IFGE Awards - Indian Green Energy Awards 2018 (Category: Outstanding Manufacturer & Technology Company) - 2018
- Indian Solar Week Awards 2018
 - Business Excellence Awards (Category: Project Developer of the year - captive projects)
 - Business Excellence Awards (Category: Solar PV EPC Company of the Year - Utility Scale (Less than 50 MW))
 - Business Excellence Awards (Category: Solar Module Company of the year Utility Scale (Domestic Manufacturer))
- Solar Quarter - Best Companies to Work for India 2018 - 2019
- RE Asserts India 2018's Gold Award winner for Best performing Modules of the year
- RE Asserts India 2018's Silver Award winner for Best performing Project of the year
- Soft Disk:
 - hybrid Solar PV power solution provider of the year
 - Grid sharing solar PV Power Solution provider of the year
 - SPCU Manufacturer of the year
 - Disk Solar PV Panel manufacturer of the year
- Annual Solar Awards 2019 - Suryacon Chennai Conference - (Category: Power Electronics company of the year)
- SME - Empowering India Awards (Category: Solar)
- Business Leadership Award in recognition of the outstanding leadership Mr. R. Chellappan (SWELECT Energy Systems Limited)

OPPORTUNITIES

With increasing integration of renewables into the Grid, the need for smart grid and energy storage applications in combination with Solar Photovoltaics is going to be the future. SWELECT with its three decades of power electronics and energy storage experience is well positioned to take up the new market opportunities. Solar being modular, having flexibility for decentralized deployment offers unique market opportunities to build a sustainable business model.

THREATS

The Indian clean energy space is going through major disruption in terms of policy changes, high exposure to volatile foreign currency and many Government projects not taking off as announced. Renewable Energy industry is seeing a major transition from Government supported Infrastructure initiative to a Market driven commodity business. With this major transition, the long-term sustainability is being compromised for short-term gains, which adversely affects the quality of the Solar power plants.

The new tax structure and the lack of clarity on the recently announced taxation have increased the project costs. Unfortunately, the price escalation on the tax structure cannot be passed on to the end customer. This has put additional pressure on the price margins and project viability.

Many major projects and auctions announced by the Government are either being cancelled or extended due to various factors, also the existing predatory pricing has raised concerns of the long-term viability of the project amongst serious investors and stakeholders. With the anticipated market correction, short-term players may exit the industry owing to the increased field failures and non-performance of the solar plants due to poor quality.

The imposition of Safeguard duty on both cells and modules has been more of a detrimental factor rather than protecting the domestic solar manufactures. The 25% SGD on cells has resulted in increase in the module cost by 10% - 12% and the overall project cost by 7% - 8%. This has led to general apprehension by the customers to go for solar and led to wait and watch approach since the SGD will be dropped post July 2019.

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. Hence the statement of segment-wise or product-wise performance is not provided.

OUTLOOK

The global renewable market is gaining traction and is taking a significant centre stage equaling conventional source of energy. With increasing penetration of renewable in the utility grid, the need for smart grids, scheduling and forecasting will be of importance for sustained growth of renewables.

The after effects of safe guard duty imposed by the central Government and rupee depreciation will see the SPV price in the upward trend.

The Indian Solar market is on the growth trajectory, with more impetus on the application of Solar and other sources of renewable in combination with energy storage will be the future.

SWELECT with its long-term vision is ideally placed to adapt to the evolving clean tech space.

RISKS AND CONCERNS

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

The Company has constituted Risk Management committee and Forex Management committee to continuously monitor business and operations risk through an efficient risk management system. The details of the committees are furnished in the Corporate Governance report.

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 Auditors of the Company reports to the Audit Committee of the Board.

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 undertakes corrective action in the respective areas and thereby strengthens the controls.

FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Standalone

During the year, your Company registered a turnover of Rs. 11984.43 Lakhs against the previous year turnover of Rs. 17382.92 Lakhs and Profit After Tax (PAT) for the current year is Rs. 1105.35 Lakhs against the previous year profit of Rs. 2346.93 Lakhs:

The drop in PAT was due to the following facts:

- More CAPEX projects (to supply Power to Airport Authority of India (AAI) & Brookfield etc.,) were undertaken considering the long term power generation opportunity due to which the Project Sales revenue dropped.
- Increase in Finance Costs.
- Imposition of Safe Guard Duty (SGD) by Government of India across the Solar Industry resulted in increase in imported raw Materials Cost.

The Earnings per Share (Basic and Diluted) for the year 2018-2019 stood at Rs. 10.94.

CONSOLIDATED

The Profit after Tax in FY 2018-2019 stood at Rs. 682.86 Lakhs, compared to Rs. 1588.96 Lakhs last year, primarily on account of the reasons stated above for Standalone. However, the Company will gain by Power sales over the years.

THE FINANCIAL HIGHLIGHTS OF THE COMPANY FOR THE LAST SIX YEARS (Standalone).

(Rs. In Lakhs)

S.No	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Revenue from operations	5240.30	4887.50	16315.86	17006.97	17382.92	11984.43
2.	Other Income	2936.00	2478.58	3339.12	4615.85	3807.93	3494.58
3.	Total income from operations	8176.30	7366.08	19654.98	21622.82	21190.85	15479.01
4.	Employee Cost	597.69	665.75	1112.23	1151.30	1140.03	1264.19
5.	Excise Duty	158.17	54.49	61.34	44.97	8.50	-
6.	Other Operating Expenditure	4363.61	4216.20	14232.86	14941.83	15031.85	10544.70
7.	Profit Before Finance cost, Depreciation and Amortisation and Tax	3056.83	2429.64	4248.55	5484.72	5010.47	3670.12
8.	Finance cost	116.09	1059.90	960.96	529.55	580.58	744.63
9.	Depreciation and amortisation	446.23	871.71	1251.04	1114.44	1343.04	1415.41
10.	Profit before tax	2494.51	294.91	2118.22	3840.73	3086.85	1540.08
11.	Profit after tax	2494.51	132.94	1201.07	2937.85	2346.93	1105.35
12.	EPS (Rs.)	24.68	1.32	11.88	29.07	23.22	10.94
13.	Interim Dividend paid (Rs. per share)	-	-	3	-	-	-
14.	Dividend paid (Rs. per share)	9	2.50	1	4	4	2.50*

* Proposed

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:

Human Resources:

Employees are vital and most valuable assets. The Company has a favourable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believes in nurturing leaders among them, as far as possible and provide opportunities for growth across all levels. These continual initiatives should help the Company maintain the No.1 position in specific market verticals (Rooftop segment). The total number of people employed as on 31.3.2019 was 265.

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Chennai
28th May 2019

Sd/-
R. CHELLAPPAN
Managing Director

Sd/-
A.BALAN
Joint Managing Director

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 Directorship in other companies		Committee Membership in other companies	Committee Chairmanship 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	Private Limited Company	Public Limited Company			
Mr. S. Annadurai	Chairman Independent Non-Executive	8	7	Yes	4	-	-	-	-
Mr. R. Chellappan	Promoter Managing Director	8	7	Yes	8	-	-	-	-
Mr. A. Balan	Promoter Joint Managing Director	8	7	Yes	5	-	-	-	-
Mr. K. V. Nachiappan	Promoter Whole Time Director	8	6	Yes	-	-	-	-	-
Mr. V.C. Raghunath	Promoter Whole Time Director	8	8	Yes	3	-	-	-	-
Mrs. V. C. Mirunalini	Promoter Whole Time Director	8	4	Yes	1	-	-	-	-
Mrs. Jayashree Nachiappan	Promoter Non-Executive	8	7	Yes	3	-	-	-	-
Mr. G. S. Samuel	Independent Non-Executive	8	8	Yes	1	1	1	-	Butterfly Gandhimathi Appliances Limited – Independent Director
Mr. S. Krishnan (W.e.f. 23.07.2018)	Independent Non-Executive	8	5	Yes	1	-	-	-	-
Dr. S. Iniyan (W.e.f. 01.04.2019)	Independent Non-Executive	8	-	-	-	-	-	-	-
Mr. N. Natarajan (Up to 31.03.2019)	Independent Non-Executive	8	8	Yes	-	-	-	-	-
Mr.V.M.Sivasubramaniam (Up to 26.04.2018)	Independent Non-Executive	8	1	-	-	-	-	-	-

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:

20.04.2018, 10.05.2018, 25.05.2018, 23.07.2018, 08.08.2018, 12.11.2018, 08.02.2019 and 09.02.2019

iii) Disclosure of relationships between Directors inter-se:

- Mr. R. Chellappan is the father of Mr. V.C. Raghunath and Mrs. V.C. Mirunalini.
- Mr. K.V. Nachiappan is the husband of Mrs. Jayashree Nachiappan.
- None of the other Directors are related to each other

iv) Number of shares and convertible instruments held by Non-Executive Directors as on 31.03.2019

Name of the Director	Category	Number of Equity shares	Convertible Instruments
Mr. S. Annadurai	Chairman, Non-Executive, Independent Director	175	Nil
Mr. G.S. Samuel	Non-Executive, Independent Director	10	Nil
Mr. S. Krishnan	Non-Executive, Independent Director	0	Nil
Mrs. Jayashree Nachiappan	Non-Executive, Non-Independent Director	250	Nil
Mr. N. Natarajan*	Non-Executive, Independent Director	25	Nil

*Up to 31.3.2019

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

<https://www.swelectes.com/wp-content/uploads/2019/04/Familirisation-of-Programme-for-Independent-Directors.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:

System 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 ensure the governance areas are well addressed.

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 and independent of the management.

viii) Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

Mr. V. M. Sivasubramaniam, Independent Director of the Company had resigned from the Board on 26.04.2018, i.e. before the date of expiry of his tenure 31.03.2019. The director, in his letter of resignation, has confirmed that the reason for resignation is personal.

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:

Name of the Member and Chairperson	Category	No. of Meetings held	Attendance
Mr. G.S. Samuel	Chairperson, Non - Executive, Independent Director	5	5
Mr. S. Annadurai	Member, Non Executive, Independent Director	5	5
Mrs. Jayashree Nachiappan	Member, Non-Executive, Non-Independent Director	5	5

Date of the Meetings held during the year: 23.05.2018, 25.05.2018, 08.08.2018, 12.11.2018 and 07.02.2019.

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 the Member and Chairperson	Category	No. of Meetings held	Attendance
Mr. N. Natarajan #	Chairperson, Non - Executive, Independent Director	4	4
Mr. G.S. Samuel @	Member, Non - Executive, Independent Director	4	3
Mrs. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director	4	4
Mr. V. M. Sivasubramaniam*	Member, Non - Executive, Independent Director	4	1

Retired on 31.03.2019

@Inducted as Member w.e.f. 10.5.2018.

*Resigned on 26.4.2018.

Date of the Meetings held during the year: 20.04.2018, 25.05.2018, 23.07.2018 and 08.02.2019

The Nomination and Remuneration Committee was reconstituted by the Board of Directors in their Meeting held on 08.02.2019 and the effective date of reconstitution was 1.4.2019. The composition of Committee after reconstitution is given below:

Name of Members and Chairperson	Category
Mr. G.S. Samuel	Chairperson, Non - Executive, Independent Director
Mr. S. Krishnan	Member, Non - Executive, Independent Director
Mrs. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director

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 fulfil 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 the Member and Chairperson	Category	No. of Meetings held	Attendance
Mr. N. Natarajan	Chairperson, Non - Executive, Independent Director	4	4
Mrs. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director	4	4

Date of the Meetings held during the year: 25.05.2018, 08.08.2018, 12.11.2018 and 08.02.2019

The Stakeholders' Relationship Committee was reconstituted by the Board of Directors in their meeting held on 08.02.2019 and the effective date of reconstitution was 1.4.2019. The composition of Committee after reconstitution is given below:

Name of the Member and Chairperson	Category
Mr. G. S. Samuel	Chairperson, Non - Executive, Independent Director
Mr. K. V. Nachiappan	Member, Executive, Non - Independent Director
Mrs. Jayashree Nachiappan	Member, Non - Executive, Non - Independent Director

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 so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
1	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:

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

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

Commission to the Independent Directors:

As approved by the shareholders at the Annual General Meeting held on 24.7.2013, commission was paid to Mr. V. M. Sivasubramaniam and Mr. N. Natarajan, Independent Directors.

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

Non-Executive Directors:

(Rupees in Lakhs)

Name	Category	Sitting fees	Commission	Total
Mr. S. Annadurai	Independent	0.95	-	0.95
Mr. N. Natarajan *	Independent	1.00	3.00	4.00
Mrs. Jayashree Nachiappan	Non-Independent	1.15	-	1.15
Mr. G. S. Samuel	Independent	1.05	-	1.05
Mr. S. Krishnan **	Independent	0.40	-	0.40
Mr. V. M. Sivasubramaniam ***	Independent	0.10	3.00	3.10
Total		4.65	6.00	10.65

* Retired on 31.03.2019

** w.e.f. 23.07.2018

*** Resigned on 26.04.2018

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

(Rupees in Lakhs)

Name	Salary	Commission	Contribution to PF	LTA/ Bonus/ Incentive / Furnishing allowance	Perquisites	Total
Mr. R. Chellappan	24.15	-	-	5.01	0.40	29.56
Mr. A. Balan	21.00	-	-	4.75	5.86	31.61
Mr.V.C.Raghunath	9.51	-	0.28	2.08	0.29	12.16
Mrs.V.C.Mirunalini	7.65	-	0.26	0.98	0.28	9.17
Mr. K. V. Nachiappan*	19.89	-	-	4.75	0.91	25.55
Total	82.20	-	0.54	17.57	7.74	108.05

*Appointed as a Whole Time Director with effect from 20.04.2018.

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 2015
Mr. A. Balan	Joint Managing Director	5 years with effect from 3rd October 2015
Mr. V.C. Raghunath	Whole time Director	5 years with effect from 28th July 2014
Mrs. 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 Director

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

Independent Directors

Name	Period of contract / Date of appointment
Mr. S. Annadurai	28th June 2017 to 27th June 2022
Mr. G.S. Samuel	28th July 2016 to 27th July 2021
Mr. S. Krishnan	01st April 2019 to 31st March 2024
Dr. S. Iniyan	01st April 2019 to 31st March 2024
Mr. N. Natarajan *	28th July 2014 to 31st March 2019

* Retired on 31.03.2019

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 www.swelectes.com.

The Company's Remuneration Policy is available on the website of the Company www.swelectes.com

7) GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2015-16	Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.	28.07.2016	3.30 P.M.
2016-17	Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.	11.08.2017	3.30 P.M.
2017-18	Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.	09.08.2018	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, 2018, two special resolutions were passed for fixing the Borrowing powers of the Board and authorization to create charge on properties of the Company both present and future.

iii) Whether any special resolution was passed last year through postal ballot : details of voting pattern.

The following special resolution was passed last year through Postal Ballot and Remote E-voting.

Date of Postal Ballot Notice: 09.02.2019 Voting period: 26.02.2019 to 27.03.2019

Date of declaration of result: 28.03.2019 Date of approval: 27.03.2019

Subject matter of the resolution	No. of votes polled	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
Re-appointment of Mr. S. Krishnan, as an Independent Director of the Company for the second term of 5 (five) consecutive years	60,96,742	60,96,297	99.99	445	0.01

iv) Person who conducted the postal ballot exercise:

Mr. R. Kannan, Practicing Company Secretary, Chennai

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

vi) Procedure for postal ballot: Not applicable

8) MEANS OF COMMUNICATION

i) The Quarterly Unaudited financial results and the 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.nseindia.com, www.bseindia.com and on the Company's website 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 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.

Details regarding Products & Solutions, Customer support offered, Business Associates & Partners, Official news Releases, etc., are also placed on the Company's website.

Presentations made by the Company to the institutional investors or to the analysts: Nil

Email of the Compliance Officer of the Company : 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

9) GENERAL SHAREHOLDERS' INFORMATION

i) **Annual General Meeting** : TWENTY FOURTH ANNUAL GENERAL MEETING

ii) **Day, Date and time** : Friday the 9th August 2019 at 3.30 P.M.

iii) **Venue** : Savera Hotel, 'Samavesh Hall', No.146,
Dr. Radhakrishnan Road, Mylapore,
Chennai-600 004.

- iv) **Financial year** : 01.04.2018 to 31.03.2019
- v) **Date of Book closure** : From Saturday, 3rd August 2019 to Friday, 9th August 2019
[Both days inclusive]
- vi) **Dividend Payment Date** : on or before 24th August 2019.

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 2019-2020:**

Name of Stock Exchange	Date of Payment
BSE Limited	15.04.2019
National Stock Exchange of India Limited	20.04.2019

ix) **Market Price Data: High, Low during each month in the last financial year 01.04.2018 to 31.03.2019.**
Nominal value of Share Rs.10/- each (Market Share Price in Rs.)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-18	437.00	367.25	437.00	362.60
May-18	424.20	335.20	424.20	339.90
Jun-18	349.95	297.00	346.00	297.00
Jul-18	365.00	293.20	369.90	292.00
Aug-18	353.00	300.00	350.05	300.00
Sep-18	333.00	257.60	345.40	270.00
Oct-18	323.30	252.00	305.00	258.20
Nov-18	305.00	251.25	305.00	261.15
Dec-18	288.00	245.00	283.50	254.75
Jan-19	301.00	230.00	283.50	234.00
Feb-19	252.00	202.00	248.50	202.00
Mar-19	275.00	208.00	275.90	209.00

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

Date	BSE Limited		National Stock Exchange of India Limited	
	Company's Market Price (Close) per share Rs.	Sensex points (Close)	Company's Market Price (Close) per share Rs.	Nifty points (Close)
30-Apr-18	413.30	35,160.36	416.45	10,739.35
31-May-18	337.75	35,322.38	340.40	10,736.15
29-Jun-18	301.75	35,423.48	302.55	10,714.30
31-Jul-18	347.65	37,606.58	349.35	11,356.50
31-Aug-18	307.45	38,645.07	306.05	11,680.50
28-Sep-18	275.10	36,227.14	271.15	10,930.45
31-Oct-18	283.00	34,442.05	284.05	10,386.60
30-Nov-18	268.25	36,194.30	266.80	10,876.75
31-Dec-18	268.50	36,068.33	272.95	10,862.55
31-Jan-19	236.65	36,256.69	235.45	10,830.95
28-Feb-19	209.35	35,867.44	209.90	10,792.50
29-Mar-19	240.05	38,672.91	239.55	11,623.90

xi) The Shares of the Company were 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:

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

- 1) Mr. R. Chellappan, Chairperson
- 2) Mr.R.Sathishkumar, Member

The Share transfers are being approved by the Share transfer Committee and ratified by the Stakeholders relationship Committee and minutes are being placed at the Board Meeting. Share transfers are registered and dispatched within a period of 30 days from the date of receipt, if the documents are correct and valid in all respects.

SEBI, effective April 01, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat form. However, investors are not barred from holding shares in physical form.

xiv) Other Committees of Board:

a) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of the following Members

- 1) Mr. N. Natarajan - Chairperson
- 2) Mr. R. Chellappan - Member
- 3) Mr. V.C. Raghunath - Member

The Corporate Social Responsibility Committee was reconstituted by the Board of Directors in their Meeting held on 08.02.2019. The composition of Committee after reconstitution is given below.

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.

The Committee met on 12th November 2018 and recommended the amount to be spent on CSR during the year 2018-2019. The details of CSR activities carried out by the Company are given in the Annexure - 4

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) Mrs. 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 Consultants in the respective area of specialization for discussions. At present the Company has not identified any element of risk which may threaten the existence of the company.

c) Forex Management Committee

The Company constituted a Forex Management Committee with the following Members.

- 1) Mr. R. Chellappan - Chairperson
- 2) Mr. V. C. Raghunath - Member
- 3) Mr. P.Jagan - 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

There was no meeting held during the financial year

e) Borrowing Committee

The Borrowing Committee comprises of the following members with a power to borrow moneys 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

The Committee met on 25.05.2018, 17.12.2018, 05.01.2019 and 13.03.2019.

xv) Distribution of Shareholding as on 31.03.2019

Shareholding of Nominal Value	Shareholders		Share Amount		
	Rs.	Number	% of total	Rs.	% of total
10-5000		12700	93.85	10460390	10.35
5001-10000		432	3.19	3301240	3.27
10001-20000		205	1.52	3141410	3.11
20001-30000		52	0.38	1348130	1.33
30001-40000		27	0.20	983940	0.97
40001-50000		19	0.14	874750	0.87
50001-100000		39	0.29	2926560	2.90
100001- and above		58	0.43	78021980	77.20
Total		13532	100	101058400	100

xvi) Shareholding pattern as on 31.03.2019:

Category of the Shareholders	No. of fully paid up equity shares held	As a % of Total Voting rights
1. Promoters & Promoter Group:		
Individuals/Hindu undivided Family	5560883	55.03
Bodies Corporate	30	0.00
Employee Trusts	117600	1.16
Total (1)	5678513	56.19
2. Public:		
Mutual Funds	0	0
Financial Institutions / Banks	31224	0.31
Individuals –		
i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	2067739	20.46
ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs	1350963	13.37
Bodies Corporate	233275	2.31
Clearing Members	3386	0.03
Directors or their relatives	360	0.00
HUF	117078	1.16
IEPF	11440	0.11
Non Resident Indians	611862	6.06
Total (2)	4427327	43.81
Grand Total (1+2)	10105840	100

xvii) Dematerialization of shares and liquidity:

The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai to provide facility of trading shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE409B01013. As on March 31, 2019, 1,00,42,285 equity shares of the company, constituting 99.37 % 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.

xxi) Hedging activities:

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

xxii) Plant Locations:

Sl. 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	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspet, Nelamangala Taluk, Bengaluru - 562111, Karnataka.
3	1.1 MW Solar Plant	SF. No. 166 & 169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107, Tamil Nadu.
4	0.5 MW Wind Mill Power Unit - 3 Nos	296,224/1 & 294, Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District - 638657, Tamil Nadu.
5	10 MW Solar Plant	Kolakudi Village, Thottiyam Taluk, Musiri, Trichy - 621208, Tamil Nadu.
6	12 MW Solar Power Plant	SF. No. 894/B2, 895/6, 914/1, 914/4, 913/2, 913/3, 913/4, 913/5, 915, 916, 902/1, 929/B2, 894/B1, 894/B3, 895/1, 895/2, 895/3, 895/4, 895/5, 895/7, 914/2, 914/3, 913/1, 913/6, 902/2, Monjanur Village, Aravakurichi Taluk, Karur District - 630561, Tamil Nadu.
7	3 MW Solar Power Plant	SF. No. 8902/1 & 899/3 Monjanur Village, Aravakurichi Taluk, Karur District - 630561, Tamil Nadu.
Plant Locations of Wholly owned Subsidiaries		
8	Amex Alloys Private Limited - Manufacturing of Iron, Alloy and Investment Casting	SF. No. 289/2, Kunnathur Pudur (PO), Sathy Road, Coimbatore - 641107, Tamil Nadu.
9	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.
10	NOEL Media & Advertising Private Limited - 1 MW Solar Plant	SF. No. 191/15, 191/7, 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.
11	SWELECT Green Energy Solutions Private Limited - 12 MW Solar Plant	(SF. No. 889, 890A, 887, 892, 891A & 891B); (SF. No. 929/A(P) & 929/B1(P)) Monjanur Village, Aravakurichi Taluk, Karur District - 639206, Tamil Nadu.
12	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.
13	SWELECT Power Systems Private Limited -10 MW Solar Power Plant	Huralagere, Thuraganoor and Byaderahalli villages of Kunigal Taluk, Tumkur District - 572130, Karnataka.

xxiii) Address for correspondence:

SWELECT ENERGY SYSTEMS LIMITED

'SWELECT House', No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai - 600 004, Tamil Nadu.

Tel: 044 - 24993266, Fax: 044 - 24995179, Email: info@swelectes.com, cg.ird@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 Practicing Company Secretary on Directors' Qualification:

A certificate has been issued by Mr. R. Kannan, Practicing Company Secretary, 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 2018-19.

xxviii) Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) have been 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 2018-2019, is given below:

(Rupees in Lakhs)

Particulars	Amount paid by the Company	Amount paid by Amex Alloys Private Limited
Services as statutory auditors	25.37	6.85
Tax audit	1.77	1.00
Re-imburement of out-of-pocket expenses	4.07	-
Certification fees	1.06	-
Total	32.27	7.85

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 Chairman 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 under the 'Investors' web link.

11) SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors had a separate meeting on 9.2.2019 to review the performance and evaluation of the Executive and non-Executive Directors, Chairman 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 are listed below:

i) Separate posts of chairperson and chief executive officer

The Company has appointed separate persons to the post of Chairperson and Managing Director.

ii) 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 (as amended).

15) POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

Disclosed on the Company's website www.swelectes.com under the 'Investors' web link.

16) POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

Disclosed on the Company's website www.swelectes.com under the 'Investors' web link.

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 year has been submitted to the Board of Directors, in its meeting held on May 28, 2019, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19) DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT

There were no unclaimed Shares lying with the Company and hence the disclosures in terms of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, is not provided.

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 26.09.2018, the Company has transferred Rs.1,05,438/- towards unpaid / unclaimed dividend for the financial year 2010-2011 to the Investor Education and Protection Fund (IEPF). The Company has also uploaded the information in respect of unclaimed dividends as on the date of the last AGM i.e. August 9, 2018, on the website of IEPF viz. 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 5820 & 450 Equity Shares to the Investor Education and Protection Fund Authority vide Corporate Action on 15.6.2018 and 8.10.2018 pertaining to dividend declared for the financial years 2009-10 and 2010-11 respectively.

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 the Investors page.

The Members who have not claimed their dividend so far for the financial year ended 2011-2012 or any subsequent financial years are requested to lodge their claims with the Company.

For and on behalf of the Board of Directors

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

Chennai
28th May 2019

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.

Chennai
28th May 2019

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.

I have examined the compliance of conditions of Corporate Governance by SWELECT Energy Systems Limited, for the year ended on 31st March 2019, 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. My 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 my opinion and according to the information and explanations given to me and based on the representations made by the Directors and the Management, I 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.

I state that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or such any statutory authority.

I also 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.

Place: Chennai
Date: 28.05.2019

Sd/-
R.Kannan
Practising Company Secretary
FCS No.6718
C P No.3363

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

Date: 28.05.2019

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 2019 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 2018 – March 2019 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

Sd/-
P.JAGAN
Chief Financial Officer

ANNEXURES TO THE BOARD'S REPORT

ANNEXURE - 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL PERIOD ENDED MARCH 31, 2019

[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.

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

Based on my verification of M/s SWELECT Energy Systems Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial period ended on 31st March, 2019 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:

- (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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings is applicable for the year under review;

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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (d) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
- (v) The other laws as may be applicable specifically to the company
 - (a) Electricity Act, 2003
 - (b) The payment of gratuity act, 1972
 - (c) Employees Provident funds and Miscellaneous provisions act, 1952
 - (d) Employees state insurance act, 1948
 - (e) The employees Compensation act , 1923

- (f) The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- (g) The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder
- (h) Environment (Protection) Act, 1986 and rules made thereunder
- (i) Guidelines issue by National Green Tribunal.
- (j) National Tariff Act Policy
- (k) Essential Commodities Act, 1955

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

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

- Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

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

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

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

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 the votes casted by the members for the resolutions and their views are captured and recorded as part of the minutes.

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

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

Sd/-
R.Kannan
Practising Company Secretary
FCS No.6718
C P No.3363

Place: Chennai
Date: 28.05.2019

Annexure-A

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

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

- (a) Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (b) I have followed the audit process as are 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.
- (c) I have not verified the correctness and appropriateness of financial records and Book of Accounts of the company.
- (d) Wherever required, I have obtained the Management representation about compliance of laws, rules and regulations and happening of events, etc.
- (e) The compliance of the provisions of the corporate laws and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- (f) 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.

Sd/-
R.Kannan
Practising Company Secretary
FCS No.6718
C P No.3363

Place: Chennai
Date: 28.05.2019

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:
 - a. Overall reduction in energy consumption in all the facilities across India
 - b. Active process optimization measures taken at the module manufacturing factory to improve operational efficiency
 - c. Maximizing performance of the already installed rooftop Solar installations
 - d. Installation of a new water generation technology (from air and using solar power) in various solar power plants in India. This leads to lesser consumption of bottled water and availability of off grid port water in remote locations
- (ii) The steps taken by the company for utilizing alternate sources of energy;
 - a. Amex Alloys Group (Alloys, Irons and Investment casting foundries) utilizes Renewable Power from solar & Wind Energy Generators (WEG) plants through energy wheeling scheme thus lot of cost saving plus ensuring uninterrupted productivity. AMEX is the first foundry group in India that runs with > 90% of its power needs from Renewable Sources (Solar & Wind)
 - b. The hot water requirement for canteen in Amex alloys and Balance of System (BOS) factory is now being supplied by a solar power and water hybrid system. This supplies both solar power for the electrical equipment and hot water for canteen
 - c. Usage of the new air and solar based water generation system to provide clean drinking water at various facilities
- (iii) The capital investment on energy conservation equipment:
 - a. Installed solar water hybrid systems in Amex alloys and the BOS factory to reduce power consumption and provision of hot water for the canteen use
 - b. Investment into new water generation product in various locations across India

(B) Technology absorption-

- (i) The efforts made towards technology absorption:
 - a. The evaluation and validation of a new hybrid solar system to support power generation and heating / cooling requirement
 - b. In line with the Government of India's initiative – National Mission on Electric Mobility exploration on Swelect's role into e-mobility is going on
- (ii) The expenditure incurred on Research and Development during the year is Rs. 84.85 lakhs and previous year it was Rs. 45.00 lakhs

(C) Foreign exchange earnings and Outgo-

The foreign exchange earnings and outgo of the Company for the period under review were Rs. 21.98 Lakhs and Rs. 7885.17 Lakhs respectively.

For and on behalf of the Board of Directors

Chennai
28th May 2019

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

ANNEXURE-3
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L93090TN1994PLC028578
Registration Date	12/09/1994
Name of the Company	SWELECT ENERGY SYSTEMS LIMITED
Category/ Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
Address of the Registered office and contact details	“SWELECT HOUSE” No.5, Sir P.S. Sivasami Salai, Mylapore, Chennai - 600 004 Tamil Nadu Ph: 044-24993266, Fax: 044-24995179 Email: info@swelectes.com, cg.ird@swelectes.com. Website: www.swelectes.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Cameo Corporate Services Ltd., “Subramanian Building”, No.1, 5th Floor, Club House Road, Chennai - 600002, Tamil Nadu. Ph: 044 28460390 Email: investor@cameoindia.com. Website: www.cameoindia.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company :

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Sale of product: Manufactured and Traded goods (Solar Modules, Mounting structures, Transformers and Inverters)	2790	79.47
Electric power generation using solar energy	35105	16.01

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :-

Sl. No	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	AMEX ALLOYS PRIVATE LIMITED SF No.289/2,Kunnathur Pudur (Po), Sathy Road, Coimbatore, Tamil Nadu-641107	U27310TZ2003PTC010905	Subsidiary Company	100%	Section 2(87)
2	SWELECT GREEN ENERGY SOLUTIONS (P) LTD 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31100TN2010PTC078425	Subsidiary Company	100%	Section 2(87)
3	SWELECT SOLAR ENERGY PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31104TN2008PTC068923	Subsidiary Company	100%	Section 2(87)

Sl. No	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
4	SWELECT POWER SYSTEMS PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31103TN2012PTC084184	Subsidiary Company	100%	Section 2(87)
5	NOEL MEDIA & ADVERTISING PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U40300TN2006PTC061718	Step down Subsidiary	100% held by SWELECT Solar Energy Private Limited	Section 2(87)
6	K J SOLAR SYSTEMS PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U29307TN2014PTC113480	Step down Subsidiary	100% held by SWELECT Solar Energy Private Limited	Section 2(87)
7	SWELECT ENERGY SYSTEMS PTE. LIMITED 2 Kallang Pudding Road, 02-12 Mactech Building, Singapore-349307	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. Singapore	Subsidiary Company	100%	Section 2(87)
8	SWELECT Inc 2773 B, Hartland Rd, Falls Church Virginia - 22043	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. UNITED STATES OF AMERICA	Subsidiary Company	100%	Section 2(87)
9	SWELECT ENERGY SYSTEMS LLC 2773 B, Hartland Rd, Falls Church Virginia - 22043	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. UNITED STATES OF AMERICA	Step down Subsidiary	100% held by SWELECT Inc	Section 2(87)

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

i. Category-wise Shareholding

FACE VALUE: RS.10/- EACH

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP										
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	5526655	0	5526655	54.6877	5560883	0	5560883	55.0264	0.3386
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	30	0	30	0.0003	30	0	30	0.0003	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	TRUSTS	0	0	0	0.0000	117600	0	117600	1.1637	1.1637*
SUB - TOTAL (A)(1)		5526685	0	5526685	54.6880	5678513	0	5678513	56.1904	1.5024*

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (A)(2)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	5526685	0	5526685	54.6880	5678513	0	5678513	56.1904	1.5024*
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	52533	0	52533	0.5198	0	0	0	0.0000	-0.5198
b.	FINANCIAL INSTITUTIONS / BANKS	12150	0	12150	0.1203	31224	0	31224	0.3090	0.1887
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (B)(1)	64683	0	64683	0.6401	31224	0	31224	0.3090	-0.3310
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE									
i	INDIAN	250372	700	251072	2.4844	232575	700	233275	2.3083	-0.1761
ii	OVERSEAS	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	INDIVIDUALS									
i	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1775312	73589	1848901	18.2953	1849807	62855	1912662	18.9263	0.6309
ii	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1537017	0	1537017	15.2091	1506040	0	1506040	14.9026	-0.3065
c	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
i	CLEARING MEMBERS	10799	0	10799	0.1068	3386	0	3386	0.0335	-0.0733
ii	DIRECTORS AND THEIR RELATIVES	560	0	560	0.0055	360	0	360	0.0035	-0.0019
iii	HINDU UNDIVIDED FAMILIES	125106	0	125106	1.2379	117078	0	117078	1.1585	-0.0794
iv	IEPF	5170	0	5170	0.0511	11440	0	11440	0.1132	0.0620
v	NON RESIDENT INDIANS	618247	0	618247	6.1177	611862	0	611862	6.0545	-0.0631
vi	EMPLOYEE TRUSTS	117600	0	117600	1.1636	0	0	0	0.0000	-1.1636
	SUB - TOTAL (B)(2)	4440183	74289	4514472	44.6719	4332548	63555	4396103	43.5006	-1.1712
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	4504866	74289	4579155	45.3120	4363772	63555	4427327	43.8096	-1.5023
	TOTAL (A)+(B)	10031551	74289	10105840	100.0000	10042285	63555	10105840	100.0000	0.0000

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	TOTAL CUSTODIAN (C)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	GRAND TOTAL (A)+(B)+(C)	10031551	74289	10105840	100.0000	10042285	63555	10105840	100.0000	0.0000

*Consequent to the Consolidation of financials of SWEES Employee Welfare Trust – (Employee Trusts established by the Company) with the Company for the financial year ended 31.3.2018, it has been categorised under promoter category w.e.f. 30.6.2018

ii. Shareholding of promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No of shares of the company	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares of the company	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	CHELLAPPAN.R	4889681	48.3847	0	4919278	48.6775	0	0.2928
2	BALAN A	309728	3.0648	0	312333	3.0906	0	0.0257
3	V C RAGHUNATH (Holding on behalf of SWEES Employees Welfare Trust)	0	0	0	117600	1.1636	0	1.1636*
4	NACHIAPPAN K.V.	110232	1.0907	0	110232	1.0907	0	0
5	GUNASUNDARI C	82086	0.8122	0	82086	0.8122	0	0
6	MIRUNALINI V C	41962	0.4152	0	43838	0.4337	0	0.0185
7	RAGHUNATH V C	39010	0.3860	0	39010	0.3860	0	0
8	AARTHI BALAN	16400	0.1622	0	16400	0.1622	0	0
9	PREETHA BALAN	16200	0.1603	0	16200	0.1603	0	0
10	VASANTHA B	11256	0.1113	0	11256	0.1113	0	0
11	RISHII NANDHAN K N	10000	0.0989	0	10000	0.0989	0	0
12	JAYASHREE NACHIAPPAN	100	0.0009	0	250	0.0024	0	0.0014
13	SWELECT ELECTRONICS PRIVATE LIMITED	30	0.0002	0	30	0.0002	0	0

*The shareholding of SWEES Employees Welfare Trust was re-classified in the promoter group shareholding.

iii. Changes in promoters' Shareholding

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
1	CHELLAPPAN.R				
	At the beginning of the year 01-Apr-2018	4889681	48.3847	4889681	48.3847
	Purchase 24-Aug-2018	1500	0.0148	4891181	48.3995
	Purchase 31-Aug-2018	2500	0.0247	4893681	48.4242
	Purchase 07-Sep-2018	2250	0.0222	4895931	48.4465
	Purchase 14-Sep-2018	2095	0.0207	4898026	48.4672
	Purchase 21-Sep-2018	2087	0.0206	4900113	48.4879
	Purchase 28-Sep-2018	3693	0.0365	4903806	48.5244
	Purchase 05-Oct-2018	2000	0.0197	4905806	48.5442
	Purchase 12-Oct-2018	1500	0.0148	4907306	48.5591
	Purchase 30-Nov-2018	500	0.0049	4907806	48.5640
	Purchase 07-Dec-2018	2000	0.0197	4909806	48.5838
	Purchase 14-Dec-2018	2799	0.0276	4912605	48.6115
	Purchase 21-Dec-2018	1418	0.0140	4914023	48.6255
	Purchase 28-Dec-2018	1029	0.0101	4915052	48.6357

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
	Purchase 31-Dec-2018	500	0.0049	4915552	48.6407
	Purchase 04-Jan-2019	950	0.0094	4916502	48.6501
	Purchase 11-Jan-2019	1598	0.0158	4918100	48.6659
	Purchase 18-Jan-2019	1178	0.0116	4919278	48.6775
	At the end of the Year 31-Mar-2019	4919278	48.6775	4919278	48.6775
2	BALAN A				
	At the beginning of the year 01-Apr-2018	309728	3.0648	309728	3.0648
	Purchase 07-Sep-2018	181	0.0017	309909	3.0666
	Purchase 14-Sep-2018	624	0.0061	310533	3.0728
	Purchase 21-Sep-2018	300	0.0029	310833	3.0757
	Purchase 28-Sep-2018	1500	0.0148	312333	3.0906
	At the end of the Year 31-Mar-2019	312333	3.0906	312333	3.0906
3	MIRUNALINI V C				
	At the beginning of the year 01-Apr-2018	41962	0.4152	41962	0.4152
	Purchase 21-Sep-2018	234	0.0023	42196	0.4175
	Purchase 28-Sep-2018	670	0.0066	42866	0.4241
	Purchase 05-Oct-2018	537	0.0053	43403	0.4294
	Purchase 12-Oct-2018	233	0.0023	43636	0.4317
	Purchase 19-Oct-2018	100	0.0009	43736	0.4327
	Purchase 02-Nov-2018	1	0.0000	43737	0.4327
	Purchase 30-Nov-2018	100	0.0009	43837	0.4337
	Purchase 07-Dec-2018	1	0.0000	43838	0.4337
	At the end of the Year 31-Mar-2019	43838	0.4337	43838	0.4337
4	JAYASHREE NACHIAPPAN				
	At the beginning of the year 01-Apr-2018	100	0.0009	100	0.0009
	Purchase 05-Oct-2018	150	0.0015	250	0.0024
	At the end of the Year 31-Mar-2019	250	0.0024	250	0.0024

Note: Apart from the above, there was no change in Promoters' Shareholding.

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

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
1	HITESH SATISHCHANDRA DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2018	387025	3.8297	387025	3.8297
	At the end of the Year 31-Mar-2019	387025	3.8297	387025	3.8297
2	K.SATISH				
	At the beginning of the year 01-Apr-2018	120201	1.1894	120201	1.1894
	At the end of the Year 31-Mar-2019	120201	1.1894	120201	1.1894
3	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2018	102000	1.0093	102000	1.0093
	At the end of the Year 31-Mar-2019	102000	1.0093	102000	1.0093
4	SATISHCHANDRA SHANTILAL DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2018	101771	1.0070	101771	1.0070
	At the end of the Year 31-Mar-2019	101771	1.0070	101771	1.0070
5	B.G. GIRI				
	At the beginning of the year 01-Apr-2018	91350	0.9039	91350	0.9039
	Purchase 08-Jun-2018	500	0.0049	91850	0.9088
	Purchase 15-Jun-2018	500	0.0049	92350	0.9138
	Purchase 22-Jun-2018	501	0.0049	92851	0.9187

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
	Purchase 29-Jun-2018	98	0.0009	92949	0.9197
	Purchase 06-Jul-2018	912	0.0090	93861	0.9287
	Purchase 13-Jul-2018	500	0.0049	94361	0.9337
	Purchase 20-Jul-2018	3426	0.0339	97787	0.9676
	Purchase 27-Jul-2018	2213	0.0218	100000	0.9895
	At the end of the Year 31-Mar-2019	100000	0.9895	100000	0.9895
6	BHAGYALAKSHMI SUNDARAM				
	At the beginning of the year 01-Apr-2018	93900	0.9291	93900	0.9291
	At the end of the Year 31-Mar-2019	93900	0.9291	93900	0.9291
7	KETAN DEDHIA JT1 : KUMUD DEDHIA				
	At the beginning of the year 01-Apr-2018	80116	0.7927	80116	0.7927
	At the end of the Year 31-Mar-2019	80116	0.7927	80116	0.7927
8	CHANDRA PARAMASIVAM				
	At the beginning of the year 01-Apr-2018	63008	0.6235	63008	0.6235
	At the end of the Year 31-Mar-2019	63008	0.6235	63008	0.6235
9	RAMACHANDRAN R				
	At the beginning of the year 01-Apr-2018	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2019	62400	0.6174	62400	0.6174
10	ESWARA GOUNDAN N				
	At the beginning of the year 01-Apr-2018	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2019	62400	0.6174	62400	0.6174

v. Shareholding of Directors and Key Managerial Personnel:

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
	Directors				
1	CHELLAPPAN R				
	At the beginning of the year 01-Apr-2018	4889681	48.3847	4889681	48.3847
	Purchase 24-Aug-2018	1500	0.0148	4891181	48.3995
	Purchase 31-Aug-2018	2500	0.0247	4893681	48.4242
	Purchase 07-Sep-2018	2250	0.0222	4895931	48.4465
	Purchase 14-Sep-2018	2095	0.0207	4898026	48.4672
	Purchase 21-Sep-2018	2087	0.0206	4900113	48.4879
	Purchase 28-Sep-2018	3693	0.0365	4903806	48.5244
	Purchase 05-Oct-2018	2000	0.0197	4905806	48.5442
	Purchase 12-Oct-2018	1500	0.0148	4907306	48.5591
	Purchase 30-Nov-2018	500	0.0049	4907806	48.5640
	Purchase 07-Dec-2018	2000	0.0197	4909806	48.5838
	Purchase 14-Dec-2018	2799	0.0276	4912605	48.6115
	Purchase 21-Dec-2018	1418	0.0140	4914023	48.6255
	Purchase 28-Dec-2018	1029	0.0101	4915052	48.6357
	Purchase 31-Dec-2018	500	0.0049	4915552	48.6407
	Purchase 04-Jan-2019	950	0.0094	4916502	48.6501
	Purchase 11-Jan-2019	1598	0.0158	4918100	48.6659
	Purchase 18-Jan-2019	1178	0.0116	4919278	48.6775
	At the end of the Year 31-Mar-2019	4919278	48.6775	4919278	48.6775

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares of the company	% of total shares of the company	No of shares of the company	% of total shares of the company
2	A. BALAN				
	At the beginning of the year 01-Apr-2018	309728	3.0648	309728	3.0648
	Purchase 07-Sep-2018	181	0.0017	309909	3.0666
	Purchase 14-Sep-2018	624	0.0061	310533	3.0728
	Purchase 21-Sep-2018	300	0.0029	310833	3.0757
	Purchase 28-Sep-2018	1500	0.0148	312333	3.0906
	At the end of the Year 31-Mar-2019	312333	3.0906	312333	3.0906
3	NACHIAPPAN K.V.				
	At the beginning of the year 01-Apr-2018	110232	1.0908	110232	1.0908
	At the end of the Year 31-Mar-2019	110232	1.0908	110232	1.0908
4	MIRUNALINI V C MS.				
	At the beginning of the year 01-Apr-2018	41962	0.4152	41962	0.4152
	Purchase 21-Sep-2018	234	0.0023	42196	0.4175
	Purchase 28-Sep-2018	670	0.0066	42866	0.4241
	Purchase 05-Oct-2018	537	0.0053	43403	0.4294
	Purchase 12-Oct-2018	233	0.0023	43636	0.4317
	Purchase 19-Oct-2018	100	0.0009	43736	0.4327
	Purchase 02-Nov-2018	1	0.0000	43737	0.4327
	Purchase 30-Nov-2018	100	0.0009	43837	0.4337
	Purchase 07-Dec-2018	1	0.0000	43838	0.4337
	At the end of the Year 31-Mar-2019	43838	0.4337	43838	0.4337
5	RAGHUNATH V. C.				
	At the beginning of the year 01-Apr-2018	39010	0.3860	39010	0.3860
	At the end of the Year 31-Mar-2019	39010	0.3860	39010	0.3860
6	S. ANNADURAI				
	At the beginning of the year 01-Apr-2018	175	0.0017	175	0.0017
	At the end of the Year 31-Mar-2019	175	0.0017	175	0.0017
7	JAYASHREE NACHIAPPAN				
	At the beginning of the year 01-Apr-2018	100	0.0009	100	0.0009
	Purchase 05-Oct-2018	150	0.0015	250	0.0024
	At the end of the Year 31-Mar-2019	250	0.0024	250	0.0024
8	G. S. SAMUEL				
	At the beginning of the year 01-Apr-2018	10	0.0001	10	0.0001
	At the end of the Year 31-Mar-2019	10	0.0001	10	0.0001
9	KRISHNAN SUDARSANAM				
	At the beginning of the year 01-Apr-2018	Nil	Nil	Nil	Nil
	At the end of the Year 31-Mar-2019	Nil	Nil	Nil	Nil
10	NARAYANASWAMI NATARAJAN *				
	At the beginning of the year 01-Apr-2018	25	0.0002	25	0.0002
	At the end of the Year 31-Mar-2019	25	0.0002	25	0.0002
* Director till 31.03.2019					
Chief Financial Officer					
11	P JAGAN				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	At the end of the Year 31-Mar-2019	0	0.0000	0	0.0000
Company Secretary					
12	R. SATHISHKUMAR				
	At the beginning of the year 01-Apr-2018	0	0.0000	0	0.0000
	At the end of the Year 31-Mar-2019	0	0.0000	0	0.0000

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8,437.96	0	0	8,437.96
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	15.88	0	0	15.88
Total (i+ii+iii)	8,453.84	0	0	8,453.84
Change in Indebtedness During the financial year				
• Addition	2,435.48	0	0	2,435.48
• Reduction	1,546.95	0	0	1,546.95
Net Change	888.53	0	0	888.53
Indebtedness at the end of the financial year				
i) Principal Amount	9,328.97	0	0	9,328.97
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	13.40	0	0	13.40
Total (i+ii+iii)	9,342.37	0	0	9,342.37

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of MD / WTD / Manager					Total amount
		R. Chellappan	A. Balan	V. C. Raghunath	V. C. Mirunalini	K. V. Nachiappan	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.15	21.00	9.79	7.91	19.89	82.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.41	10.61	2.37	1.26	5.66	25.31
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission						
	- as % of profit	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
TOTAL (A)		29.56	31.61	12.16	9.17	25.55	108.05
Ceiling as per the Act							178.35

B. Remuneration to Other directors:

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors					Total amount
		V.M. Sivasubramaniam	N. Natarajan	S. Krishnan	G.S.Samuel	S. Annadurai	
1	Independent Directors						
	Fee for attending board / committee meetings	0.10	1.00	0.40	1.05	0.95	3.50
	Commission	3.00	3.00	-	-	-	6.00
	Others, please specify	-	-	-	-	-	-
	Total (1)	3.10	4.00	0.40	1.05	0.95	9.50

Sl. No	Particulars of Remuneration	Name of Directors					Total amount
2	Other Non-Executive Directors	Jayashree Nachiappan	-	-	-	-	
	Fee for attending board / committee meetings	1.15					1.15
	Commission	-					-
	Others, please specify	-					-
	Total (2)	1.15	-	-	-	-	1.15
	Total (B)=(1+2)	4.25	4.00	0.40	1.05	0.95	10.65
	Total (A+B)						118.70
	Less: Sitting Fees						4.65
	Total Managerial Remuneration						114.05
	Overall Ceiling as per the Act						196.18

C. Remuneration to Key Managerial Personnel :

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of Key Managerial Personnel		Total amount
		R. Sathishkumar Company Secretary	P. Jagan Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.41	28.41	36.82
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
5	Others, please specify	-	-	-
	TOTAL	8.41	28.41	36.82

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

For and on behalf of the Board of Directors

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

Chennai
28th May 2019

ANNEXURE-4

CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 8 and 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

The Company has a Corporate Social Responsibility (CSR) committee comprising of the following directors.

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

*Due to retirement of Mr. N. Natarajan, Mr. S. Annadurai was appointed as Chairman of the Committee with effect from 1.4.2019.

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

The Company is required to spend 2% of the average net profit of the Company in pursuance of Section 135 of the Companies, Act 2013 as detailed below. (Rs. In Lakhs)

Financial Year	2015-16	2016-17	2017-18
Profit as per section 198 of Companies Act,2013	3153.75	1593.65	1840.30
Average Profit for 3 years			2195.90
2% on the above			43.92

The budget amount arrived for the CSR activities was Rs.43.92 Lakhs for the financial year 2018-2019.

During the year the following amounts were spent towards the CSR activities

(Rs. In Lakhs)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify state and district where projects or Programs was undertaken	Amount outlay (Budget) Project or Programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure up to the reporting Period	Amount Spent direct or through Implementing Agency
1	Drinking water and Promoting Education	Drinking water and Promoting Education	Local area where the plant is located, Coimbatore District, Tamil Nadu.	5.00	5.00	5.00	Through Implementing Agency (Rotary Club, Coimbatore)
2	"Hands on Science" @ Corporation schools	Promoting Education	Local area Chennai district, Tamil Nadu	1.00	1.00	1.00	Through Implementing Agency (Samskriya Foundation, Chennai)
3	Comprehensive care for HIV/AIDs, Leprosy & TB victims	promoting and preventive health care	Local area where the plant is located, Salem District, Tamil Nadu	25.00	25.00	25.00	Through Implementing Agency (Dr. Typhagne Memorial Charitable (DTMC) Trust, Salem)
4	Drinking water facility	Drinking water	Other area, Vellore district, Tamil Nadu	9.73	9.73	9.73	Through Implementing Agency (International Justice Mission, Chennai)
	TOTAL			40.73	40.73	40.73	

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

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

Sd/-
R. CHELLAPPAN
Member-CSR Committee

Sd/-
S. ANNADURAI
Chairman-CSR Committee

Policy on Corporate Social Responsibility

Preamble

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

Objective

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

Guiding Principles

The Corporate Social Responsibility Committee shall,

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

Role of the Committee

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

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

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

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

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

Our CSR activities includes

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

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

Conclusion

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

ANNEXURE-5

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

INTERPRETATION

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

GUIDING PRINCIPLES

The Policy ensures that

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE

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

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

MEMBERSHIP

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

CHAIRMAN

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

FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

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

VOTING

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

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

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

Term / Tenure:

Independent Director:

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

Evaluation:

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

Removal:

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

Retirement:

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

PROVISIONS RELATING TO REMUNERATION OF KMP AND SENIOR MANAGEMENT

General:

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.

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.

Annexure- 6

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	: 11:1
	2. Mr. A. Balan	: 12:1
	3. Mr. V.C. Raghunath	: 4:1
	4. Mrs. V. C. Mirunalini	: 3:1
	5. Mr. K. V. Nachiappan*	: 9:1
	6. Mr. V.M. Sivasubramaniam**	: 1:1
	7. Mr. N. Natarajan	: 1:1
	8. Mr. G.S.Samuel	No remuneration was paid for the financial year 2018-2019 except sitting fees
	9. Mrs. Jayashree Nachiappan	
	10. Mr. S. Annadurai	
	11. Mr. S. Krishnan***	
* salary calculated from the date of appointment i.e., 20.4.2018		
**Resigned on 26.04.2018		
***Appointed w.e.f.28.07.2018.		
(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	: -44.52%
	2.Mr.A.Balan, JMD	: -27.61%
	3.Mr. V.C. Raghunath, WTD	: 20.74%
	4.Mr. V.M. Sivasubramaniam	: 20.00%
	5.Mr. N. Natarajan	: 20.00%
	6.Mrs.V.C.Mirunalini,WTD	: Not comparable*
	7.Mr. K. V. Nachiappan, WTD	: Not comparable**
	8.Mr.P.Jagan, CFO	: 2.89%
	9.Mr.R.Sathishkumar,CS	: 4.63%
*Appointed as a Whole Time Director with effect from 28.6.2017.		
** Appointed as a Whole Time Director w.e.f. 20.4.2018.		
(iii) The percentage increase in the median remuneration of employees in the financial year;	8.69%	
(iv) The number of permanent employees on the rolls of company	265	
(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 : 4.89%	
	Percentage increase in the managerial remuneration: -3.60%	
(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.	

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(2) of 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
<p>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 :</p> <p>Mr. K. V. Nachiappan : Rs.25.55 Lakhs per annum</p> <p>There was one employee as provided in the Top Ten List (Serial No.3) was in receipt of remuneration in excess of Mr. K. V. Nachiappan, Whole Time Director</p> <p>Mr. V. C. Raghunath : Rs.12.15 Lakhs per annum</p> <p>There were 7 employees as provided in the Top Ten List (Serial No.3 and 5 to 10) and another one employee, were in receipt of remuneration in excess of Mr. V.C. Raghunath, Whole Time Director.</p> <p>Mrs. V.C. Mirunalini : Rs.9.17 Lakhs per annum</p> <p>There were 7 employees as provided in the Top Ten List (Serial No.3 and 5 to 10) and another six employees were in receipt of remuneration in excess of Mrs. V. C. Mirunalini, Whole Time Director</p> <p>The above said Employees are not holding two percent or more of the Equity shares in the Company either by themselves or along with their spouse and dependent children.</p>	

d) Top ten employees in terms of remuneration drawn during the financial year 2018-2019

S. No.	Employee Name & Designation	Remuneration received (Rs. 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	A Balan	31.61	Regular	B.E (EEE), 48 Years	03-10-2015	66	Novateur Electrical & Digital Systems Private Limited	3.52	No
2	R Chellappan Managing Director	29.56	Regular	B.E (EEE), 47 Years	12-09-1994	66	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.	50.31	Father of Mr. V.C. Raghunath & Mrs. V. C. Mirunalini Whole Time Directors
3	P Jagan Chief Financial Officer	28.41	Regular	B.Sc., FCA 23 Years	08/03/2013	53	Goodearth Maritime Limited	Nil	No
4	K. V. Nachiappan Whole Time Director	25.55	Regular	B.E (EEE) 31 Years	20/04/2018	53	Novateur Electrical and Digital Systems Private Limited	1.19	Husband of Mrs. Jayashree Nachiappan, Non-Executive Director
5	HR Vasuki Chief Operating Officer	24.02	Regular	M.Sc, 24 Years & 8 months	05/08/2008	49	GE Thermometrics India Private Limited	Nil	No
6	S Nataraj Senior Assistant Vice President (Renewable Energy Projects)	21.82	Regular	M.Tech (Chemical Engg) 12 Years & 8 months	22/12/2014	37	Ernst & Young, Chartered Accountants	Nil	No
7	Arindam Sarker Chief Technical Officer	21.37	Regular	Ph.D, 21 Years	01/04/2008	45	Hind High Vacuum Co. (Pvt.) Ltd.	Nil	No
8	Prakash Das Senior Assistant Vice President (Projects)	16.49	Regular	B.E, PGDASD, ME, 15 Years & 5 months	01/11/2011	42	Leonics Company Limited	Nil	No
9	L Mohana Rao Assistant General Manager - Accounts and Finance	13.90	Regular	M.Com, MBA, 26 Years & 7 months	11/02/2008	49	HHV Solar Technologies Private limited	Nil	No
10	V Venkatesh Vice President- Operational and Special Projects	13.26	Regular	B.E, 28 Years & 4 months	25/12/2014	49	Novateur Electrical & Digital Systems Private Limited	0.003	No

INDEPENDENT AUDITOR'S REPORT

To The Members of Swelect Energy Systems Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Swelect Energy Systems Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2019 and the Statement of Profit and Loss (including Other Comprehensive Income), 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 Ind AS 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 2019 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 Ind AS 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 Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 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 Ind AS financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS 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>Evaluation of impairment of investments made and advances given to certain operating subsidiaries of the Company whose net worth is substantially eroded / incurring continuous losses.</p> <p>Investments made aggregating to Rs. 10,349.17 lakhs [Refer Note 6 to the Standalone Financial Statements] and loans given aggregating to Rs. 4,674.96 lakhs [Refer Note 7C to the Standalone Financial Statements] and trade receivables Rs.406.04 lakhs [Refer Note 10 to the Standalone Financial Statements] to certain operating subsidiaries of the Company whose net worth is substantially eroded / incurring continuous losses, is considered good and recoverable based on Management's judgment in estimating future cash flows used as part of the impairment analysis.</p> <p>The judgment includes forecasted revenues/cash flows and discount rate in the projection period. As any adverse changes to these two assumptions could result into reduction in the fair value determined resulting in a potential impairment to be recognised.</p>	<p>Principal audit procedures performed:</p> <p>We have performed the following procedures:</p> <ol style="list-style-type: none"> Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which inter-alia includes the completeness and accuracy of the input data considered, reasonableness of assumptions considered in determining the future projections and the assumptions considered in preparing the impairment calculations. Obtained the investment valuations (prepared by Management or as carried out by external valuations) and performed the following procedures: <ol style="list-style-type: none"> Conducted discussions with the Company personnel to identify factors, if any, that should be taken into account in the analysis. Compared the actual revenues and cash flows generated by the subsidiaries during the year as to the projections and estimates considered in the previous year/ or as considered during the initial bid/plan. Evaluated the appropriateness of the key assumptions considered, including discount rate, growth rate, etc. considering the historical accuracy of the Company's estimates in the prior periods and comparison of the assumptions with public data wherever available.

Information Other than the Standalone Ind AS 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, but does not include the consolidated Ind AS financial statements, Standalone Ind AS financial statements and our auditor's report thereon.
- Our opinion on the Standalone Ind AS 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 Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS 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 Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Ind AS 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 Ind AS 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) 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 Ind AS 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 Ind AS financial statements, including the disclosures and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Ind AS 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 Ind AS 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 controls, 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 Ind AS 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 Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone 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 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2019 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 Ind AS financial statements.
 - ii. The Company did not have any material foreseeable losses on long-term contracts and the Company did not have any derivative contracts.
 - iii. There has been no delay in transferring amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

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 2019 in conjunction with our audit of the Standalone Ind AS 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 controls over financial reporting criteria established by the Company 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. 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, 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 controls 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 controls 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 controls 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 controls 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 2019, based on the criteria for internal financial controls over financial reporting established by the Company 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

Place: Chennai
Date: 28 May 2019
Ref. : JT/MS/2019/47

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)

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Property, Plant and Equipment are physically verified 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. According to the information and explanation given to us, 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 Ind AS Financial Statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) 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, no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, in respect of which:
- a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- b. The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- c. There is no overdue amount remaining outstanding as at the balance sheet date.
- (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) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods & Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Goods & Service Tax, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax and Service Tax which have not been deposited as on 31 March 2019 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.
Service tax	Differential tax and Interest	2.92	2011-2012	Central Excise and Service Tax Appellate Tribunal (CESTAT)
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	1,950.76	2009-2010 / 2012-2013 2013-2014 2015-2016	Commissioner of Income Tax (CIT) Appeals

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not issued any debentures and has not borrowed any money from financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans raised during the year were applied for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and, hence, reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, wherever applicable, for all transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, hence, reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

Place: Chennai
Date: 28 May 2019
Ref. : JT/MS/2019/47

SWELECT ENERGY SYSTEMS LIMITED

Balance Sheet as at 31 March 2019

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

PARTICULARS	Note No.	As at 31 March 2019	As at 31 March 2018
A) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	12,167.43	6,415.06
(b) Capital work-in-progress		120.46	128.73
(c) Investment Property	4	1,607.39	1,672.85
(d) Other Intangible assets	5	6,849.56	7,193.27
(e) Financial Assets			
(i) Investment in Subsidiaries - Equity Shares	6	15,244.92	6,666.93
(ii) Other Non Current Investments	7(a)	530.35	6,830.35
(iii) Loans	7(c)	526.62	9,853.82
(iv) Other financial assets	7(d)	99.57	192.19
(v) Bank balances	7(e)	1,604.48	19.54
(f) Income Tax Asset (Net)	18	362.35	53.08
(g) Other non-current assets	8	72.20	727.15
Total Non-current assets		39,185.33	39,752.97
Current assets			
(a) Inventories	9	4,541.46	5,694.90
(b) Financial Assets			
(i) Investments	7(b)	25,249.66	26,646.33
(ii) Loans	7(c)	8,034.41	474.62
(iii) Trade receivables	10	1,778.04	3,171.05
(iv) Cash and cash equivalents	11	180.88	1,879.59
(v) Bank balances	7(e)	6,136.56	5,965.95
(vi) Other financial assets	7(d)	1,077.20	781.82
(c) Other Current assets	12	603.75	304.89
Total current assets		47,601.96	44,919.15
TOTAL ASSETS		86,787.29	84,672.12

PARTICULARS	Note No.	As at 31 March 2019	As at 31 March 2018
(B) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	1,010.58	1,010.58
(b) Other Equity	14	66,940.32	66,309.92
Total Equity		67,950.90	67,320.50
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	624.34	908.98
(ii) Other financial liabilities	17	115.59	115.63
(b) Provisions	19	454.34	374.76
Total Non-current liabilities		1,194.27	1,399.37
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	8,471.92	6,812.78
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		8,082.54	7,571.62
(iii) Other financial liabilities	17	345.77	1,077.67
(b) Other current liabilities	21	346.13	128.90
(c) Provisions	19	395.76	361.28
Total Current liabilities		17,642.12	15,952.25
TOTAL LIABILITIES		18,836.39	17,351.62
Total Equity and Liabilities		86,787.29	84,672.12

See accompanying notes forming part of the Standalone Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

Sd/-
Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

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

Place: Chennai
Date: 28 May 2019

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

Statement of Profit and Loss for the year ended 31 March 2019

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

PARTICULARS	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations	22	11,984.43	17,382.92
Other Income	23	3,494.58	3,807.93
Total Income		15,479.01	21,190.85
Expenses			
Cost of raw materials and components consumed	24	3,981.26	13,650.38
Purchase of traded goods		1,151.75	356.34
Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods	25	1,904.36	(1,400.55)
Excise duty		-	8.50
Employee benefits expense	26	1,264.19	1,140.03
Depreciation and amortisation expense	28	1,415.41	1,343.04
Other expenses	27	3,507.33	2,425.68
Finance costs	29	744.63	580.58
Total expenses		13,968.93	18,104.00
		1,510.08	3,086.85
Add: Exceptional items	42	30.00	-
Profit before tax		1,540.08	3,086.85
Tax Expense			
Current tax	18	434.73	739.92
Income tax expense		434.73	739.92
Profit for the year		1,105.35	2,346.93

PARTICULARS	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Other Comprehensive Income (OCI)			
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans	31	15.77	(52.23)
Income Tax Effect	18	(3.40)	11.15
Other Comprehensive Income for the year, net of tax		12.37	(41.08)
Total Comprehensive Income for the year		1,117.72	2,305.85
Earnings per share (Face Value of Rs. 10/- each)			
1. Basic (in INR)	30	10.94	23.22
2. Diluted (in INR)	30	10.94	23.22

See accompanying notes forming part of the Standalone Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

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Place: Chennai
Date: 28 May 2019

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Joint Managing Director
DIN:00017091

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2019

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

PARTICULARS	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit after taxation	1,105.35	2,346.93
Adjustments to reconcile profit after tax to net cash flows:		
Tax expense	434.73	739.92
Depreciation/amortisation	1,415.41	1,343.04
(Gain)/Loss on investments carried at fair value through Profit and Loss	207.23	(1,500.00)
Unrealised foreign exchange loss/(gain),net	-	41.87
Net gain from the sale of current investment	(1,929.29)	(82.26)
Dividend income - Mutual Fund	-	(3.48)
Provision for bad and doubtful debts and Bad debts written off	147.38	47.45
Provision for warranties	59.51	-
Liabilities no longer required, written back	(6.77)	(16.58)
Provision no longer required written back (Net)	(25.90)	(140.08)
Interest expense	723.94	558.14
Interest income	(1,692.61)	(1,989.85)
Gain on sale of Property,Plant and Equipment	(5.25)	(1.10)
Exchange Differences (net)	319.22	-
Loss on retirement of Property,Plant and Equipment	-	29.23
Operating profit before working capital changes	752.95	1,373.23
Movement in working capital :		
Decrease in trade receivables	1,245.63	2,630.58
Decrease /(Increase) in current and non-current assets	270.81	(130.18)
Decrease /(Increase) in inventories	1,153.44	(923.91)
(Decrease)/Increase in trade payables, other current and long- term liabilities	(314.74)	318.18
Increase in provisions	79.01	15.14
Increase in current and non-current Financial assets	-	(2,310.74)
Cash flow generated from operations	3,187.10	972.30
Taxes paid, net	(730.19)	(793.35)
Net cash flow generated from operating activities (A)	2,456.91	178.95

PARTICULARS	For the year ended 31 March 2019	For the year ended 31 March 2018
B. Cash flow from investing activities:		
Capital expenditure	(6,751.83)	(2,674.84)
Redemption of current investments	3,118.73	66.97
Sale of Property, Plant & Equipment	6.74	-
Investment in subsidiary	-	(9.00)
Loan Repayment Received from Subsidiaries	481.48	-
Bank deposits (placed) / redeemed (having original maturity of more than three months)	(1,755.55)	(1,427.34)
Interest received	583.07	2,022.65
Dividend received on mutual fund	-	3.48
Sale of Vehicles	-	1.10
Net cash flow (used in) investing activities (B)	(4,317.36)	(2,016.98)
C. Cash flow from financing activities:		
Repayment of long- term borrowings	(1,060.98)	(3.57)
Interest paid	(723.94)	(553.01)
Dividend paid	(406.85)	(404.23)
Dividend tax paid	(81.22)	(82.29)
Net cash flow (used in) financing activities (C)	(2,272.99)	(1,043.10)
Net (Decrease) in cash and cash equivalents (A + B + C)	(4,133.44)	(2,881.13)
Cash and cash equivalents at the beginning of the year	(3,243.25)	(362.12)
Closing cash and cash equivalents	(7,376.69)	(3,243.25)
Cash and Cash equivalents (Refer Note 11(a))	(7,376.69)	(3,243.25)

See accompanying notes forming part of the Standalone Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

Sd/-

Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

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

Place: Chennai
Date: 28 May 2019

Sd/-

A.Balan
Joint Managing Director
DIN:00017091

Sd/-

P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED
Statement of Changes in Equity for the year ended 31 March 2019
(All amounts are in INR Lakhs, unless otherwise stated)

a. Equity Share Capital

As at 1 April 2017	Changes in Equity Share Capital during the year (Refer Note 13)	Balance as at 31 March 2018	Changes in Equity Share Capital during the year (Refer Note 13)	Balance as at 31 March 2019
1,010.58	-	1,010.58	-	1,010.58

b. Other Equity

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities Premium	Retained Earnings	General Reserve	
Balance as at 1 April 2017	152.64	4,796.48	41,439.33	18,102.14	64,490.59
Profit for the period	-	-	2,346.93	-	2,346.93
Other Comprehensive Income (Net of tax)	-	-	(41.08)	-	(41.08)
Dividend for the year 2016-17	-	-	(404.23)	-	(404.23)
Dividend Distribution Tax for the year 2016-17	-	-	(82.29)	-	(82.29)
Balance at 31 March 2018	152.64	4,796.48	43,258.66	18,102.14	66,309.92
Profit for the period	-	-	1,105.35	-	1,105.35
Other Comprehensive Income (Net of tax)	-	-	12.37	-	12.37
Dividend for the year 2017-18	-	-	(404.23)	-	(404.23)
Dividend Distribution Tax for the year 2017-18	-	-	(83.09)	-	(83.09)
Balance at 31 March 2019	152.64	4,796.48	43,889.06	18,102.14	66,940.32

See accompanying notes forming part of the Standalone Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

Sd/-
Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

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

Place : Chennai
Date: 28 May 2019

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

Sd/-
P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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.

Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material..

(b) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR/ Rs.), which is the Company's functional currency. All the financial information have been presented in Indian Rupees 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 2019 is included in the following notes:

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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 Group has an established control framework with respect to the measurement of fair values whereby the valuation is obtained from an external independent valuer, 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..

- 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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

- ♦ 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.

(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 significant 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 dispatch as such services are generally considered insignificant to the contract.

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty (until 30 June 2017).

However, 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 upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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 realizing 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.

(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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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 are 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. 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 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.

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 Company 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 Company. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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.

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

The Company's financial statements are presented in INR, 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

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 and 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.

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Notes to Standalone financial statements for the year ended 31 March 2019

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 and Equipment is recognised in the Statement of 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 is not ready for their intended use and other 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 assets estimated by the Management as follows:

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

(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 and Equipment. 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, the useful lives of the following classes of Property, Plant and Equipment.

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

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

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

(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 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 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.

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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 Group'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 performed by an accredited external independent valuer applying a valuation model recommended by an independent valuer.

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.

The difference between the net disposal proceeds and the carrying amount of the asset 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 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 the Property, Plant and Equipment. 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.

(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 recognise a contingent liability but discloses its existence in the financial statements.

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Notes to Standalone financial statements for the year ended 31 March 2019

(q) Provision for Warranty

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 upto 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.

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:

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Notes to Standalone financial statements for the year ended 31 March 2019

- 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.

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.

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.

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Notes to Standalone financial statements for the year ended 31 March 2019

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.

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

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Notes to Standalone financial statements for the year ended 31 March 2019

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 to make cash, 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.

(v) Cash flow statement

Cash flows are presented using indirect method, whereby Profit 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

In accordance with Ind AS 101 provisions related to first time adoption, the Company had elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, have been carried forward.

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.

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Notes to Standalone financial statements for the year ended 31 March 2019

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.

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Notes to Standalone financial statements for the year ended 31 March 2019
(All amounts are in INR Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Land	Buildings	Plant and Machinery	Office & Electrical Equipment	Computers	Furniture and Fittings	Vehicles	Leasehold Improvements	Total
Cost									
As at 1 April 2017	1,108.83	640.01	5,891.01	244.24	35.89	262.59	88.74	4.58	8,275.89
Additions	-	38.12	111.07	5.87	8.19	0.08	46.39	-	209.72
Deletions	-	(20.30)	(23.00)	-	-	-	(6.10)	-	(49.40)
Other Transfers (Refer Note (i) below)	-	(4.24)	-	-	-	-	-	-	(4.24)
As at 31 March 2018	1,108.83	653.59	5,979.08	250.11	44.08	262.67	129.03	4.58	8,431.97
Additions	-	-	6,660.75	76.18	8.72	1.15	9.24	-	6,756.04
Deletions (Refer Note (ii) below)	(1.49)	-	-	-	-	-	-	-	(1.49)
Other Transfers (Refer Note (i) below)	(19.73)	-	(36.42)	33.82	1.75	-	-	-	(20.58)
As at 31 March 2019	1,087.61	653.59	12,603.41	360.11	54.55	263.82	138.27	4.58	15,165.94
Depreciation									
As at 1 April 2017	-	55.32	756.07	93.08	25.71	90.68	27.78	3.18	1,051.82
Charge for the year	-	29.21	828.29	50.78	8.08	48.78	20.42	0.49	986.05
Deletions	-	(2.33)	(11.74)	-	-	-	(6.10)	-	(20.17)
Other Transfers (Refer Note (i) below)	-	(0.79)	-	-	-	-	-	-	(0.79)
As at 31 March 2018	-	81.41	1,572.62	143.86	33.79	139.46	42.10	3.67	2,016.91
Charge for the year	-	30.98	832.51	47.83	8.07	41.79	20.69	0.04	981.91
Deletions	-	-	-	-	-	-	-	-	-
Other Transfers (Refer Note (i) below)	-	-	(4.61)	4.09	0.21	-	-	-	(0.31)
As at 31 March 2019	-	112.39	2,400.52	195.78	42.07	181.25	62.79	3.71	2,998.51
Net Block									
As at 31 March 2018	1,108.83	572.18	4,406.46	106.25	10.29	123.21	86.93	0.91	6,415.06
As at 31 March 2019	1,087.61	541.20	10,202.89	164.33	12.48	82.57	75.48	0.87	12,167.43

Notes:

- (i) Other transfers represent assets being reclassified to other categories for use in the business operations of the Company.
- (ii) Deletions during the year ended 31 March 2018 comprises of Property, Plant and Equipment written off during the year (Gross block of Rs.43.40 lakhs, Accumulated Depreciation Rs.14.07 lakhs and Net Block Rs.29.23 lakhs).
- (iii) Gross Block of Plant and Machinery as at 31 March 2019 includes Rs. 665.80 lakhs (31 March 2018- Rs. 665.80 lakhs), being used by Amex Alloys Private Limited, a wholly owned Subsidiary, under an operating lease agreement entered into with the Subsidiary.
- (iv) 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 Rs. 34.24 lakhs (31 March 2018 -39.72 lakhs).

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Notes to Standalone financial statements for the year ended 31 March 2019

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

4 Investment Property

Particulars	As at 31 March 2019	As at 31 March 2018
Cost	1,928.34	1,924.10
Additions during the year		-
Deletions during the year		-
Other Transfers (Refer Note 3(i))	19.73	4.24
Closing Balance	1,948.07	1,928.34
Depreciation		
Opening balance	255.49	169.80
Charge for the year	85.19	84.90
Other Transfers (Refer Note 3(i))	-	0.79
Closing Balance	340.68	255.49
Net Block	1,607.39	1,672.85

Other Non-current investments

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Rental income derived from Investment Property	370.67	527.70
(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	-	2.22
Profit arising from Investment Property before depreciation and indirect expenses	370.67	525.48
Less – Depreciation	(85.19)	(84.90)
Profit arising from Investment Property before indirect expenses	285.48	440.58

Measurement of fair values:

Description of valuation techniques used and key inputs for valuation of Investment Property:

As at 31 March 2019 and 31 March 2018, the fair value of the Property is Rs. 10,009.95 lakhs and Rs. 3,063.78 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.

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Notes to Standalone financial statements for the year ended 31 March 2019

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

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 (β) 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:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield).
- An opposite change in the long term vacancy rate.

Reconciliation of fair value:

Particulars	Amount
Gross Block as at 31 March 2019	1,948.07
Fair value difference (net)	8,061.88
Fair Value as at 31 March 2019	10,009.95

5 Other Intangible assets

Particulars	Certification Process	Service Concession Arrangement (Refer Note below)	Computer Software	Total
Cost				
As at 1 April 2017	93.94	5,972.73	27.61	6,094.28
Additions	9.55	1,817.42	0.29	1,827.26
Deletions	-	-	-	-
As at 31 March 2018	103.49	7,790.15	27.90	7,921.54
Additions	-	-	4.06	4.06
Deletions	-	-	-	-
Other Transfers (Refer Note 3(i) below)	-	-	0.85	0.85
As at 31 March 2019	103.49	7,790.15	32.81	7,926.45
Amortisation				
As at 1 April 2017	28.26	420.62	7.30	456.18
Charge for the year	6.07	251.20	14.82	272.09
Deletions	-	-	-	-
As at 31 March 2018	34.33	671.82	22.12	728.27
Charge for the year	28.42	316.18	3.71	348.31
Deletions	-	-	-	-
Other Transfers (Refer Note 3(i) below)	-	-	0.31	0.31
As at 31 March 2019	62.75	988.00	26.14	1,076.89
Net block				
As at 31 March 2018	69.16	7,118.33	5.78	7,193.27
As at 31 March 2019	40.74	6,802.15	6.67	6,849.56

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

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 IndAS 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 financial asset or
- 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 Other Intangible asset. The Other Intangible asset is amortised over the agreement period.

Also Refer Note 22 and Note 24.

- Other Intangible asset with a carrying amount of Rs. 825.66 lakhs (as at 31 March 2018: Rs. 860.30 lakhs) has been pledged to secure borrowings of the Company (Refer Note 16). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to an another entity.
- Other Intangible asset with a carrying amount of Rs.5,079.99 lakhs (as at 31 March 2018: Rs. 5,318.91 lakhs) has been pledged in favour of the Grantor against the grant received and receivable from the Grantor.

6 Financial Assets

Investments in Subsidiaries - Unquoted Equity Shares (At cost)

	As at 31 March 2019	As at 31 March 2018
4,44,000 (31 March 2018 : 4,44,000) Equity shares of Swelect Solar Energy Private Limited, Rs.100/- each fully paid	444.00	444.00
1,22,32,500 (31 March 2018 : 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 2018 : 65,00,000) Equity shares of Amex Alloys Private Limited, Rs.10/- each fully paid	1,636.18	1,636.18
18,60,953 (31 March 2018 : 1,35,000) Equity shares of Swelect Green Energy Solutions Private Limited, Rs.100/- each fully paid (Refer Note below)	8,712.99	135.00
10,000 (31 March 2018 : 10,000) Equity warrants of SWELECT Inc, USA, USD 10/- each fully paid	68.85	68.85
10,000 (31 March 2018 : 1,000) Equity shares of Swelect Power Systems Private Limited, Rs.100/- each fully paid	10.00	10.00
Total	15,244.92	6,666.93
Aggregate book value of unquoted investments	15,244.92	6,666.93
Non-Current	15,244.92	6,666.93

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

Note:

The Company during the year made further investment of 17,25,953 Equity shares (face value of Rs. 100/- per share) with a premium of Rs. 397/- per share based on fair value determined, by a valuation carried out by Level 1 Merchant Banker, by conversion of the outstanding 10 % Compulsorily Convertible Debentures of Rs. 6,300 lakhs and unsecured loan of Rs. 2,277.99 lakhs granted to Swelect Green Energy Solutions Private Limited, a wholly owned subsidiary of the Company.

7. Financial Assets

7(a) Other Non-current investments

Particulars	As at 31 March 2019	As at 31 March 2018
Unquoted Investment in equity shares at fair value through Statement of Profit and Loss		
3,00,000 (31 March 2018 : 3,00,000) Equity shares of Rs.10/- each fully paid in Gem Sugars Limited	30.00	30.00
3,520 (31 March 2018 : 3,520) Equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35
Unquoted Investment in debt instruments of subsidiary carried at amortised cost		
NIL (31 March 2018: 63,00,000) of 10% compulsorily convertible Debentures of Swelect Green Energy Solutions Private Limited , Rs.100/- each fully paid. (Refer note 6)	-	6,300.00
Investment in tax free bonds (unquoted) carried at amortised cost		
50,000 (31 March 2018: 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited (Refer Note below)	500.00	500.00
Total	530.35	6,830.35
Aggregate book value of unquoted investments	530.35	6,830.35

Note : Investment in tax free bonds are non-derivative financial assets which generate an effective interest income of 8.51% for the Company.

7(b) Current investments

Investments at fair value through profit or loss (FVTPL)

Quoted Mutual funds

Particulars	As at 31 March 2019	As at 31 March 2018
1,921,876.42 (31 March 2018: 1,921,876.42) units of Aditya Birla Sunlife Banking & PSU Debt fund - Regular - Growth #	4,576.15	4,258.23
NIL (31 March 2018: 5,965,315.96) units of Edelweiss Banking and PSU Debt Fund - Regular Plan Growth *	-	857.44
NIL (31 March 2018: 9,817,676.82) units of HSBC Income Fund - STP Growth **	-	2,788.47
13,525,932.84 (31 March 2018: 13,525,932.84) units of UTI Short term income Fund - Growth *	3,044.71	2,856.99
NIL (31 March 2018: 17,339,638.21) units of SBI Short term debt fund - Direct Plan - Growth	-	3,554.78
17,441,16.160 (31 March 2018: 20,163,916.17) units of UTI Short term income Fund - Institutional - Growth**	3,926.93	4,259.08
403,680.641 (31 March 2018: 316,156.84) units of ICICI Prudential Savings - Fund Growth **	1,447.53	1,053.23
426,181.35 (31 March 2018: 315,383.90) units of Aditya Birla Sunlife Saving Fund Growth **	1,572.53	1,077.69
LIC Endowment Plus ##	9.80	5.00
NIL (31 March 2018: 99,386.45) units of HSBC Low Duration Fund Growth	-	15.17

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

Particulars	As at 31 March 2019	As at 31 March 2018
1,00,00,000 (31 March 2018: 1,00,00,000) units of HSBC Fixed Term Series 129 Growth NIL (31 March 2018: 4,717,843.47) units of IDFC Bond Fund Short Term Regular Plan Growth **	1,122.45	1,048.90
NIL (31 March 2018: 16,588,846.66) units of HDFC Medium term Opportunities Fund-Growth **	-	1,667.89
156,456,76.566 (31 March 2018: NIL) units of Franklin India Ultra Short Bond Fund Super Institutional Plan Growth *	4,109.93	-
29,242.952 (31 March 2018: NIL) units of Franklin India Short Term Income Retail Plan Growth	1,168.92	-
67,994.421 (31 March 2018: NIL) units of UTI Liquid Cash Plan -Regular Growth @	2,073.78	-
75,332.351 (31 March 2018: NIL) units of SBI Liquid Fund Regular Growth @	2,196.93	-
Total	25,249.66	26,646.33
Aggregate cost of quoted investments	21,379.70	22,564.13
Aggregate market value of quoted investments	25,249.66	26,646.33
Current	25,249.66	26,646.33

Note:

* Investments marked have been pledged as collateral securities with Banks for availment of working capital and term loans for the Company. (Refer Note 16).

** Investments marked have been pledged as collateral securities with Banks for availment of term loans for the Company and its subsidiary (Refer Note 16).

Investment marked has been pledged partly as collateral security with a Bank for availment of working capital and term loan for the Company and term loan for one or more of the Subsidiaries of the Company (Refer Note 16).

@ Investments marked have been pledged partly as collateral security with a Bank for availment of term loan for one of the Subsidiary of the Company (Refer Note 16).

Investment in LIC Endowment Fund initially taken in the name of the Managing Director has been subsequently assigned to the Company.

7(c) Financial assets carried at Amortised cost

Loans (Unsecured, considered good, unless otherwise stated) carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Loans to Related parties (Refer Note 2 below) (Also Refer Note 33)	-	9,300.58
Other Financial Assets (Refer Note 1 below)	526.62	553.24
Total	526.62	9,853.82
(ii) Current		
Loans to employees	1.45	1.02
Loans to Related parties (Refer Note 2 below) (Also Refer Note 33)	7,650.65	-
Other Financial Assets (Refer Note 1 below)	382.31	473.60
Total	8,034.41	474.62
Total (i)+(ii)	8,561.03	10,328.44

Notes:

- Other financial assets are non-derivative financial assets which generate an effective interest income of 8.50 % - 16.58 % for the Company.
- Loans to related parties are non-derivative financial assets repayable on demand which generate an interest income of 8.5 % for the Company.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

7(d) Other financial assets (Unsecured, considered good, unless otherwise stated) carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Balance with Government authorities	380.01	472.63
Provision for doubtful advance	(280.44)	(280.44)
Total	99.57	192.19
(ii) Current		
Earnest money deposit	48.95	48.95
Interest accrued on fixed deposits	87.69	88.53
Renewable Energy Certificate Receivable	-	370.53
Balance with Government authorities	268.47	290.39
Other Current Financial assets	703.68	15.01
Provision for doubtful advance	(31.59)	(31.59)
Total	1,077.20	781.82
Total	1,176.77	974.01
Considered good	864.74	661.98
Considered doubtful	312.03	312.03

**7(e) Bank balances
(Carried at amortised cost)**

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Deposits with original maturity more than 12 months #	1,604.48	19.54
Total	1,604.48	19.54
(ii) Current		
Deposits with original maturity more than 3 months and less than 12 months #	6,136.56	5,965.95
Total	6,136.56	5,965.95
Total	7,741.04	5,985.49

The balance in deposit accounts bears an average interest rate of 6.75% and have been pledged as collateral securities with Banks for availing funding and non-funding limits for the Company and Foreign Currency Non Resident Loans for its subsidiary. (Refer Note 16).

8 Other Non-current Assets (Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances	11.57	727.15
Prepaid expenses	60.63	-
Total	72.20	727.15

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

9 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials and components	2,506.78	1,738.07
Raw materials in transit	226.75	215.49
Work-in-progress (Refer Note below)	27.07	96.74
Finished goods	1,044.88	2,283.11
Traded goods	735.98	1,332.44
Stores and spares	-	29.05
Total	4,541.46	5,694.90

Note: Work-in Progress comprises of Solar Photo Voltaic Panels, mechanical and electrical items.

10 Trade receivables (Unsecured, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Receivables considered good, Unsecured	1,778.04	3,171.05
(b) Receivables which have significant increase in Credit Risk	158.47	68.70
(c) Receivables - credit impaired	153.76	153.76
	2,090.27	3,393.51
Less : Allowance for Expected Credit Loss	(312.23)	(222.46)
Total	1,778.04	3,171.05

11 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks:		
On current accounts	141.17	417.16
On unpaid dividend accounts	29.37	30.12
Deposits with original maturity less than 3 months	1.76	1,423.46
(Refer Note below)		
Cash on hand	8.58	8.85
Total	180.88	1,879.59

Note:The balance on deposit accounts bears an interest rate of 7.5% and have been pledged with Banks as collateral securities for availing Bank guarantees for the Company.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

(All amounts are in INR 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 2019	As at 31 March 2018
Balances with Banks:		
On current accounts	141.17	417.16
Deposits with original maturity less than 3 months	1.76	1,423.46
Cash on hand	8.58	8.85
	151.51	1,849.47
Less: Bank overdrafts (Refer Note 16)	(7,528.20)	(5,092.72)
Total	(7,376.69)	(3,243.25)

12 Other Current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good:		
Supplier advances	167.29	192.56
Prepaid expenses	93.98	76.33
Other receivables	342.48	36.00
Total	603.75	304.89

13 Equity Share Capital

Particulars	Equity Shares of Rs. 10/- each	
	Nos.	Amount
Authorised Share Capital		
As at 31 March 2018	470,00,000	4,700.00
Increase/(Decrease) during the year	-	-
As at 31 March 2019	470,00,000	4,700.00
Issued, Subscribed & Fully paid up	Nos.	Amount
Issue of Equity Share Capital	-	-
As at 31 March 2018	101,05,840	1,010.58
Issue of Equity Share Capital	-	-
As at 31 March 2019	101,05,840	1,010.58

a. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The 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 Rs.10/- each fully paid	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
R. Chellappan, Managing Director	49,19,278	48.68%	48,89,681	48.38%

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

14 Other Equity

Other Equity movement during the years 2017-18 and 2018-19:-

Particulars	Capital Reserve	Securities Premium (Refer Note (i) below)	Retained Earnings (Refer Note (iii) below)	General Reserve (Refer Note (ii) below)	Total
As at 1 April 2017	152.64	4,796.48	41,439.33	18,102.14	64,490.59
Profit for the year	-	-	2,346.93	-	2,346.93
Other comprehensive income- Remeasurement of Defined Benefit Plans (Refer Note (iii) below)	-	-	(41.08)	-	(41.08)
Distribution made during the year	-	-	(486.52)	-	(486.52)
As at 31 March 2018	152.64	4,796.48	43,258.66	18,102.14	66,309.92
Profit for the year	-	-	1,105.35	-	1,105.35
Distribution made during the year	-	-	(487.32)	-	(487.32)
Other comprehensive income- Remeasurement of Defined Benefit Plans (Refer Note (iii) below)	-	-	12.37	-	12.37
As at 31 March 2019	152.64	4,796.48	43,889.06	18,102.14	66,940.32

- (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.
- (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 2019	As at 31 March 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended 31 March 2018 : Rs. 4/- per share (31 March 2017: Rs. 4/- per share)	404.23	404.23
Dividend Distribution tax on final Dividend	83.09	82.29
Proposed dividends on Equity shares:		
Proposed Dividend for the year ended 31 March 2019: Rs. 2.50 /- per share (31 March 2018: Rs. 4/- per share)	252.65	404.23
Dividend Distribution Tax (DDT) on Proposed Dividend	51.93	83.09

Proposed Dividend of Rs. 2.50/- per share on Equity shares are subject to the approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2019.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

16 Borrowings

Financial Liabilities carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Term loan from Banks	610.54	885.75
Vehicle loan	13.80	23.23
Total	624.34	908.98
Secured Borrowings	624.34	908.98

Details of long term borrowings are given below:

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Term loan - 1	173.75	8.65%	INR	Repayable in quarterly instalments of Rs. 43.44 lakhs each, ending March 2020	Mutual funds
Term loan - 2	660.08	10.05%	INR	Repayable in quarterly instalments (Rs.25.37 lakhs each till December 2025 and Rs.27.15 lakhs for March 2026) starting from December 2019 each, ending March 2026.	2 MW Solar Plant installed at Integral Coach Factory, Chennai
Vehicle Loan	23.23	8.00%	INR	Loan obligation plus interest, is payable in 48 equal monthly instalments.	Vehicle
Sub Total	857.06				
Less: Current Portion	232.72				
Non-Current Borrowings	624.34				

Particulars	As at 31 March 2019	As at 31 March 2018
(ii) Current		
Term loan from Banks	943.72	943.72
Bank overdrafts	7,528.20	5,092.72
External Commercial Borrowing (ECB)	-	776.34
Total Current Borrowings	8,471.92	6,812.78
Secured loans	8,471.92	6,812.78

Details of Short Term Borrowings are given below:

Particulars	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Bank overdrafts	7,528.20	7.40% - 9.00%	INR	Repayable on demand	Fixed deposits and Mutual funds
Term loan - 3	943.72	8.80%	INR	Bullet repayment terms; interest payable monthly	Mutual funds
Total Short Term Borrowings	8,471.92				

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

17 Other Financial Liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Rental deposits	115.59	115.63
Total	115.59	115.63
(ii) Current		
Current maturities of long-term debt (Refer Note 16)	232.72	716.20
Unpaid dividend	29.37	30.12
Interest accrued	13.40	15.88
Capital creditors	1.71	218.98
Rental deposits	31.36	46.85
Statutory dues payable	37.21	49.64
Total	345.77	1,077.67
Total (i+ii)	461.36	1,193.30

18 (a) Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Impact on difference between tax, depreciation and amortisation charged for the financial reporting	1,887.53	1,508.31
Gross deferred tax liabilities	1,887.53	1,508.31
Deferred tax assets		
Carry forward business loss and unabsorbed depreciation	(1,887.53)	(1,508.31)
Gross deferred tax assets	(1,887.53)	(1,508.31)
Total Deferred tax liabilities (net)	-	-

(b) Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Statement of Profit or Loss:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	438.13	728.77
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Total	438.13	728.77

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

As at 31 March 2019, the Company has total eligible deferred tax asset of Rs.2,520.33 lakhs (including on account of business loss, unabsorbed depreciation and MAT Credit entitlement) as per the revised 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 depreciate and MAT Credit, the Company has recognised deferred tax asset to the extent of Rs.1,887.53 Lakhs towards carried forward tax losses and unabsorbed depreciation and unused tax credits 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 2019 and 31 March 2018:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting Profit before income tax (including other comprehensive income)	1,555.85	3,034.62
Minimum Alternate Tax (MAT) Adjustments:		
Add: Allowance for Expected Credit Loss	126.27	32.21
Add: Interest on late payment of Tax Deducted at Source	-	0.28
Less: Dividend income earned on Mutual Funds	-	(3.48)
Book Profit for MAT Calculation	1,682.12	3,063.63
At India's statutory income tax rate of 21.5488% (31 March 2018: 21.34%) (Refer Note below)	21.5488%	21.34%
Derived Tax Charge for the year	362.49	653.84
Adjustments:		
Tax impact on account of one fifth of the amount credited to the opening reserves as at 31 March 2016 pursuant to transition to Ind AS	75.64	74.93
Net derived tax charge	438.13	728.77
Income tax expense reported in the Statement of Profit & Loss	438.13	728.77

Note: During the current year, the Company is required to pay tax as per the provisions of Minimum Alternate tax under the provisions of Section 115JB of the Income Tax Act, 1961. Accordingly, the effective rate of tax has been considered as 21.5488%

(c) Income Tax asset

Income tax asset of Rs. 362.35 lakhs as at 31 March 2019 (As at 31 March 2018 Rs. 53.08) represents the tax deducted at source/advance tax, net of provision for income tax.

19 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-current		
Provision for warranties (Refer Note below)	338.02	271.62
Provision for gratuity (Refer Note 31)	116.32	103.14
Total	454.34	374.76
(ii) Current		
Provision for warranties (Refer Note below)	56.07	63.77
Provision for gratuity (Refer Note 31)	4.78	10.00
Provision for compensated absences	91.78	58.19
Provision for Income tax (net of advance tax)	243.13	229.32
Total	395.76	361.28
Total (i) + (ii)	850.10	736.04

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

Note: Provision for warranties

Particulars	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	335.39	475.47
Arising during the year	59.51	128.18
Utilisation/Reversal/Discounting of warranties	(0.81)	(268.26)
At the end of the year	394.09	335.39
Non-current portion	338.02	271.62
Current portion	56.07	63.77

20 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables (Refer note below regarding dues to micro, small and medium enterprises)	2,327.68	1,877.96
Trade payables to Related parties (Refer Note 33)	5,754.86	5,693.66
Total	8,082.54	7,571.62

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

21 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	346.13	128.90
Total	346.13	128.90

22 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations		
(a) Sale of Products (Refer Note 22.1(i) below)	9,149.24	12,704.04
(b) Sale of Services (Refer Note 22.1(ii) below)	366.32	334.51
(c) Sale of Power	1,404.90	1,189.77
(d) Revenue from Service Concession Arrangements	-	2,225.00
(e) Other Operating Revenue (Refer Note 22.1(iii) below)	1,063.97	929.60
Total	11,984.43	17,382.92

22.1 Disaggregation of the revenue information

The tables below presents disaggregated revenues from contracts with customers for the year ended 31 March 2019 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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

(i) Sale of Products comprises the following:-

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Manufactured goods		
Solar Photovoltaic Panels	3,366.84	8,976.86
Solar Power Generating Systems and accessories"	5,173.53	3,485.99
Traded goods	608.87	241.19
Total	9,149.24	12,704.04

(ii) Sale of Services comprises the following:-

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Installation	170.17	235.03
Annual Maintenance Contracts	113.18	81.16
Others	82.97	18.32
Total	366.32	334.51

(iii) Other operating revenue comprises the following:-

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Scrap Sales	7.95	8.60
Rental Income	541.80	528.00
Renewable Energy Certificate Income (net)	514.22	393.00
Total	1,063.97	929.60

No other single customers contributed 10% or more to the Company's revenue during the financial years 2018-19 and 2017-18.

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

23 Other Income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Exchange differences (net)	-	57.04
Gain on sale of investments (net)	1,929.29	82.26
Gain on investments carried at fair value through Profit and Loss	(207.23)	1,500.00
Dividend income on investments carried at fair value through Profit and Loss	-	3.48
Provision no longer required written back (Net)	25.90	140.08
Liabilities no longer required, written back	6.77	16.58
Other non-operating income	66.79	18.64
Finance Income from Related parties (Refer Note 33)	1,109.54	1,362.27
Others	563.52	627.58
Total	3,494.58	3,807.93

24 Cost of raw material and components consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	1,953.56	2,433.50
Add: Purchases	4,761.23	11,214.45
Add: Cost incurred towards Service Concession arrangement (Refer Note 5)	-	1,955.99
	6,714.79	15,603.94
Less: Inventories at the end of the year	2,733.53	1,953.56
Total	3,981.26	13,650.38

25 Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the end of the year		
Traded goods	735.98	1,332.44
Work-in-progress	27.07	96.74
Finished goods	1,044.88	2,283.11
	1,807.93	3,712.29
Inventories at the beginning of the year		
Traded goods	1,332.44	436.72
Work-in-progress	96.74	94.78
Finished goods	2,283.11	1,780.25
	3,712.29	2,311.75
Total	1,904.36	(1,400.55)

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

26 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	1,101.27	978.05
Contribution to provident and other funds	57.33	61.64
Gratuity expense (Refer Note 31)	39.51	23.50
Staff welfare expenses	66.08	76.84
Total	1,264.19	1,140.03

27 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sub-contracting and processing expenses	1,205.36	803.53
Consumption of stores and spares	32.87	50.45
Service and maintenance charges	12.10	10.70
Power and fuel	150.27	174.57
Wheeling charges	8.22	13.30
Freight and forwarding charges	114.30	108.32
Rent (Refer Note 32)	152.51	151.52
Rates and taxes	39.78	71.97
Insurance	50.97	22.68
Repairs and maintenance		
- Plant & Machinery	101.03	71.93
- Buildings	33.30	35.76
- Others	79.10	75.98
Corporate Social Responsibility (Refer Note (i) below)	40.73	21.09
Sales promotion	108.51	61.86
Advertisement	100.40	57.31
Security charges	61.95	65.45
Travelling and conveyance	167.67	159.28
Communication costs	44.05	38.79
Printing and stationery	22.15	22.00
Legal and professional fees	193.18	166.07
Payment to auditor (Refer Note (ii) below)	32.27	26.99
Exchange differences (net)	319.22	-
Liquidated damages	34.36	9.02
Provision for Doubtful/Trade/Other receivables	126.27	32.21
Bad debts/advances written off	21.11	15.24
Net loss on retirement of Property, Plant and Equipment	-	29.23
Provision for warranties (net of reversals) (Refer Note 19)	59.51	-
Directors' sitting fees	4.65	4.10
Miscellaneous expenses	191.49	126.33
Total	3,507.33	2,425.68

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

Notes:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Corporate Social Responsibility		
Gross amount required to be spent by the Company during the year	43.91	35.38
Amount spent during the year	40.73	21.09
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, providing drinking water, promoting health and preventive health care to underprivileged people.		
(ii) Payment to auditor		
Audit fee	18.29	15.50
Limited review	7.08	7.00
Tax Audit Fee	1.77	1.50
Certification	1.06	1.42
Reimbursement of expenses	4.07	1.57
	32.27	26.99

The above fee is net of input credit for GST and Service Tax wherever applicable.

28 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of Property, Plant and Equipment	981.91	986.05
Depreciation of Investment Property	85.19	84.90
Amortisation of Other Intangible assets	348.31	272.09
Total	1,415.41	1,343.04

29 Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings	723.94	558.14
Bank and other charges	20.69	22.44
Total	744.63	580.58

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 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders of the Company (A)	1,105.35	2,346.93
Weighted average number of Equity shares for basic and diluted EPS (B)	1,01,05,840	1,01,05,840
Basic Earnings per share (A/B) Rs.	10.94	23.22
Diluted Earnings per share (A/B) Rs.	10.94	23.22

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

31 Defined Contribution Plan

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	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's Contribution to Provident Fund	57.33	61.64
Defined Benefits Plan - Gratuity Plan (funded)		
Particulars	As at 31 March 2019	As at 31 March 2018
Reconciliation of opening and closing balances of obligation		
Defined Benefit obligation as at the beginning of the year	207.12	125.49
Current Service Cost	26.22	16.99
Interest Cost	15.29	6.01
Past Service Cost	-	7.26
Actuarial (gain) / loss	(15.77)	52.31
Benefits paid	(6.29)	(0.94)
Defined Benefit obligation as at the end of the year	226.57	207.12
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets as at the beginning of the year	93.98	80.08
Expected return on plan assets	17.78	6.76
Actuarial gain	-	0.09
Employer's contribution	-	7.99
Benefits paid	(6.29)	(0.94)
Fair value of plan assets as at the end of the year	105.46	93.98
Reconciliation of fair value of assets and obligations		
Fair value of plan assets	105.46	93.98
Present value of obligation	226.57	207.12
Net Obligation disclosed as :		
- Current	4.78	10.00
- Non - Current	116.32	103.14
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Recognised in profit or loss		
Current Service Cost	26.22	16.99
Expected return on plan assets	(17.77)	(6.76)
Interest Cost	15.29	6.01
Past Service Cost	-	7.26
	23.74	23.50
Recognised in other comprehensive income:		
Actuarial loss / (gain)	(15.77)	52.22
Net Cost	7.97	75.72

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

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 2019	As at 31 March 2018
Investments details:		
Fund with LIC	105.47	93.98
Total	105.47	93.98

The principal assumptions used in determining provision for gratuity and compensated absences are shown below:

Particulars	Gratuity	
	2018-19	2017-18
Discount rate	7.45%	7.64%
Future salary increases	10.00%	10.00%
Expected Return on Plan Assets	7.64%	7.64%
Employee Turnover	8.00%	8.00%
Contribution Expected to be paid during the next year	4.78	10.00
Compensated Absences		
Discount rate	7.45%	7.64%
Future salary increases	10.00%	10.00%
Employee turnover	8.00%	8.00%

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is as shown below:

Gratuity plan:

Assumptions - Sensitivity Level	For the year ended 31 March 2019			
	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
Discount rate	8.45%	6.45%	207.79	248.19
Future salary increases	11.00%	9.00%	247.02	208.10
For the year ended 31 March 2018				
Assumptions - Sensitivity Level	Sensitivity Level		Impact on defined benefit obligations	
	1% increase	1% decrease	Amount	Amount
	Discount rate	8.64%	6.64%	189.91
Future salary increases	11.00%	9.00%	226.67	189.59

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 10 years (31 March 2018: 10 years).

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2019

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

32 Commitments and Contingencies

Particulars	As at 31 March 2019	As at 31 March 2018
Operating leases: Company as lessee		
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Not later than one year	100.55	131.19
Later than one year but not later than five years	24.89	166.86
Later than five years	82.05	-
Total	207.49	298.05
Operating leases: Company as lessor		
Future minimum rentals receivable under non-cancellable operating lease are as follows:		
Not later than one year	273.27	496.20
Later than one year but not later than five years	492.73	979.65
Later than five years	-	-
Total	766.00	1,475.85

33 Related party transactions

Name of Related parties

Subsidiaries	Swelect Energy Systems Pte. Limited, Singapore SWELECT Inc , USA SWELECT Energy Systems LLC , 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
Key Management Personnel (KMP)	Mr. R. Chellappan - Managing Director Mr.A.Balan - Joint Managing Director Mr. V.C.Raghunath - Whole Time Director Mrs. V.C.Mirunalini - Whole Time Director Mr. K. V. Nachiappan (w.e.f 20 April 2018) - Whole Time Director Mr. V.M.Sivasubramaniam - Independent Director (up to 26 April 2018) Mr. N.Natarajan - Independent Director (up to 31 March 2019) Mr. G.S.Samuel - Independent Director Mr. S.Annadurai - Independent Director Mr.S.Krishnan - Independent Director (w.e.f 23 July 2018) Mrs. Jayashree Nachiappan - Non Executive Director Mr.S.Iniyan - Independent Director (w.e.f. 1 April 2019) Mr. P.Jagan - Chief Financial Officer Mr. R. Sathishkumar - Company Secretary
Relatives of Key Management Personnel	Mrs. Gunasundari Chellappan Ms. Aarthi Balan Ms. Preetha Balan Mrs. Vasantha Balan Mr. K. N. Rishii Nandhan
Enterprises owned or significantly influenced by Key Management Personnel or their relatives Entity in which the Company has control	Arken Solutions Private Limited Swelect Electronics Private Limited 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 in 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 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: 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.

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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sale of goods												
-- Amex Alloys Private Limited	119.83	3,541.39	5.59	1.18	-	-	2.24	1.40	-	89.00	127.66	3,543.97
-- K J Solar Systems Private Limited	89.00	-	-	-	-	-	-	-	-	-	-	-
-- Noel Media & Advertising Private Limited	3.57	-	-	-	-	-	-	-	-	3.57	-	-
-- Swelect Green Energy Solutions Private Limited	4.20	-	-	-	-	-	-	-	-	4.20	-	-
-- Swelect Power Systems Private Limited	10.69	121.00	-	-	-	-	-	-	-	10.69	121.00	121.00
-- Mr. R. Chellappan	12.37	3,420.39	-	-	-	-	-	-	-	12.37	3,420.39	3,420.39
-- Mr. A. Balan	-	-	3.87	1.18	-	-	-	-	-	3.87	-	1.18
-- Mr. K.V. Nachiappan	-	-	1.57	-	-	-	-	-	-	1.57	-	-
-- Arken Solutions Private Limited	-	-	0.15	-	-	-	2.24	1.40	-	0.15	2.24	1.40
Purchases of traded goods												
-- Swelect Energy Systems Pte. Limited, Singapore	6,007.59	9,452.25	-	-	-	-	266.17	-	-	6,273.76	9,452.25	9,452.25
-- Arken Solutions Private Limited	5,988.99	9,452.25	-	-	-	-	266.17	-	-	5,988.99	9,452.25	9,452.25
-- Swelect Power Systems Private Limited	-	-	-	-	-	-	-	-	-	266.17	-	-
-- Arken Solutions Private Limited	18.60	-	-	-	-	-	-	-	-	-	18.60	-
Receipt of services												
-- Arken Solutions Private Limited	-	-	-	-	-	-	113.34	137.59	-	113.34	137.59	137.59
Sale of Power												
-- Amex Alloys Private Limited	228.84	258.24	-	-	-	-	-	-	-	228.84	258.24	258.24
-- K J Solar Systems Private Limited	228.81	258.00	-	-	-	-	-	-	-	228.81	258.00	258.00
-- Swelect Green Energy Solutions Private Limited	-	0.06	-	-	-	-	-	-	-	-	-	0.06
-- Arken Solutions Private Limited	0.03	0.18	-	-	-	-	-	-	-	0.03	0.18	0.18
Reimbursement of expenses												
-- Amex Alloys Private Limited	40.57	37.11	-	-	-	-	-	-	-	40.57	37.11	37.11
Rental Income												
-- Amex Alloys Private Limited	172.33	171.13	-	-	-	-	-	-	-	172.33	171.13	171.13
-- Noel Media & Advertising Private Limited	171.13	171.13	-	-	-	-	-	-	-	171.13	171.13	171.13
-- Swelect Green Energy Solutions Private Limited	0.30	-	-	-	-	-	-	-	-	0.30	-	-
-- K J Solar Systems Private Limited	0.30	-	-	-	-	-	-	-	-	0.30	-	-
-- Swelect Power Systems Private Limited	0.30	-	-	-	-	-	-	-	-	0.30	-	-
Interest Income												
-- Amex Alloys Private Limited	720.33	732.27	-	-	-	-	-	-	-	720.33	732.27	732.27
-- Swelect Solar Energy Private Limited	359.36	377.36	-	-	-	-	-	-	-	359.36	377.36	377.36
-- Noel Media & Advertising Private Limited	48.26	54.55	-	-	-	-	-	-	-	48.26	54.55	54.55
-- Swelect Green Energy Solutions Private Limited	55.80	62.27	-	-	-	-	-	-	-	55.80	62.27	62.27
-- K J Solar Systems Private Limited	126.50	139.29	-	-	-	-	-	-	-	126.50	139.29	139.29
-- Swelect Power Systems Private Limited	11.99	3.08	-	-	-	-	-	-	-	11.99	3.08	3.08
-- SWELECT Inc, USA	98.87	77.17	-	-	-	-	-	-	-	98.87	77.17	77.17
-- Arken Solutions Private Limited	19.55	18.55	-	-	-	-	-	-	-	19.55	18.55	18.55

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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest income on Debenture										
-- Swelect Green Energy Solutions Private Limited	389.22	630.00	-	-	-	-	-	-	389.22	630.00
	389.22	630.00	-	-	-	-	-	-	389.22	630.00
Rent expense										
-- Mr. R. Chellappan	1.00	-	2.27	2.15	-	-	0.24	-	3.51	2.15
-- Swelect Electronics Private Limited	-	-	2.27	2.15	-	-	-	-	2.27	2.15
-- Swelect Green Energy Solutions Private Limited	1.00	-	-	-	-	-	0.24	-	0.24	-
	1.00	-	-	-	-	-	-	-	1.00	-
Sitting fees										
-- Mr.V.M.Sivasubramaniam	-	-	4.65	4.10	-	-	-	-	4.65	4.10
-- Mr. N.Natarajan	-	-	0.10	1.10	-	-	-	-	0.10	1.10
-- Mr. G.S.Samuel	-	-	1.00	0.80	-	-	-	-	1.00	0.80
-- Mr. S.Annadurai	-	-	1.05	0.60	-	-	-	-	1.05	0.60
-- Mr. S.Krishnan	-	-	0.95	0.60	-	-	-	-	0.95	0.60
-- Mrs. Jayashree Nachiappan	-	-	0.40	-	-	-	-	-	0.40	-
	-	-	1.15	1.00	-	-	-	-	1.15	1.00
Commission										
-- Mr.V.M.Sivasubramaniam	-	-	6.00	5.00	-	-	-	-	6.00	5.00
-- Mr. N.Natarajan	-	-	3.00	2.50	-	-	-	-	3.00	2.50
	-	-	3.00	2.50	-	-	-	-	3.00	2.50
Remuneration										
-- Mr. R. Chellappan	-	-	147.94	148.97	10.67	10.16	-	-	158.61	159.13
-- Mr. A.Balan	-	-	29.56	53.28	-	-	-	-	29.56	53.28
-- Mr. K.V. Nachiappan	-	-	31.61	43.67	-	-	-	-	31.61	43.67
-- Mr. V.C.Ragunath	-	-	25.55	-	-	-	-	-	25.55	-
-- Mr. R.Sathishkumar	-	-	12.16	10.07	-	-	-	-	12.16	10.07
-- Mr. P.Jagan	-	-	8.16	8.04	-	-	-	-	8.16	8.04
-- Mrs V.C.Mirunalini	-	-	31.73	27.61	-	-	-	-	31.73	27.61
-- Miss Aarthi Balan	-	-	9.17	6.30	-	1.88	-	-	9.17	8.18
	-	-	-	-	10.67	8.28	-	-	10.67	8.28
Consultancy Charges										
-- Miss Preetha Balan	-	-	-	-	5.97	5.32	-	-	5.97	5.32
	-	-	-	-	5.97	5.32	-	-	5.97	5.32

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-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Dividend paid										
-- Mr. R.Chellappan	-	-	215.63	208.19	5.44	4.53	-	-	221.07	212.72
-- Mr. A.Balan	-	-	195.59	192.64	-	-	-	-	195.59	192.64
-- Mr. K.V.Nachiappan	-	-	12.39	12.32	-	-	-	-	12.39	12.32
-- Mr. V.C.Raghunath	-	-	4.41	-	-	-	-	-	4.41	-
-- Mrs V.C.Mirunalini	-	-	1.56	1.55	-	-	-	-	1.56	1.55
-- Others	-	-	1.68	1.68	5.44	4.53	-	-	1.68	1.68
	-	-	-	-	-	-	-	-	5.44	4.53
Non-current investments made										
--Swelect Power Systems Private Limited - Equity shares	8,577.99	9.00	-	-	-	-	-	-	8,577.99	9.00
-- Swelect Green Energy Solutions Private Limited - Equity shares (Refer Note 6)	8,577.99	-	-	-	-	-	-	-	8,577.99	-
Advances given										
-- Swelect Solar Energy Private Limited	2,532.17	7,597.98	-	-	-	-	-	-	2,532.17	7,597.98
-- Amex Alloys Private Limited	52.93	56.91	-	-	-	-	-	-	52.93	56.91
-- Swelect Green Energy Solutions Private Limited	660.72	4,066.32	-	-	-	-	-	-	660.72	4,066.32
-- Noel Media & Advertising Private Limited	1,002.24	1,415.80	-	-	-	-	-	-	1,002.24	1,415.80
-- K J Solar Systems Private Limited	83.00	119.12	-	-	-	-	-	-	83.00	119.12
-- SWELECT Inc, USA	131.44	176.47	-	-	-	-	-	-	131.44	176.47
-- Swelect Power Systems Private Limited	31.90	19.20	-	-	-	-	-	-	31.90	19.20
	569.94	1,744.16	-	-	-	-	-	-	569.94	1,744.16
Repayment of advances										
-- Swelect Solar Energy Private Limited	4,182.11	6,138.65	-	-	-	-	-	-	4,182.11	6,138.65
-- Amex Alloys Private Limited	173.50	-	-	-	-	-	-	-	173.50	-
-- Swelect Green Energy Solutions Private Limited	890.99	4,416.93	-	-	-	-	-	-	890.99	4,416.93
-- Noel Media & Advertising Private Limited	2,932.98	385.88	-	-	-	-	-	-	2,932.98	385.88
-- K J Solar Systems Private Limited	32.23	97.50	-	-	-	-	-	-	32.23	97.50
-- Swelect Power Systems Private Limited	5.00	130.00	-	-	-	-	-	-	5.00	130.00
	147.41	1,108.34	-	-	-	-	-	-	147.41	1,108.34

33 Related party transactions

Particulars	Subsidiaries			Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Balance outstanding as at the year end:								
Trade payables								
-- Swelect Energy Systems Pte. Limited., Singapore	5,058.80	5,582.23	163.58	111.43	5,222.38	5,693.66		
-- Swelect Power Systems Private Limited	-	5,582.23	-	-	5,058.80	5,582.23		
-- Arken Solutions Private Limited	-	-	163.58	111.43	163.58	111.43		
Capital Creditors								
-- Swelect Energy Systems Pte. Limited., Singapore	532.48	134.78	-	-	532.48	134.78		
Amounts receivable from related parties								
Trade receivables								
-- Amex Alloys Private Limited	431.71	515.31	-	31.03	431.71	546.34		
-- Swelect Energy Systems Pte. Limited., Singapore	0.82	0.77	-	-	0.82	0.77		
-- Noel Media & Advertising Private Limited	-	16.91	-	-	-	16.91		
-- Swelect Green Energy Solutions Private Limited	0.01	67.86	-	-	0.01	67.86		
-- Arken Solutions Private Limited	-	242.42	-	-	24.85	242.42		
Advances								
-- Swelect Solar Energy Private Limited	7,650.64	9,300.58	-	-	7,650.64	9,300.58		
-- Noel Media & Advertising Private Limited	460.46	581.03	-	-	460.46	581.03		
-- Amex Alloys Private Limited	656.74	605.97	-	-	656.74	605.97		
-- K J Solar Systems Private Limited	4,549.86	4,780.12	-	-	4,549.86	4,780.12		
-- Swelect Power Systems Private Limited	193.85	67.42	-	-	193.85	67.42		
-- SWELECT Inc, USA	1,434.61	1,012.08	-	-	1,434.61	1,012.08		
-- Swelect Green Energy Solutions Private Limited	230.02	198.12	-	-	230.02	198.12		
	125.10	2,055.84	-	-	125.10	2,055.84		

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

34 Directors' remuneration

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries	108.05	89.14
Commission	6.00	24.18
Total Directors' remuneration	114.05	113.32

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 2019	As at 31 March 2018
a) Cenvat related matters *	5.96	2,747.07
b) Sales tax related matters **	35.77	50.82
c) Income tax related matters #	2,091.51	1,306.41
d) Excise related matters ##	671.94	671.94
e) Rent claim related	2.51	2.51
Total Contingencies	2,807.69	4,778.75

* Rs. 3.03 lakhs deposited under dispute (2018 - Rs.3.03 lakhs)

** Rs. 10.30 lakhs deposited under dispute (2018 -Rs. 3.33 lakhs)

Rs. 140.76 lakhs deposited under dispute (2018 - Rs. 140.76 lakhs)

Rs.65.68 lakhs deposited under dispute (2018 - Rs. 65.68 lakhs)

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 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.

(b) Commitments:

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 518.86 (31 March 2018: Rs. 1,345.63)

(ii) Commitments relating to lease agreements, please Refer Note 32

(iii) Investments given as security for loans availed by the subsidiaries of the Company:

Loan amount outstanding to Banks in Subsidiaries funded by Security of the Company

Particulars	Subsidiaries which have availed the loans	31 March 2019
(i) Fixed Deposits	Amex Alloys Private Limited	1,871.29
(ii) Mutual Funds	K J Solar Systems Private Limited and Swelect Power Systems Private Limited	6,246.42

Value of the security offered by the Company for the loan outstanding in Subsidiaries

Particulars	Subsidiaries which have availed the loans	31 March 2019
(i) Fixed Deposits	Amex Alloys Private Limited	2,058.42
(ii) Mutual Funds	K J Solar Systems Private Limited and Swelect Power Systems Private Limited	7,808.02

Also Refer Note 7(b) and 7(e)

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36 Net equity dividend remitted in foreign exchange

Final equity dividend

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Period to which it relates	2017-18	2016-17
Number of non-resident shareholders	5	6
Number of equity shares of Rs. 10/- each held on which dividend was due	2,29,900	3,22,076
Amount remitted	9.20	12.88

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 2019			As at 31 March 2018		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial assets						
Investment in equity instruments (Other than in Subsidiaries)	30.35	-	30.35	30.35	-	30.35
Investments	25,249.66	500.00	25,749.66	26,646.33	6,800.00	33,446.33
Loans to Related Parties	-	-	-	-	9,300.58	9,300.58
Trade receivables	-	1,778.04	1,778.04	-	3,171.05	3,171.05
Cash and cash equivalents	-	180.88	180.88	-	1,879.59	1,879.59
Other Bank balances	-	7,741.04	7,741.04	-	5,985.49	5,985.49
Renewable Energy Certificate Receivable	-	-	-	-	370.53	370.53
Balance with Government Authorities	-	336.45	336.45	-	450.99	450.99
Security deposits and Grant Receivable (Refer Note 5)	-	908.93	908.93	-	1,026.84	1,026.84
Earnest Money Deposit	-	48.95	48.95	-	48.95	48.95
Interest accrued on fixed deposits	-	87.69	87.69	-	88.53	88.53
Advance to employees	-	1.45	1.45	-	1.02	1.02
Statutory and other financial assets	-	703.68	703.68	-	15.01	15.01
Total financial assets	25,280.01	12,287.11	37,567.12	26,676.68	29,138.58	55,815.26

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Notes to Standalone financial statements for the year ended 31 March 2019

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

	As at 31 March 2019			As at 31 March 2018		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial liabilities						
Borrowings - Term loans	-	1,786.98	1,786.98	-	2,545.67	2,545.67
Borrowings - Others	-	7,542.00	7,542.00	-	5,892.29	5,892.29
Interest accrued	-	13.40	13.40	-	15.88	15.88
Trade payables	-	8,082.54	8,082.54	-	7,571.62	7,571.62
Capital creditors	-	1.71	1.71	-	218.98	218.98
Unpaid Dividend	-	29.37	29.37	-	30.12	30.12
Rental Deposit	-	146.95	146.95	-	162.48	162.48
Statutory dues payable	-	37.21	37.21	-	49.64	49.64
Total financial liabilities	-	17,640.16	17,640.16	-	16,486.68	16,486.68

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.

(a) Financial assets and liabilities valued at fair value

	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in equity instruments (Other than in Subsidiaries)	-	-	30.35	-	-	30.35
Other Investments	25,249.66	-	-	26,646.33	-	-
Investment Property	-	-	10,009.95	-	-	3,063.78
	25,249.66	-	10,040.30	26,646.33	-	3,094.13

(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. (Refer Note 4).

(c) Offsetting

The Company has not offset financial assets and financial liabilities as at 31 March 2019 and 31 March 2018. The Company's borrowing are secured by Fixed deposits/Mutual funds, the details of which are more fully described in Note 16.

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:

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Notes to Standalone financial statements for the year ended 31 March 2019

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

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 (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 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

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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.

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.

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 2019	31 March 2018
Variable rate borrowings	9,315.18	8,414.73
Fixed rate borrowings	13.80	23.23
Total	9,328.98	8,437.96

(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 Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

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

Particulars	Increase/ decrease in basis points	Effect on Profit before tax
31 March 2019	+ 68 basis points	63.34
	- 68 basis points	(63.34)
31 March 2018	+ 35 basis points	29.45
	- 35 basis points	(29.45)

(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 2019 and 31 March 2018 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 31 March 2019	For the Year Ended 31 March 2018	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
US Dollars	+5%	(267.77)	(306.46)	(267.77)	(306.46)
	-5%	267.77	306.46	267.77	306.46
Euro	+5%	-	(14.77)	-	(14.77)
	-5%	-	14.77	-	14.77

(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.

(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:

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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 2019	851.86	372.41	553.77	1,778.04
Trade Receivables as at 31 March 2018	1,038.72	1,843.19	289.14	3,171.05

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.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31 March 2019			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	232.72	1,363.36	7,732.90	9,328.98	9,328.98
Trade Payables	8,082.54			8,082.54	8,082.54
Other financial liabilities	345.77	115.59		461.36	461.36
Total	8,661.03	1,478.95	7,732.90	17,872.88	17,872.88

Particulars	As at 31 March 2018			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	2,574.88	874.81	355.76	3,805.45	8,437.96
Trade Payables	7,571.62	-	-	7,571.62	7,571.62
Other financial liabilities	386.34	76.68	-	463.02	477.10
Total	10,532.84	951.49	355.76	11,840.09	16,486.68

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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 31 March 2019	As at 31 March 2018
Borrowings	9,328.98	8,437.96
Less: Cash and cash equivalents	(7,921.92)	(7,865.08)
Net Debt	1,407.06	572.88
Equity	67,950.90	67,320.50
Total Capital	67,950.90	67,320.50
Capital and Net Debt	69,357.96	67,893.38
Gearing Ratio	2.03%	0.84%

41 Recent accounting pronouncements

Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019. On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109, when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 - Employee Benefits

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1 April 2019, though early application is permitted.

New Accounting Standard : Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases

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and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Company is evaluating the effect of the above in its financial statements.

- 42** Exceptional item during the year ended 31 March 2019 represents the amounts collected against payments made towards land acquisition written off due to defective titles. The Company is continuing to pursue recovery of the balance amounts through legal channels.
- 43** The Ind AS financial statements were approved by the Board of Directors on 28 May 2019.

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

Swelect Energy Systems Limited

Sd/-Sd/-

R. Chellappan
Managing Director
DIN:00016958

A.Balan
Joint Managing Director
DIN:00017091

Sd/-

R. Sathishkumar
Company Secretary

Sd/-

P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

Place: Chennai
Date: 28 May 2019

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of Swelect Energy Systems Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of Swelect Energy Systems Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March 2019 and 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 for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

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 the other auditors on separate Ind AS financial statements / financial information of the subsidiaries, the aforesaid Consolidated Ind AS 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 2019 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 Ind AS 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 Ind AS 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 Ind AS 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-paragraph (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Ind AS financial statements.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS 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
	<p>Impairment of Property, Plant & Equipment and Other Intangible Assets of certain operating subsidiaries whose net worth is substantially eroded / incurring continuous losses.</p> <p>Property, Plant & Equipment and Other Intangible Assets aggregating Rs.11,368.97 lakhs as at 31 March 2019 relating to certain operating subsidiaries, whose net worth is substantially eroded / incurring continuous losses [Refer Note 3 to the Consolidated Financial Statements], whose recoverable value is greater than the carrying value in the books based on Management's judgment in estimating future cash flows used as part of the impairment analysis.</p> <p>The Group has carried out detailed evaluations considering various factors and concluded that the carrying value of Property, Plant & Equipment and Other Intangible Assets are good and recoverable.</p> <p>Due to multitude of factors and assumptions involved in determining the forecasted revenues/cash flows and discount rate 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>Principal audit procedures performed: We have performed the following procedures::</p> <ol style="list-style-type: none"> a. Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which inter-alia includes the completeness and accuracy of the input data considered, reasonableness of assumptions considered in determining the future projections and the assumptions considered in preparing the impairment calculations. b. Obtained the investment valuations (prepared by Management or as carried out by Management's external valuation specialist) pertaining to such subsidiaries and performed the following procedures: <ol style="list-style-type: none"> i. Conducted discussions with Company personnel to identify factors, if any, that should be taken into account in the analysis. ii. Compared the actual revenues and cash flows generated by the subsidiaries during the year as to the projections and estimates considered in the previous year. iii. Evaluated the appropriateness of key assumptions considered, including discount rate, growth rate, etc. considering the historical accuracy of the Company's estimates in the prior periods and comparison of the assumptions with public data wherever available. <p>This matter has been identified as KAM by the component auditors also. Component auditors have reported to us that they have performed these procedures.</p>

Information Other than the Ind AS 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.
- Our opinion on the Consolidated Ind AS 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 Ind AS financial statements, our responsibility is to read the other information, compare with the Ind AS 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 Ind AS 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 Ind AS financial statements audited by the other auditors.
- 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 Consolidated Ind AS 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 Ind AS 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 the 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 Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Ind AS 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 or 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Ind AS 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 Ind AS 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 controls.

- Obtain an understanding of internal financial controls 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 and its associates 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 Ind AS 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 and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 Ind AS financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Ind AS 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 Ind AS 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/ financial information of 9 subsidiaries, whose financial statements / financial information reflect total assets of Rs.34,356.05 lakhs as at 31 March 2019, total revenues of Rs.8,845.97 lakhs and net cash outflows amounting to Rs.19.15 lakhs for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These Ind AS financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Ind AS 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 opinion on the Consolidated Ind AS 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 the other auditors and the financial information certified by the Management.

Our opinion on the Consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

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 other auditors on the separate Ind AS financial statements and 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 Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books 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 Ind AS 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 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies, none of the Directors of the Group companies is disqualified as on 31st March, 2019 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 Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group and its associates.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including any derivative contracts.
 - iii) There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Jaideep S. Trasi
Partner
Membership No. 211095

Place: Chennai
Date: 28 May 2019
Ref. : JT/MS/2019/47

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 Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting of Swelect Energy Systems Limited (hereinafter referred to as “Parent”) its subsidiary Companies, which are Companies incorporated in India, as of that date..

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company, its subsidiary Companies, which are Companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria 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 (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 respective Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary Companies, which are Companies incorporated in India, 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 controls based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial controls 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 controls 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 controls 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 2019, 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)

Jaideep S. Trasi
Partner
Membership No. 211095

Place: Chennai
Date: 28 May 2019
Ref. : JT/MS/2019/47

SWELECT ENERGY SYSTEMS LIMITED
Consolidated Balance Sheet as at 31 March 2019
(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
A) ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	3	25,253.77	19,068.62
(b) Capital work-in-progress		1,276.78	1,245.11
(c) Investment Property	4	2,057.43	2,699.89
(d) Goodwill on Consolidation	34	789.74	789.74
(e) Other Intangible Assets	5	14,630.78	15,048.64
(f) Financial Assets			
(i) Investments	6 (a)	530.35	530.35
(ii) Loans	6 (c)	116.64	638.25
(iii) Other financial Assets	6 (d)	930.84	40.74
(iv) Bank balances	6 (e)	1,604.48	19.54
(g) Income Tax Asset (Net)	17	432.89	308.37
(h) Deferred Tax Asset (Net)	17	246.92	205.60
(i) Other non-current assets	7	912.07	1,763.41
Total Non-current Assets		48,782.69	42,358.26
Current assets			
(a) Inventories	8	5,723.73	6,903.31
(b) Financial Assets			
(i) Investments	6 (b)	25,249.66	26,646.32
(ii) Loans	6 (c)	435.04	532.11
(iii) Trade receivables	9	3,985.86	5,833.41
(iv) Cash and cash equivalents	10	876.72	8,826.18
(v) Other bank balances	6 (e)	12,418.54	6,315.22
(vi) Other financial Assets	6 (d)	1,420.88	659.42
(c) Other Current Assets	11	731.34	1,279.64
Total Current Assets		50,841.77	56,995.61
TOTAL ASSETS		99,624.46	99,353.87

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
(B) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	1,010.58	1,010.58
(b) Other Equity	13	71,593.34	70,470.01
Total Equity		72,603.92	71,480.59
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15(a)	2,880.59	3,165.57
(ii) Other financial liabilities	16	115.59	115.63
(b) Deferred tax liabilities (net)	17	283.32	360.98
(c) Provisions	18	548.57	407.91
Total Non-Current liabilities		3,828.07	4,050.09
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15(b)	16,636.58	15,868.94
(ii) Trade payables	19		
(A) Total outstanding dues of micro enterprises and small enterprises		196.96	74.61
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,971.81	5,264.96
(iii) Other financial liabilities	16	419.00	2,031.38
(b) Other current liabilities	20	590.90	139.52
(c) Provisions	18	377.22	443.78
Total Current Liabilities		23,192.47	23,823.19
TOTAL LIABILITIES		27,020.54	27,873.28
Total Equity and Liabilities		99,624.46	99,353.87

See accompanying notes forming part of the Consolidated Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

Sd/-

Jaideep S. Trasi

Partner

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/-

P.Jagan

Chief Financial Officer

Place : Chennai

Date: 28 May 2019

Place: Chennai

Date: 28 May 2019

Place: Chennai

Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

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

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
INCOME			
Revenue from operations	21	22,766.88	29,617.25
Finance and Other Income	22 & 23	2,623.56	2,734.48
Total income		25,390.44	32,351.73
EXPENSES			
Cost of raw materials and components consumed	24	3,100.43	19,948.59
Purchase of traded goods		5,978.14	73.36
Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods	25	1,849.20	(1,337.11)
Excise duty on sale of goods		-	169.66
Employee benefits expense	26	2,536.99	2,309.51
Depreciation and amortisation expense	28	2,599.25	2,327.54
Other expenses	27	6,778.28	5,092.38
Finance costs	29	1,532.89	1,027.12
Total expenses		24,375.18	29,611.05
Profit before tax		1,015.26	2,740.68
Add : Exceptional items	42	30.00	-
Profit before tax		1,045.26	2,740.68
Tax Expense			
Current tax	17	475.95	962.18
MAT credit (entitlement)		(35.89)	(171.44)
Deferred Tax (Net)		(77.66)	360.98
Income tax expense		362.40	1,151.72
Profit for the year		682.86	1,588.96

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Other Comprehensive Income (OCI)			
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	-
Re-measurement gains/ (losses) on defined benefit plans	31	7.29	(52.23)
Income Tax Effect	17	(3.40)	11.15
Other comprehensive income for the year, net of tax		3.89	(41.08)
Total Comprehensive Income for the year		686.75	1,547.88
Earnings per share (Face Value of Rs. 10/- each)			
1. Basic (in INR)	30	6.76	15.72
2. Diluted (in INR)	30	6.76	15.72

See accompanying notes forming part of the Consolidated Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

Sd/-

Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

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

Place: Chennai
Date: 28 May 2019

Sd/-

A.Balan
Joint Managing Director
DIN:00017091

Sd/-

P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Cash flow statement for the year ended 31 March 2019

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit after taxation	682.86	1,588.96
Adjustments to reconcile profit after tax to net cash flows:		
Tax expense	362.40	1,151.72
Depreciation/amortisation	2,599.25	2,327.54
Loss on investments carried at fair value through Profit and Loss	207.23	(1,500.00)
Unrealised foreign exchange loss/ (gain), net	594.17	53.21
Net gain from the sale of current investment	(1,929.29)	(82.26)
Dividend income - mutual fund	-	(3.48)
Dividend Income - on equity investments	(4.70)	(4.70)
Provision for bad and doubtful debts and Bad debts written off	166.47	109.69
Liabilities no longer required, written back	(59.33)	(182.56)
Interest expense	1,532.89	848.04
Interest income	(160.16)	(745.15)
Provision for warranties	59.51	-
Gain on sale of Vehicles	-	(1.10)
Loss on retirement of Property, Plant and Equipment	-	29.23
Operating profit before working capital / other changes	4,051.30	3,589.13
Movement in working capital / Others:		
Decrease /(Increase) in trade receivables	1,086.90	1,299.77
(Increase) /Decrease in current and non-current assets	1,399.64	(860.19)
(Increase) in inventories	1,179.58	(549.91)
(Decrease)/ Increase in trade payables, other current and long term liabilities"	32.59	(1,425.05)
(Decrease)/ Increase in provisions	120.74	(63.01)
Increase in current and non-current Financial assets	(296.98)	(571.35)
Cash flow generated from operations	7,573.77	1,419.39
Taxes paid, net	(655.61)	(1,140.50)
Net cash flow generated from operating activities (A)	6,918.16	278.89

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
B. Cash flow from investing activities:		
Net Capital expenditure	(6,831.85)	(9,982.01)
(Investment)/ redemption of current investments	3,118.72	(1,433.02)
Bank deposits (placed) / redeemed (having original maturity of more than three months)	(8,424.16)	(964.99)
Interest received	160.16	2,277.79
Dividend received on mutual fund	4.70	3.48
Dividend Income on equity investments	-	4.70
Sale of Vehicles	-	1.10
Net cash flow (used in) investing activities (B)	(11,972.42)	(10,092.95)
C. Cash flow from financing activities:		
Proceeds / (Repayment) of short term borrowings	(1,356.15)	6,478.18
Repayment of long term borrowings	(1,902.34)	(304.32)
Interest paid	(1,532.89)	(835.04)
Dividend paid	(404.98)	(404.23)
Dividend tax paid	(83.09)	(82.29)
Net cash flow (used in)/ generated from financing activities (C)	(5,279.45)	4,852.30
Exchange Differences on translation of foreign currency cash and cash equivalents (D)	-	5.71
Net decrease in cash and cash equivalents (A + B + C + D)	(10,333.71)	(4,956.06)
Cash and cash equivalents at the beginning of the year	2,532.68	7,217.88
Add: Cash and bank balances on consolidation of SWEES Employee Welfare Trust	-	270.86
Closing cash and cash equivalents	(7,801.02)	2,532.69
Cash and Cash equivalents (Refer Note 10(a))	(7,801.02)	2,532.69

See accompanying notes forming part of the Consolidated Ind AS Financial Statements.

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

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

Sd/-
Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

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

Place: Chennai
Date: 28 May 2019

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

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED
Consolidated Statement of Changes in Equity for the year ended 31 March 2019

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

a. Equity Share Capital

As at 1 April 2017	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 31 March 2018	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 31 March 2019
1,010.58	-	1,010.58	-	1,010.58

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
Balance as at 1 April 2017	304.10	182.68	47,929.22	375.00	396.18	18,102.14	-	1,723.07	69,012.39
Profit for the period	-	-	1,588.96	-	-	-	-	-	1,588.96
Other comprehensive income (Net of tax)	-	-	(41.08)	-	-	-	-	-	(41.08)
Others	-	-	375.40	-	-	-	-	-	375.40
Total comprehensive income	304.10	182.68	49,852.50	375.00	396.18	18,102.14	-	1,723.07	70,935.67
Movement in Revaluation Reserve	-	-	-	-	(5.32)	-	-	-	(5.32)
Dividend for the year 2016-17	-	-	(404.23)	-	-	-	-	-	(404.23)
Dividend Distribution Tax for the year 2016-17	-	-	(82.29)	-	-	-	-	-	(82.29)
Others	-	-	-	-	-	-	26.18	-	26.18
Balance as at 31 March 2018	304.10	182.68	49,365.98	375.00	390.86	18,102.14	26.18	1,723.07	70,470.01
Profit for the period	-	-	682.86	-	-	-	-	-	682.86
Other Comprehensive Income (Net of tax)	-	-	3.89	-	-	-	-	-	3.89
Others	-	-	-	-	-	-	-	-	-
Total comprehensive income	304.10	182.68	50,052.73	375.00	390.86	18,102.14	26.18	1,723.07	71,156.76
Movement in Revaluation Reserve	-	-	-	-	(5.57)	-	-	-	(5.57)
Dividend for the year 2017-18	-	-	(404.23)	-	-	-	-	-	(404.23)
Dividend Distribution Tax for the year 2017-18	-	-	(83.09)	-	-	-	-	-	(83.09)
Others	-	-	-	-	-	-	-	929.47	929.47
Balance as at 31 March 2019	304.10	182.68	49,565.41	375.00	385.29	18,102.14	26.18	2,652.54	71,593.34

See accompanying notes forming part of the Consolidated Ind AS Financial Statements.
In terms of our report attached

For Deloitte Haskins & Sells LLP

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

Sd/-

Jaideep S. Trasi
Partner

Place : Chennai
Date: 28 May 2019

Sd/-

R. Chellappan
Managing Director
DIN:00016958

Place : Chennai
Date: 28 May 2019

Sd/-

A. Balan
Joint Managing Director
DIN:00017091

Sd/-

R. Sathishkumar
Company Secretary

Sd/-

P. Jagan
Chief Financial Officer

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

SWELECT ENERGY SYSTEMS LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2019

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 (INR). Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

(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 2019 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, which is then reviewed by the Chief Financial Officer for the underlying assumptions used in the valuation.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

The Chief Financial Officer regularly reviews 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 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	
				2018-19	2017-18
1	Swelect Energy Systems Pte. Limited., Singapore	Singapore	Subsidiary	100%	100%
2	SWELECT Inc. USA	USA	Subsidiary	100%	100%
3	"Subsidiary of SWELECT Inc. USA: SWELECT Energy Systems LLC , USA"	USA	Subsidiary	100%	100%
4	Swelect Solar Energy Private Limited	India	Subsidiary	100%	100%
5	Subsidiaries of Swelect Solar Energy Private Limited:	India	Subsidiary	100%	100%
	Noel Media & Advertising Private Limited		Subsidiary	100%	100%
	K J Solar Systems Private Limited		Subsidiary	100%	100%

SWELECT ENERGY SYSTEMS LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2019

7	Swelect Power Systems Private Limited	India	Subsidiary	100%	100%
8	Amex Alloys Private Limited	India	Subsidiary	100%	100%
9	Swelect Green Energy Solutions Private Limited	India	Subsidiary	100%	100%
10	SWEES Employees' Welfare Trust *	India	Subsidiary	*	*

* 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 117,600 shares of the Company. The main object of the trust is for the welfare of the employees of the Group.

(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 Company classifies all other assets as non-current.

- ♦ 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 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 dispatch as such services are generally considered insignificant to the contract.

The Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty (until 30 June 2017).

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

However, 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 upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission. Interest is accounted on accrual basis on overdue bills.

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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 are 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. 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 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.

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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.

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.

(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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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 reclassified 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 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

The Group's financial statements are presented in INR, 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.

Forward exchange contracts entered into to hedge foreign currency risk of an existing Asset/Liability

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

(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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

The Group has elected to adopt the carrying value of Property, Plant and Equipment and Other Intangible assets under the Indian GAAP as on 31st March 2015, as the deemed cost for the purpose of transition to IND AS.

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 the Statement of Profit and Loss for the year during which such expenses are incurred.

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 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 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 is not ready for their intended use and other 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:

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

(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 and Equipment. 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

The Management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of Property, Plant and Equipment.

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

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

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

(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 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 Property

The Group has elected to adopt the carrying value of Investment Property under the Indian GAAP as on 31st March 2015, as the deemed cost for the purpose of transition to Ind AS.

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 an accredited external independent valuer applying a valuation model recommended by an independent valuer.

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.

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 derecognised.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an 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 the 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.

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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

(q) Provision for Warranty

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 upto 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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.

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).

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Notes to Consolidated financial statements for the year ended 31 March 2019

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 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 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 Statement of 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 Statement of 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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.

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 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 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 to make cash, 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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 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.

(w) Business combinations

In accordance with Ind AS 101 provisions related to first time adoption, the Group had elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, have been carried forward.

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 items

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 acGrouping 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019
(All amounts are in INR Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Land	Buildings	Plant and Machinery	Office & Electrical Equipment	Computers	Furniture and Fittings	Vehicles	Leasehold Improvements	Total
Cost									
As at 01 April 2017	1,912.74	3,480.52	16,910.18	435.85	53.35	344.61	171.02	4.58	23,312.85
Additions	31.44	101.10	408.33	13.23	12.21	1.05	55.81	-	623.17
Deletions	-	(20.30)	(41.44)	-	-	-	(6.10)	-	(67.84)
Others Transfers (Refer Note (ii) below)	-	(0.46)	-	-	-	0.21	0.00	-	(0.25)
Other Adjustments/ Transfers (Refer Note (iv) below)	-	(171.81)	(22.23)	(19.20)	12.90	-	(1.34)	1.40	(200.28)
As at 31 March 2018	1,944.18	3,389.05	17,254.84	429.88	78.46	345.87	219.39	5.98	23,667.65
Additions	-	49.77	6,764.67	125.49	18.45	3.91	13.85	-	6,976.14
Deletions (Refer Note (i) below)	(1.49)	-	(29.77)	(0.64)	-	-	(2.80)	-	(34.70)
Others Transfers (Refer Note (ii) below)	(19.73)	560.00	(36.42)	33.82	1.75	-	-	-	539.42
Other Adjustments/ Transfers (Refer Note (iv) below)	-	-	478.15	-	-	-	-	-	478.15
As at 31 March 2019	1,922.96	3,998.82	24,431.47	588.55	98.66	349.78	230.44	5.98	31,626.66
Depreciation									
As at 01 April 2017		187.45	2,271.61	144.26	39.92	131.70	56.98	4.58	2,836.50
Charge for the year	-	109.20	1,498.97	94.99	12.88	52.47	32.90	0.49	1,801.90
Deletions	-	(2.33)	(30.15)	-	-	-	(6.10)	-	(38.58)
Other Transfers (Refer Note (ii) below)	-	(0.79)	-	-	-	-	-	-	(0.79)
As at 31 March 2018		293.53	3,740.43	239.25	52.80	184.17	83.78	5.07	4,599.03
Charge for the year	-	109.65	1,514.29	84.01	18.16	45.82	33.37	0.04	1,805.34
Deletions (Refer Note (i) below)	-	-	(28.34)	(0.64)	-	-	-	-	(28.98)
Others Transfers (Refer Note (ii) below)	-	-	(4.61)	4.09	0.21	-	-	-	(0.31)
Other Adjustments	-	-	(2.20)	-	-	-	-	-	(2.20)
As at 31 March 2019		403.18	5,219.57	326.71	71.17	229.99	117.15	5.11	6,372.88
Net Block									
As at 31 March 2018	1,944.18	3,095.52	13,514.41	190.63	25.66	161.70	135.61	0.91	19,068.62
As at 31 March 2019	1,922.96	3,595.64	19,211.90	261.84	27.49	119.79	113.29	0.87	25,253.77

Notes:

- (i) Deletions during the year ended 31 March 2018 comprises of Property, Plant and Equipment written off during the year (Gross Block Rs. 61.74 lakhs, Accumulated depreciation Rs. 32.48 lakhs and Net Book Value Rs. 29.26 Lakhs).
- (ii) Other transfers represent Buildings amounting to Rs.560 Lakhs that are transferred to / from Investment Property to/from Property, Plant and Equipment for use in the business operations of the Company.
- (iii) 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 of Rs. 62.74 lakhs (31 March 2018 Rs. 79.78 lakhs).
- (iv) Other adjustments / Transfers represents adjustments pursuant to reclassification and foreign currency translations.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

4 Investment Property

Particulars	Building	
	As at 31 March 2019	As at 31 March 2018
Cost	2,991.85	2,984.37
Additions during the year	-	-
Deletions during the year	-	-
Other Transfers (Refer Note 3(ii))	(540.27)	0.46
Other Adjustments	-	7.02
Closing balance	2,451.58	2,991.85
Depreciation		
Opening balance	291.96	195.20
Depreciation during the year	102.19	95.99
Other Transfers (Refer Note 3(ii))	-	0.79
Other Adjustments	-	(0.02)
Closing balance	394.15	291.96
Net Block	2,057.43	2,699.89

Information regarding Income and Expenditure of Investment Property

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Rental income derived from Investment Property	385.82	373.37
(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	17.44	4.07
Profit arising from Investment Property before depreciation and indirect expenses	368.38	369.30
Less – Depreciation	102.19	95.99
Profit arising from Investment Property before indirect expenses	266.19	273.31

Measurement of fair values:

Description of valuation techniques used and key inputs to valuation on Investment Property:

As at 31 March 2019 and 31 March 2018, the fair value of the Property is Rs. 9,917.06 lakhs and Rs. 4,754.65 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 has 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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

(All amounts are in INR 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 (β) 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:

- A directionally similar change in the rent growth per annum and discount rate (and exit yield).
- An opposite change in the long term vacancy rate.

Reconciliation of fair value:

Particulars	Amount
Gross Block as on 31 March 2019	2,451.58
Fair value difference (net)	7,465.48
Fair Value as at 31 March 2019	9,917.06

5 Other Intangible assets

Particulars	Certification Process	Service Concession Arrangement (Refer Note below)	Computer Software	Total
Cost				
As at 1 April 2017	93.94	8,677.30	70.07	8,841.31
Additions	9.55	7,286.89	15.71	7,312.15
Deletions	-	-	-	-
As at 31 March 2018	103.49	15,964.19	85.78	16,153.46
Additions	-	-	66.16	66.16
Deletions	-	-	-	-
Other Transfers (Refer Note 3(i) and 3(iv))	-	211.37	0.85	212.22
As at 31 March 2019	103.49	16,175.56	152.79	16,431.84
Amortisation				
As at 1 April 2017	28.29	588.11	18.08	634.48
Charge for the year	6.07	403.18	20.39	429.65
Deletions	-	-	40.70	40.70
As at 31 March 2018	34.36	991.29	79.17	1,104.82
Charge for the year	28.42	658.17	9.96	696.55
Deletions	-	-	-	-
Other Transfers (Refer Note 3(ii))	-	-	0.31	0.31
As at 31 March 2019	62.78	1,649.46	88.82	1,801.06
Net block				
As at 31 March 2018	69.13	14,972.90	6.61	15,048.64
As at 31 March 2019	40.71	14,526.10	63.97	14,630.78

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

Notes:

- 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 financial asset or
- 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 Other Intangible asset. The Other Intangible asset is amortised over the agreement period.

Also Refer Note 21 and Note 24.

- Other Intangible asset with a carrying amount of Rs. 825.66 lakhs (as at 31 March 2018: Rs. 860.30 lakhs) has been pledged to secure borrowings of the Company (Refer Note 16). The Company is not allowed to pledge these assets as security for other borrowings or to sell them to an another entity.
- Other Intangible asset with a carrying amount of Rs.5,079.99 lakhs (as at 31 March 2018: Rs. 5,318.91 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 2019	As at 31 March 2018
Unquoted Investment in equity shares at fair value through Statement of Profit and Loss		
3,00,000 (31 March 2018 : 3,00,000) Equity shares of Rs.10/- each fully paid in Gem Sugars Limited	30.00	30.00
3,520 (31 March 2018 : 3,520) Equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35
Investment in tax free bonds (unquoted) carried at amortised cost		
50,000 (31 March 2018: 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited (Refer Note below)	500.00	500.00
Total	530.35	530.35
Aggregate book 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 at 8.51% for the Group.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

6(b) Current investments

Investments at fair value through Profit or loss (FVTPL)

Quoted Mutual funds

Particulars	As at 31 March 2019	As at 31 March 2018
1,921,876.42 (31 March 2018: 1,921,876.42) units of Aditya Birla Sunlife Banking & PSU Debt fund - Regular - Growth #	4,576.15	4,258.23
NIL (31 March 2018: 5,965,315.96) units of Edelweiss Banking and PSU Debt Fund - Regular Plan Growth *	-	857.44
NIL (31 March 2018: 9,817,676.82) units of HSBC Income Fund - STP Growth **	-	2,788.47
13,525,932.84 (31 March 2018: 13,525,932.84) units of UTI Short term income Fund - Growth *	3044.71	2,856.99
NIL (31 March 2018: 17,339,638.21) units of SBI Short term debt fund - Direct Plan - Growth	-	3,554.78
17,441,16.160 (31 March 2018: 20,163,916.17) units of UTI Short term income Fund - Institutional - Growth**	3,926.93	4,259.08
403,680.641 (31 March 2018: 316,156.84) units of ICICI Prudential Savings - Fund Growth **	1,447.53	1,053.23
426,181.35 (31 March 2018: 315,383.90) units of Aditya Birla Sunlife Saving Fund Growth **	1,572.53	1,077.69
LIC Endowment Plus ##	9.80	5.00
NIL (31 March 2018: 99,386.45) units of HSBC Low Duration Fund Growth	-	15.17
1,00,00,000 (31 March 2018: 1,00,00,000) units of HSBC Fixed Term Series 129 Growth	1,122.45	1,048.90
NIL (31 March 2018: 4,717,843.47) units of IDFC Bond Fund Short Term Regular Plan Growth **	-	1,667.89
NIL (31 March 2018: 16,588,846.66) units of HDFC Medium term Opportunities Fund-Growth **	-	3,203.45
156,456,76.566 (31 March 2018: NIL) units of Franklin India Ultra Short Bond Fund Super Institutional Plan Growth *	4,109.93	-
29,242.952 (31 March 2018: NIL) units of Franklin India Short Term Income Retail Plan Growth	1,168.92	-
67,994.421 (31 March 2018: NIL) units of UTI Liquid Cash Plan -Regular Growth @	2,073.78	-
75,332.351 (31 March 2018: NIL) units of SBI Liquid Fund Regular Growth @	2,196.93	-
Total	25,249.66	26,646.32
Aggregate cost of Quoted investments	21,379.70	22,564.13
Aggregate market value of Quoted investments	25,249.66	26,646.32
Current	25,249.66	26,646.32

Note:

* Investments marked have been pledged as collateral securities with Banks for avilment of working capital and term loans for the Company. (Refer Note 16).

** Investments marked have been pledged as collateral securities with Banks for avilment of term loans for the Company and its Subsidiary (Refer Note 16).

Investment marked has been pledged partly as collateral security with a Bank for avilment of working capital and term loan for the Company and term loan for one or more of the Subsidiaries (Refer Note 16).

@ Investments marked have been pledged partly as collateral security with a bank for avilment of term loan for one of the Subsidiary (Refer Note 16).

Investment in LIC Endowment Fund initially taken in the name of the Managing Director has been subsequently assigned to the Group.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

6(c) Financial assets carried at Amortised cost

Loans (Unsecured, considered good, unless otherwise stated) carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Other Financial Assets**	116.64	638.25
Total	116.64	638.25
(ii) Current		
Loans to employees	3.63	8.08
Earnest money deposit	48.95	48.95
Other Financial Assets**	382.46	475.08
Total	435.04	532.11
Total	551.68	1,170.36

** Other financial assets are non-derivative financial assets which generate an effective interest income of 8.5 % - 16.58 % for the Group

6(d) Other financial assets (Unsecured, considered good, unless otherwise stated) carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Interest accrued but not due on margin money accounts	-	1.74
Balance with Government authorities	678.61	280.44
Others	532.67	39.00
Provision for doubtful advance	(280.44)	(280.44)
Total	930.84	40.74
(ii) Current		
Interest accrued on fixed deposits	148.85	86.95
Renewable Energy Income Receivable	-	572.47
Balances with Government authorities	599.94	31.59
Provision for doubtful advance	(31.59)	(31.59)
Other Current Financial assets	703.68	-
Total	1,420.88	659.42
Total	2,351.72	700.16
Considered good	2,039.69	388.13
Considered doubtful	312.03	312.03

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

**6(e) Bank balances
(Carried at amortised cost)**

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-Current		
Deposits with original maturity more than 12 months #	1,604.48	19.54
Total	1,604.48	19.54
(ii) Current		
Deposits with original maturity more than 3 months and less than 12 months #	12,418.54	6,315.22
Total	12,418.54	6,315.22
Total	14,023.03	6,334.76

The balance on deposit accounts bears an average interest rate of 11.79 % and have been pledged as collateral securities with Banks for availing Funding and Non-funding limits, Foreign Currency Non-resident Loan facilities for the Group. (Refer Note 15).

7 Other Non-current Assets (Unsecured, considered good)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital advances	732.95	1,268.47
Prepaid expenses	156.43	101.07
Advances recoverable in cash	22.69	-
Others	-	393.87
Total	912.07	1,763.41

8 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials and components	2,889.71	2,207.52
Raw materials In Transit	226.75	174.74
Work-in-progress	679.71	729.68
Finished goods	1,152.39	2,335.01
Traded goods	775.17	1,333.29
Stores and spares	-	123.07
Total	5,723.73	6,903.31

Note: Work-in Progress comprises of Solar Photo Voltaic Panels, mechanical and electrical items and Alloys, Castings and Test Bars.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

9 Trade receivables (Unsecured, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Receivables considered good	3,827.39	5,764.71
(b) Receivables which have significant increase in Credit Risk	158.47	68.70
(c) Receivables - credit impaired	444.89	299.38
Less: Allowance for Expected Credit Loss	(444.89)	(299.38)
Total	3,985.86	5,833.41

Note:

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.

Trade Receivables are unsecured and are derived from revenue earned from sale of Solar Photo Voltaic Panels, Solar Power Generating Systems and accessories, other services such as installation and maintenance and sale of patterns and castings. Trade receivables are non-interest bearing and are generally on terms of 60 -150 days.No interest is charged on the balance regardless the age of the balance. The Group uses judgements in making certain assumptions and selecting inputs to determine the impairment of these trade receivables, based on the Group's historical experience towards potential billing adjustments, delays and defaults at the end of the reporting period.

10 Cash and cash equivalents

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks:		
On current accounts	833.97	715.12
On unpaid dividend accounts	29.37	30.12
Deposits with original maturity less than 3 months *	1.76	8,070.20
Cash on hand	11.62	10.74
Total	876.72	8,826.18

Note: The balance on deposit accounts bears an interest rate of 6.25% and have been pledged with Banks as collateral securities for availing Bank guarantees for the Group.

10(a) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with Banks:		
On current accounts	833.97	715.12
Deposits with original maturity less than 3 months	1.76	8,070.20
Cash on hand	11.62	10.74
	847.35	8,796.06
Less : Bank overdrafts (Refer Note 15 (b))	(8,648.37)	(6,263.37)
Total	(7,801.02)	2,532.69

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

11 Other Current assets

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured and considered good:		
Supplier advances	249.71	376.24
Prepaid expenses	101.19	95.86
Others	380.44	807.54
Total	731.34	1,279.64

12 Equity Share Capital

Particulars	Equity Shares of Rs. 10/- each	
	Nos.	Amount
Authorised Share Capital		
As at 31 March 2018	470,00,000	4,700.00
Increase/(Decrease) during the year	-	-
As at 31 March 2019	470,00,000	4,700.00
Issued, Subscribed & Fully paid up		
As at 31 March 2018	101,05,840	1010.58
Issue of Equity Share Capital	-	-
As at 31 March 2019	101,05,840	1010.58

a. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The 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 Rs.10/- each fully paid	As at 31 March 2019		As at 31 March 2018	
	Number of shares	% holding in the class	Number of shares	% holding in the class
R. Chellappan, Managing Director	49,19,278	48.68%	48,15,954	48.38%

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.

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

13 Other Equity

Other Equity movement during the years 2017-18 and 2018-19:-

Particulars	Capital Reserve	Capital Redemption Reserve	Revaluation Reserve	Securities Premium (Refer Note (i) below)	Retained earnings (Refer Note (iii) below)	General Reserve (Refer Note (ii) below)	Others	Foreign Currency Translation Reserve	Total
Balance at the beginning of the reporting period	304.10	375.00	390.86	182.68	49,365.98	18,102.14	26.18	1,723.07	70,470.01
Add: Profit for the year	-	-	-	-	682.86	-	-	-	682.86
Add: Other comprehensive income for the year	-	-	-	-	3.89	-	-	-	3.89
Less: Distribution made during the year	-	-	-	-	(487.32)	-	-	-	(487.32)
Less: Movement in Revaluation reserve	-	-	(5.57)	-	-	-	-	-	(5.57)
Others	-	-	-	-	-	-	-	929.47	929.47
Closing Balance as on 31 March 2019	304.10	375.00	385.29	182.68	49,565.41	18,102.14	26.18	2,652.54	71,593.34

- (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.
- (ii) **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.
- (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.

14a. Distribution made and proposed

Particulars	As at 31 March 2019	As at 31 March 2018
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended 31 March 2018 : Rs. 4/- per share (31 March 2017: Rs. 4/- per share)	404.23	404.23
Dividend Distribution tax on final Dividend	83.09	82.29
Proposed dividends on Equity shares:		
Proposed Dividend for the year ended 31 March 2019: Rs.2.50 /- per share (31 March 2018: Rs. 4/- per share)	252.65	404.23
Dividend Distribution Tax (DDT) on Proposed Dividend	51.93	83.09

Proposed Dividend of Rs.2.50/- per share on Equity shares are subject to the approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at 31 March 2019.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

14b. Net dividend remitted in foreign exchange

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Final equity dividend		
Period to which it relates	2017-18	2016-17
Number of non-resident shareholders	5	6
Number of equity shares of Rs 10/- each held on which dividend was due	2,29,900	3,22,076
Amount remitted	9.20	12.88

15 Borrowings

Financial Liabilities carried at amortised cost

Particulars	As at 31 March 2019	As at 31 March 2018
(a) Non-Current		
Term loan from Banks	2,866.79	3,142.00
Vehicle loan	13.80	23.57
Total	2,880.59	3,165.57
Secured Borrowings	2,880.59	3,165.57

Details of long term borrowings are given below:

Particulars	As at 31 March 2019	Effective Interest Rate	Currency	Repayment Terms	Security
Term loan - 1	173.75	8.65%	INR	Repayable in quarterly instalments of Rs. 43.44 lakhs each, ending March 2020	Mutual funds of the Group
Term loan - 2	660.08	10.05%	INR	Repayable in quarterly instalments (Rs.25.37 lakhs each till December 2025 and Rs.27.15 lakhs for March 2026) starting from December 2019 each, ending March 2026.	2 MW Solar Plant installed at Integral Coach Factory, Chennai
Term loan - 3	612.50	8.35%	INR	16 Equal quarterly installments of Rs.43,75,000/- each starting from 1 December 2018 and ending on 1 September 2022 after 1 year moratorium.	Mutual funds of the Group
Term loan - 4	612.50	8.35%	INR	16 Equal quarterly installments of Rs.43,75,000/- each starting from 14 December 2018 and ending on 14 September 2022 after 1 year moratorium.	Mutual funds of the Group
Term loan - 5	468.74	8.35%	INR	16 Equal quarterly installments of Rs.31,25,000/- each starting from 4 January 2019 and ending on 4 October 2022 after 1 year moratorium.	Mutual funds of the Group

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

Term loan - 6	562.50	8.35%	INR	16 Equal quarterly installments of Rs.37,50,000/- each starting from 4 February 2019 and ending on 4 November 2022 after 1 year moratorium.	Mutual funds of the Group
Vehicle loan-1	23.23	8.00%	INR	Loan obligation plus interest, is payable in 48 equal monthly instalments.	Vehicle
Vehicle loan-2	0.50	7.72%	INR	Loan obligation plus interest, is payable in 60 equal monthly instalments.	Vehicle
Sub Total	3,113.80				
Less: Current Portion	233.21				
Non-Current Borrowings	2,880.59				

Particulars	As at 31 March 2019	As at 31 March 2018
(ii) Current		
Term loan from Banks	4,012.64	3,848.72
Bank overdrafts	8,648.37	6,263.37
Foreign Currency Non-Resident Loan (FCNR)	969.94	1,015.27
Packing Credit Foreign Currency (PCFC)	901.35	1,007.78
Working Capital Loan	2,104.28	2,411.23
External Commercial Borrowing (ECB)	-	1,322.57
Total Current Borrowings	16,636.58	15,868.94
Secured loans	16,636.58	15,868.94

Details of Short Term Borrowings are given below:

Particulars	As at 31 March 2019	Effective Interest Rate	Currency	Repayment Terms	Security
Bank overdrafts	8,648.37	3.50% - 9.00%	INR	Repayable on demand	Fixed Deposits and Mutual funds of the Holding Group
Short Term Loan- 1	943.72	8.80%	INR	For a period of 3 years with bullet repayment terms; interest payable monthly	Mutual funds of the Holding Group
Short Term Loan- 2	1,000.00	8.10%	INR	Bullet repayment terms ; interest payable monthly	Mutual funds of the Holding Group
Short Term Loan- 3	2,068.92	8.65%	INR	Bullet repayment terms ; interest payable monthly	Mutual funds of the Holding Group
Packing Credit Foreign Currency (PCFC)	901.35	2.00%	Euro	Repayable within 6 months from the date of the loan	Fixed Deposits of the Holding Group
Foreign Currency Non-Resident Loan (FCNR)	969.94	3.50%	EURO	On demand	Fixed Deposits of the Holding Group
Working capital demand loan -1	334.80	9.20%	INR	On demand	Fixed Deposits of the Holding Group
Working capital demand loan -2	1,769.48	3.0%-3.50%	USD	On demand	Fixed Deposits of the Holding Group
Total Short Term Borrowings	16,636.58				

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

16 Other Financial Liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Non Current		
Rental deposit	115.59	115.63
Total	115.59	115.63
Current		
Current maturities of long-term debt (Refer Note 15(a))	233.21	1,604.53
Unpaid dividend	29.37	30.12
Interest accrued	51.00	35.83
Capital creditors	66.88	197.33
Rental deposits	38.54	53.40
Statutory dues payable	-	110.17
Total	419.00	2,031.38
Total	534.59	2,147.01

17 (a) Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Impact on difference between tax, depreciation and amortisation charged for the financial reporting	2,833.80	1,900.98
Gross deferred tax liabilities	2,833.80	1,900.98
Deferred tax assets		
Carry forward business loss and unabsorbed depreciation	(2,550.48)	(1,540.00)
Gross deferred tax assets	(2,550.48)	(1,540.00)
Total Deferred tax liabilities (net) *	283.32	360.98

* Deferred tax liabilities as at 31 March 2019 comprises of deferred tax asset of Rs. 2,833.80 lakhs and deferred tax liabilities of Rs. 2,550.48 lakhs

(b) Income Tax

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

Consolidated Statement of Profit and Loss:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Current income tax:		
Current income tax charge	479.35	951.03
MAT credit (entitlement) / availed	(35.89)	(171.44)
Deferred tax:		
Relating to origination and reversal of temporary differences	(77.66)	360.98
Total	365.80	1,140.57

As at 31 March 2019, the Group has total eligible deferred tax asset of Rs.5,531.99 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 depreciate and MAT Credit, the Company has recognised deferred tax asset to the extent of Rs. 1,887.53 Lakhs towards carried forward tax losses and unabsorbed depreciation and unused tax credits to the extent of deferred tax liabilities.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Accounting Profit before income tax (including other comprehensive income)	1,052.55	2,688.45
Minimum Alternate Tax (MAT) Adjustments:		
Add: Allowance for Expected Credit Loss	145.61	32.21
Add: Interest on late payment of Tax Deducted at Source	-	0.28
Book Profit for MAT Calculation	1,198.16	2,720.94
At India's statutory Minimum Alternate Tax rate of 21.549% (31 March 2018: 21.34%)**	21.549%	21.34%
Derived Tax Charge for the year	258.19	580.65
Tax impact on account of one fifth of the amount credited to the opening reserves as at 31 March 2016 pursuant to transition to Ind AS	89.85	88.63
Effect of deferred taxes created on depreciation differences	(77.66)	360.98
Effect of non deductible items for tax purposes	-	3.67
Effect of Income not taxable	(4.70)	(12.84)
Others	-	38.50
Tax impact on account of loss making subsidiaries	107.18	215.30
Effect of MAT credit recognised during the year	(35.89)	(158.84)
Effect of differential tax rates	28.84	24.52
Net derived tax charge	365.80	1,140.57
Income tax expense reported in the Consolidated Statement of Profit and Loss	365.80	1,140.57

** During the current year, the group with the exception of foreign and loss making subsidiaries, is required to pay tax as per the provisions of Minimum Alternate tax under the provisions of Section 115JB of the Income Tax Act, 1961. Accordingly, the effective rate of tax has been considered as 21.549%

18 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Non-current		
Provision for warranties (Refer Note below)	338.02	297.95
Provision for gratuity (Refer Note 31)	118.77	109.96
Provision for compensated absences	91.78	-
Total	548.57	407.91
(ii) Current		
Provision for warranties (Refer Note below)	84.07	63.77
Provision for gratuity (Refer Note 31)	4.78	10.00
Provision for compensated absences	38.26	70.19
Provision for Income tax (net of advance tax)	250.11	299.82
Total	377.22	443.78
Total Provisions (i)+(ii)	925.79	851.69

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

Note: Provision for warranties

Particulars	As at 31 March 2019	As at 31 March 2018
At the beginning of the year	361.72	352.26
Arising during the year	328.64	151.51
Utilisation of warranties	(268.27)	(142.05)
At the end of the year	422.09	361.72

19 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Trade payables (Refer note below regarding dues to micro, small and medium enterprises)	5,005.19	5,228.14
Trade payables to related parties (Refer Note 33)	163.58	111.43
Total	5,168.77	5,339.57

Note: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	196.96	74.61
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	2.67	1.97
(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	2.67	1.97
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.67	1.97
(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	-	-

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 2019	As at 31 March 2018
Advance from customers	346.89	136.27
Statutory dues payable	81.20	-
Others	162.82	3.25
Total	590.90	139.52

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

21 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations		
(a) Sale of Products (Refer Note 21.1(i) below)	17,715.02	17,840.86
(b) Sale of Services (Refer Note 21.1(ii) below)	373.34	325.51
(c) Sale of Power	2,881.36	2,230.97
(d) Revenue from Service Concession Arrangements	-	7865.49
(e) Other Operating Revenue (Refer Note 21.1(iii) below)	1,797.16	1,354.42
Total	22,766.88	29,617.25

21.1 Disaggregation of the revenue information

The tables below presents disaggregated revenues from contracts with customers for the year ended 31 March 2019 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 2019	For the year ended 31 March 2018
Manufactured goods		
Solar Photovoltaic Panels	3,366.84	5,872.45
Solar Power Generating Systems and accessories"	5,173.53	3,485.99
Alloys and castings	5,037.05	5311.24
Grey Iron and Ductile Iron castings	3,004.44	2,837.14
Traded goods	1,133.16	334.04
Total	17,715.02	17,840.86

(ii) Sale of Services comprises the following:-

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Installation	170.17	235.03
Annual Maintenance Contracts	113.18	81.16
Others	89.99	9.32
Total	373.34	325.51

(iii) Other operating revenue comprises the following:-

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Scrap Sales	154.43	117.80
Rental Income	407.08	356.87
Renewable Energy Certificate Income (net)	1,042.59	601.43
Export Benefits	193.06	278.32
Total	1,797.16	1,354.42

No other single customers contributed 10% or more to the Company's revenue during the financial years 2018-19 and 2017-18.

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

Revenue by Geography (Revenue from operations)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
India	17,814.35	24,282.29
Outside India	4,952.53	5,334.96
Total	22,766.88	29,617.25

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 2019	For the year ended 31 March 2018
Exchange differences (net)	4.94	160.62
Rental Income	1.94	28.95
Dividend Income on equity investments	4.70	4.70
Gain on sale of investments (net)	1,929.29	82.26
Gain on investments carried at fair value through Profit and Loss	(207.23)	1,500.00
Dividend income on investments carried at fair value through Profit and Loss	-	3.48
Provision no longer required written back (Net)	52.55	140.08
Liabilities no longer required, written back	6.78	42.48
Other non-operating income	160.16	26.74
Total	1,953.13	1,989.33

23 Finance income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on financial assets carried at amortised cost	700.43	745.15
Total	700.43	745.15

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

24 Cost of raw material and components consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventories at the beginning of the year	2,382.26	2,781.70
Add: Purchases	3,834.63	15,358.08
Add: Cost incurred towards Service Concession arrangement (Refer Note 5)	-	4,191.07
	6,216.89	22,330.85
Less: Inventories at the end of the year	3,116.46	2,382.26
Total	3,100.43	19,948.59

25 Decrease / (Increase) in Inventories of work-in-progress, traded goods and finished goods

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Decrease / (Increase) in Inventories of Work-in-progress, traded goods and finished goods		
Traded goods	538.40	(336.27)
Work-in-progress	49.98	(80.14)
Finished goods	1,260.82	(920.70)
Total	1,849.20	(1,337.11)

26 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries, wages and bonus	2,206.48	1,964.41
Contribution to provident and other funds	139.05	141.29
Gratuity expense (Refer note 31)	31.03	52.40
Staff welfare expenses	160.43	151.41
Total	2,536.99	2,309.51

27 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sub-contracting and processing expenses	2,484.50	2,043.92
Consumption of stores and spares	32.87	50.45
Service and maintenance charges	12.10	10.70
Power and fuel	1,003.50	612.47
Wheeling charges	8.22	13.30
Freight and forwarding charges	211.00	212.14
Rent (Refer note 32)	194.43	195.07
Rates and taxes	99.84	105.89
Insurance	72.56	42.50
Repairs and maintenance		
- Plant & Machinery	334.80	264.34
- Buildings	72.01	67.26
- Others	106.17	104.94
Corporate Social Responsibility (Refer Note (i) below)	40.73	21.09
Sales promotion	138.33	69.58

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Advertisement	100.40	57.31
Security charges	116.61	104.78
Travelling and conveyance	227.47	217.89
Communication costs	56.17	53.14
Printing and stationery	32.24	29.71
Exchange differences (net)	599.11	163.91
Legal and professional fees	267.60	268.93
Payment to auditor (Refer Note (ii) below)	46.22	36.52
Liquidated damages	34.36	9.02
Provision for Doubtful/Trade/Other receivables	145.35	68.90
Bad debts/advances written off	21.11	40.79
Net loss on retirement of Property, Plant and Equipment	-	29.23
Provision for warranties (net of reversals) (Refer Note 18)	59.51	-
Directors' sitting fees	29.18	4.10
Miscellaneous expenses	231.89	194.50
Total	6,778.28	5,092.38

Notes

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(i) Corporate Social Responsibility		
(i) Gross amount required to be spent by the Group during the year	43.91	35.28
(ii) Amount spent during the year	40.73	21.09
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, providing drinking water, promoting health and preventive health care to underprivileged people		
(ii) Payment to auditor		
Audit fee	31.24	23.79
Limited review	7.08	7.00
Tax Audit Fee	2.77	2.50
Certification	1.06	1.42
Reimbursement of expenses	4.07	1.81
	46.22	36.52

The above fee is net of input credit for GST and Service Tax wherever applicable.

28 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of Property, Plant and Equipment	1,800.19	1,801.90
Depreciation of Investment Property	102.19	95.99
Amortisation of Other Intangible assets	696.87	429.65
Total	2,599.25	2,327.54

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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

29 Finance costs

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest on borrowings	1,454.22	846.07
Interest on Trade payables - Micro and small enterprises	2.67	1.97
Net Loss on Foreign Currency Transactions and Translation	2.87	76.58
Bank and other charges	73.13	102.50
Total	1,532.89	1,027.12

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 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders of the Group (A)	682.86	1,588.96
Weighted average number of Equity shares for basic and diluted EPS (B)	101,05,840	101,05,840
Basic Earnings per share (A/B)	6.76	15.72
Diluted Earnings per share (A/B)	6.76	15.72

31 Defined Contribution 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 Group in the form of a qualifying insurance policy.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Employer's Contribution to Provident Fund	139.05	141.29

Defined Benefits Plan

Reconciliation of opening and closing balances of Obligation

Particulars	Gratuity Plan (funded)	
	As at 31 March 2019	As at 31 March 2018
Defined Benefit obligation as at the beginning of the year	223.88	139.05
Current Service Cost	26.22	29.06
Interest Cost	15.29	9.97
Past Service Cost	-	7.26
Actuarial loss	(15.77)	66.97
Benefits paid	(6.29)	(5.16)
Others	-	(23.27)
Defined Benefit obligation as at the end of the year	243.33	223.88
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets as at the beginning of the year	103.92	84.43
Expected return on plan assets	17.77	11.90
Actuarial gain / loss	-	(0.03)
Employer's contribution	-	12.78
Benefits paid	(6.29)	(5.16)
Fair value of plan assets as at the end of the year	115.40	103.92

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

Reconciliation of fair value of assets and obligations

	As at 31 March 2019	As at 31 March 2018
Fair value of plan assets	115.40	103.92
Present value of obligation	243.33	223.88
Net Obligation disclosed as:		
- Current	4.78	10.00
- Non - Current	118.77	109.96
	For the year ended 31 March 2019	For the year ended 31 March 2018
Recognised in profit or loss:		
Current Service Cost	26.22	29.06
Expected return on plan assets	(17.77)	(11.90)
Interest Cost	15.29	9.97
Past Service Cost	-	7.26
Others	-	18.01
Recognised in other comprehensive income:		
Actuarial loss / (gain)	(7.29)	52.23
Net Cost	16.45	104.63

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 2019	As at 31 March 2018
Investments details:		
Fund with LIC	115.40	103.92
Total	115.40	103.92

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Particulars	Gratuity	
	2018-19	2017-18
Discount rate:	7.43%	7.64%
Future salary increases:	7.50%	10.00%
Expected Return on Plan Assets:	7.64%	7.64%
Employee turnover:	14.00%	8.00%
Contribution Expected to be paid during the next year	4.78	10.00

A quantitative sensitivity analysis for significant assumptions as at 31 March 2019 is as shown below:

Gratuity plan:

Assumptions - Sensitivity Level	For the year ended 31 March 2019			
	Sensitivity Level		Impact on defined benefit obligation	
	1% increase	1% decrease	Amount	Amount
Discount rate:	8.45%	6.45%	301.88	349.58
Future salary increases:	11.00%	9.00%	348.44	302.09

Assumptions - Sensitivity Level	For the year ended 31 March 2018			
	Sensitivity Level		Impact on defined benefit obligation	
	1% increase	1% decrease	Amount	Amount
Discount rate:	8.64%	6.64%	189.91	227.03
Future salary increases:	11.00%	9.00%	226.67	189.59

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

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 10 years (31 March 2018:10 years).

32 Commitments and Contingencies

Particulars	As at 31 March 2019	As at 31 March 2018
Operating leases: Company as lessee		
Future minimum rentals payable under non-cancellable operating lease are as follows:		
Not later than one year	95.13	196.52
Later than one year but not later than five years	3.23	244.96
Later than five years	0.23	245.59
Total	98.59	687.07
Operating leases: Company as lessor		
Future minimum lease rental receivable under non-cancellable operating lease are as follows:		
Not later than one year	300.89	324.87
Later than one year but not later than five years	482.14	980.00
Total	783.03	1,304.87

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
 Mrs. V.C.Mirunalini - Whole Time Director
 Mr. K. V. Nachiappan (w.e.f 20 April 2018)
 Mr. V.M.Sivasubramaniam - Independent Director (up to 26 April 2018)
 Mr. N.Natarajan - Independent Director (up to 31 March 2019)
 Mr. G.S.Samuel - Independent Director
 Mr. S.Annadurai - Independent Director
 Mr.S.Krishnan - Independent Director (w.e.f 23 July 2018)
 Mrs. Jayashree Nachiappan - Non Executive Director
 Mr.S.Iniyan - Independent Director (w.e.f. 1 April 2019)
 Mr. P.Jagan - Chief Financial Officer
 Mr. R. Sathishkumar - Company Secretary

Relatives of Key Management Personnel

Mrs. Gunasundari Chellappan
 Ms. Aarthi Balan
 Ms. Preetha Balan
 Mrs. Vasantha Balan
 Mr. K. N. Rishii Nandhan

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Arken Solutions Private Limited
 Swelect Electronics Private Limit

Terms and conditions of transactions with related parties : The transactions with related parties are made on terms equivalent to those that prevail in 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 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: 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.

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	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sale of goods	403.71	1.18	-	-	-	1.40	403.71	2.58
-- Mr. R. Chellappan	401.99	1.18	-	-	-	-	401.99	1.18
-- Mr. A. Balan	1.57	-	-	-	-	-	1.57	-
-- Mr. K.V. Nachiappan	0.15	-	-	-	-	-	0.15	-
-- Arken Solutions Private Limited	-	-	-	-	-	1.40	-	1.40
Purchases of traded goods	-	-	-	-	266.17	-	266.17	-
-- Arken Solutions Private Limited	-	-	-	-	266.17	-	266.17	-
Purchase of Capital goods	-	-	-	-	-	299.87	-	299.87
-- Arken Solutions Private Limited	-	-	-	-	-	299.87	-	299.87
Receipt of services	-	-	-	-	113.34	317.39	113.34	317.39
-- Arken Solutions Private Limited	-	-	-	-	113.34	317.39	113.34	317.39
Rent expense	2.27	2.15	-	-	0.24	-	2.51	2.15
-- Mr. R. Chellappan	2.27	2.15	-	-	-	-	2.27	2.15
-- Swelect Electronics Private Limited	-	-	-	-	0.24	-	0.24	-
Sitting fees	4.65	4.10	-	-	-	-	4.65	4.10
-- Mr.V.M.Sivasubramaniam	0.10	1.10	-	-	-	-	0.10	1.10
-- Mr. N.Natarajan	1.00	0.80	-	-	-	-	1.00	0.80
-- Mr. G.S.Samuel	1.05	0.60	-	-	-	-	1.05	0.60
-- Mr. S.Annadurai	0.95	0.60	-	-	-	-	0.95	0.60
-- Mr. S.Krishnan	0.40	-	-	-	-	-	0.40	-
-- Mrs. Jayashree Nachiappan	1.15	1.00	-	-	-	-	1.15	1.00
Commission	-	-	6.00	5.00	-	-	6.00	5.00
-- Mr.V.M.Sivasubramaniam	-	-	3.00	2.50	-	-	3.00	2.50
-- Mr. N.Natarajan	-	-	3.00	2.50	-	-	3.00	2.50
Remuneration	147.93	148.97	10.67	10.16	-	-	158.60	159.13
-- Mr. R. Chellappan	29.56	53.28	-	-	-	-	29.56	53.28
-- Mr. A. Balan	31.61	43.67	-	-	-	-	31.61	43.67
-- Mr. K.V. Nachiappan	25.55	-	-	-	-	-	25.55	-
-- Mr. V.C.Raghunath	12.16	10.07	-	-	-	-	12.16	10.07
-- Mr. R.Sathishkumar	8.16	8.04	-	-	-	-	8.16	8.04
-- Mr. P.Jagan	31.73	27.61	-	-	-	-	31.73	27.61
-- Mrs V.C.Mirunalini	9.17	6.30	10.67	8.28	-	-	9.17	6.30
-- Miss Aarthi Balan	-	-	-	-	-	-	10.67	8.28
Consultancy Charges	-	-	5.97	5.32	-	-	5.97	5.32
-- Miss Preetha Balan	-	-	5.97	5.32	-	-	5.97	5.32
Dividend paid	215.62	208.19	5.44	4.53	-	-	221.07	212.72
-- Mr. R. Chellappan	195.59	192.64	-	-	-	-	195.59	192.64
-- Mr. A. Balan	12.39	12.32	-	-	-	-	12.39	12.32
-- Mr. K.V. Nachiappan	4.41	-	-	-	-	-	4.41	-
-- Mr. V.C.Raghunath	1.56	1.55	-	-	-	-	1.56	1.55
-- Mrs V.C.Mirunalini	1.68	1.68	-	-	-	-	1.68	1.68
-- Others	-	-	5.44	4.53	-	-	5.44	4.53

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(All amounts are in INR 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 2019	As at 31 March 2018
Balance outstanding as at the year end:		
Trade payables	163.58	111.43
-- Arken Solutions Private Limited	163.58	111.43
Capital Creditors	-	14.21
-- Arken Solutions Private Limited	-	14.21
Amounts receivable from related parties		
Trade receivables	-	31.03
-- Arken Solutions Private Limited	-	31.03

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 2019.

Goodwill on consolidation as at 31 March 2019 stood at Rs. 789.74 lakhs (previous year 31 March 2018 : Rs. 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:

- a. The Group acquired 100% equity share stake in Amex Alloys Private Limited for a consideration of Rs. 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 455.04 lakhs was recognised as Goodwill.
- b. The 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 Rs. 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 150.02 lakhs was recognised as Goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of Rs. 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Group. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 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 Rs.2.11 lakhs and the excess purchase consideration paid over the net assets taken over to the extent of Rs 1.71 lakhs is recognised as Goodwill. 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.
- c. The Group acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of Rs.70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 0.56 lakhs is recognised as Goodwill.
- d. 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 Rs 25 lakhs on 18 February 2016. The excess purchase consideration paid over the net asset taken over to the extent of Rs 15 lakhs was recognised as Goodwill.

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

- e. The Group acquired 100% equity share stake in Swelect Power Systems Private Limited for a consideration of Rs 1 lakh on 11 April 2016. The excess purchase consideration paid over the net asset taken over to the extent of Rs 0.34 lakhs was recognised as Goodwill.

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 2019 and 31 March 2018, 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 2019 stood at Rs. 151.46 lakhs (31 March 2018 :Rs. 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 Rs.421.71 lakhs on 05 December 2010. The excess net asset value over the purchase consideration to the extent of Rs. 165.49 lakhs was recognised as capital reserve. The balance 8% equity share stake was acquired on 08 July 2013 for a consideration of Rs. 119.47 lakhs. Consequently, Amex Alloys Private Limited became a 100% subsidiary of the Group. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 14.03 lakhs is adjusted with the capital reserve.

35 Contingent liabilities and Commitments:

(a) Contingencies

The details of claims against the Group not acknowledged as debts are given below:

Particulars	As at 31 March 2019	As at 31 March 2018
a) Cenvat related matters *	5.96	2,747.07
b) Sales tax related matters **	40.87	50.82
c) Income tax related matters #	2,120.74	1,318.64
d) Excise related matters ##	671.94	696.70
e) Rent claim related	2.51	2.51
Contingencies	2,842.02	4,815.74

* Rs. 3.03 lakhs deposited under dispute (2018 - Rs.3.03 lakhs)

** Rs. 11.57 lakhs deposited under dispute (2018 -Rs. 3.33 lakhs)

Rs. 143.20 lakhs deposited under dispute (2018 - Rs. 143.20 lakhs)

Rs. 65.68 lakhs deposited under dispute (2018 - Rs. 67.54 lakhs)

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2019

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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 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 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 Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

(b) Commitments:

(i) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 518.86 (31 March 2018: Rs. 1,445.43)

(ii) Commitments relating to lease agreements, refer Note 32

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

Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial assets						
Investment in equity instruments	30.35	-	30.35	30.35	-	30.35
Investments	25,249.66	500.00	25,749.66	26,646.32	500.00	27,146.32
Trade receivables	-	3,985.86	3,985.86	-	5,833.41	5,833.41
Cash and cash equivalents	-	876.72	876.72	-	8,826.18	8,826.18
Other bank balances	-	14,023.03	14,023.03	-	6,334.76	6,334.76
Renewable Energy Certificate Receivable	-	-	-	-	572.47	572.47
Balances with Government Authorities	-	1,670.19	1,670.19	-	-	-
Security deposits and Grant Receivable (Refer Note 5)	-	499.11	499.11	-	1,113.33	1,113.33
Other Current Financial assets	-	703.68	703.68	-	-	-
Earnest Money Deposit	-	48.95	48.95	-	48.95	48.95
Interest accrued on fixed deposits	-	681.52	681.52	-	127.69	127.69
Advance to employees	-	3.63	3.63	-	8.08	8.08
Total financial assets	25,280.01	22,992.68	48,272.69	26,676.67	23,364.87	50,041.54

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Particulars	As at 31 March 2019			As at 31 March 2018		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial liabilities						
Borrowings - Term loans	-	7,112.64	7,112.64	-	8,595.25	8,595.25
Borrowings - Others	-	12,637.74	12,637.74	-	12,043.79	12,043.79
Interest accrued	-	51.00	51.00	-	35.83	35.83
Trade Payables	-	5,168.77	5,168.77	-	5,339.57	5,339.57
Capital Creditors	-	66.88	66.88	-	197.33	197.33
Unpaid Dividend	-	29.37	29.37	-	30.12	30.12
Rental Deposit	-	154.13	154.13	-	169.03	169.03
Statutory dues payable	-	-	-	-	110.17	110.17
Total financial liabilities	-	25,220.53	25,220.53	-	26,521.09	26,521.09

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

Particulars	As at 31 March 2019			As at 31 March 2018		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investment in equity instruments	-	-	30.35	-	-	30.35
Other Investments	25,249.66	-	-	26,646.32	-	-
Investment Property	-	-	9,917.06	-	-	4,754.65
	25,249.66	-	9,947.41	26,646.32	-	4,785.00

(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 2019 and 31 March 2018. The Group's borrowings are secured by Fixed deposits / Mutual funds, the details of which are more fully described in Note No 15.

36 (a) 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:

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Notes to Consolidated financial statements for the year ended 31 March 2019

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

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 – Company 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.

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.

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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.

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	Amount
Parent				
Swelect Energy Systems Limited	93.59%	67,950.90	298.65%	1,117.72
Subsidiaries				
Foreign				
Swelect Energy Systems Pte. Limited, Singapore	14.13%	10,256.61	2.31%	8.64
SWELECT Inc, USA	0.12%	88.23	(6.17%)	(23.07)
SWELECT Energy Systems LLC, USA	-	(71.66)	-	-
Indian				
Amex Alloys Private Limited	-	(193.82)	(171.67%)	(642.48)
Swelect Solar Energy Private Limited	0.48%	350.26	(1.19%)	(4.44)
Noel Media & Advertising Private Limited	0.36%	264.31	2.76%	10.33
Swelect Green Energy Solutions Private Limited	10.30%	7,475.28	(25.36%)	(94.90)
K J Solar Systems Private Limited	0.53%	383.76	22.71%	84.99
Swelect Power Systems Private Limited	0.54%	393.37	23.80%	89.08
SWEES Employees Welfare Trust	0.50%	365.96	4.11%	15.36
Less : Inter-Group eliminations	70.03%	12,361.26	(49.96%)	(186.98)
Total		99,624.46		374.26

38 Directors' remuneration

Particulars	As at	As at
	31 March 2019	31 March 2018
Salaries	146.71	122.68
Commission	6.00	24.18
Total	152.71	146.86

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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:

- a) Solar and Solar Related Activities
- b) Foundry Business
- c) Others

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 on an arm's length basis in a manner similar to transactions with third parties.

Particulars	2018-19	2017-18
SEGMENT REVENUE:		
Solar	14,287.74	31,346.42
Foundry	9,251.10	8,642.05
Less: Inter segment Revenue	(771.96)	(10,371.22)
Total Revenue from Operations	22,766.88	29,617.25
SEGMENT RESULTS:		
Solar Energy Systems / Services	577.99	979.70
Foundry	(291.00)	53.62
Total Segment Results	286.99	1,033.32
Add/(Less) :		
Other Income	2,623.56	2,734.48
Interest and other financial charges	(1,532.89)	(1,027.12)
Profit before tax	1,377.66	2,740.68
Exceptional item	30.00	-
Income Taxes	362.40	1,151.72
Profit After Tax	1,045.26	1,588.96
SEGMENT ASSETS:		
Solar Energy Systems / Services	76,279.82	45,041.88
Foundry	7,312.14	9,355.97
Others	16,032.50	44,956.02
Total	99,624.46	99,353.87
SEGMENT LIABILITIES:		
Solar Energy Systems / Services	5,304.93	6,468.59
Foundry	1,915.12	2,009.20
Others	19,800.49	19,395.49
Total	27,020.54	27,873.28
SEGMENT CAPITAL EMPLOYED:		
(SEGMENT ASSETS-SEGMENT LIABILITIES)		
Solar Energy Systems / Services	70,974.89	66,350.35
Foundry	5,397.02	6,170.47
Unallocable #	(3,767.99)	(1,040.23)
Total	72,603.92	71,480.59

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- # 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.

DEPRECIATION AND AMORTISATION EXPENSE

Solar Energy Systems / Services	2,150.23	1,855.47
Foundry	449.02	472.07
Total	2,599.25	2,327.54

NON CASH EXPENSE OTHER THAN DEPRECIATION AND AMORTISATION

Solar Energy Systems / Services	21,775.93	27,283.51
Foundry	9,554.79	8,761.62
Total	31,330.72	31,330.72

The details in respect of the Key Geographical areas in which the Group has operations are given below:

Particulars	2018-19	2017-18
Revenue from operations		
India	17,814.35	24,664.72
Europe	3,809.95	5,302.68
Others	1,142.58	32.27
Total	22,766.88	29,999.68

Particulars	2018-19	2017-18
Non-current assets (Excluding Financial assets & Deferred tax asset)		
India	40,629.73	36,793.21
Singapore	3,378.77	2,058.79
Total	44,008.50	38,852.00

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 2019 and 31 March 2018.

40 A. 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.

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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.

PARTICULARS	As at 31 March 2019	As at 31 March 2018
Variable rate borrowings	19,736.58	20,639.04
Fixed rate borrowings	13.80	23.57
Total	19,750.38	20,662.61

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	Year Ended 31 March 2018	Year Ended 31 March 2017
March 31, 2019	+ 183 basis points	104.41
	- 183 basis points	(104.41)
March 31, 2018	+ 50 basis points	103.08
	- 50 basis points	(103.08)

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 2019	For the year ended 31 March 2018	For the year ended 31 March 2019	For the year ended 31 March 2018
US Dollars	+5%	(263.63)	(306.46)	(263.63)	(306.46)
	-5%	263.63	306.46	263.63	306.46
SGD	+10%	(187.00)	-	(187.00)	-
	-10%	187.00	-	187.00	-
Euro	+5%	-	(14.77)	-	(14.77)
	-5%	-	14.77	-	14.77

(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.

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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 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 of 31 March 2019	1,637.27	1,634.10	714.48	3,985.86
Trade Receivables as of 31 March 2018	1,080.01	4,459.39	294.01	5,833.41

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.

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.

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The table below summarise the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	As at 31 March 2019			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	10,654.12	1,363.36	7,732.90	19,750.38	19,750.38
Trade Payables	5,119.56	49.20	-	5,168.77	5,168.77
Other financial liabilities	303.41	115.59	-	419.00	419.00
Total	16,077.08	1,528.15	7,732.90	25,338.14	25,338.15

Particulars	As at 31 March 2018			Total	Carrying Value
	Less than 1 year	1- 5 years	More than 5 years		
Borrowings	2,574.88	874.81	355.76	3,805.45	20,639.04
Trade Payables	5,339.57	-	-	5,339.57	5339.57
Other financial liabilities	386.34	76.68	-	463.02	542.48
Total	8,300.79	951.49	355.76	9,608.04	26,521.09

40 B. 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 31 March 2019	As at 31 March 2018
Borrowings	19,750.38	20,639.04
Less: Cash and cash equivalents	(14,899.74)	(15,160.94)
Net Debt	4,850.64	5,478.10
Equity	72,603.92	71,480.59
Total Capital	72,603.92	71,480.59
Capital and Net Debt	77,454.56	76,958.69
Gearing Ratio	6.26%	7.12%

41 Recent accounting pronouncements

Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after 1 April 2019.

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognise

SWELECT ENERGY SYSTEMS LIMITED

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the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

Amendment to Ind AS 19 - Employee Benefits

On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after 1 April 2019, though early application is permitted.

New Accounting Standard : Ind AS 116 - Leases

On 30 March 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019.

The Group is evaluating the effect of the above in its financial statements.

- 42** Exceptional item during the year ended 31 March 2019 represents the amounts collected against payments made towards land acquisition written off due to defective titles. The Group is continuing to pursue recovery of the balance amounts through legal channels.
- 43** One of the Subsidiary 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 and in this connection had made an application as required under Section 109 of the Land Reforms Act, Karnataka for a total area of 33.20 Acres. The Company has so far received approvals for 16.80 Acres and is following up for getting the approvals for the balance Acres and has also initiated the process of getting the sale deed registered.
- 44** The Ind AS financial statements were approved by the Board of Directors on 28 May 2019.

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

Swelect Energy Systems Limited

Sd/-
R. Chellappan
Managing Director
DIN:00016958

Sd/-Sd/-
R. Sathishkumar
Company Secretary

Place: Chennai
Date: 28 May 2019

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

P.Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2019

SWELECT ENERGY SYSTEMS LIMITED

(All amounts are in INR 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)

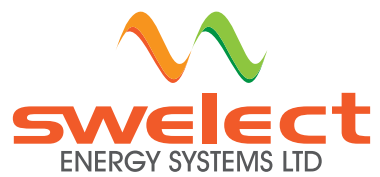
Statement containing salient features of the financial statements of subsidiaries

Part "A": Subsidiaries

Sl no	Name of the Subsidiaries	Date since when Subsidiary acquired	Reporting period	Reporting Currency	Exchange Rate (Rs.)	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Details of Investment (except in case of Investment in subsidiary)	Turnover (net)	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend	% of shareholding
1	SWELECT Energy Systems Pte. Limited, Singapore	13-05-2004	Apr-Mar	USD	69.1713	4,372.90	7,077.68	14,979.52	3,528.94	-	6,646.07	331.56	3.88	327.68	-	100%
2	SWELECT Energy Systems (Asia Pacific) Pte. Limited, Singapore (Refer Note 2)	03-02-2016	Apr-Mar	USD	-	-	-	-	-	-	-	-	-	-	-	51%
3	SWELECT Inc, USA	23-02-2016	Jan- Dec	USD	69.1713	68.85	(67.57)	231.37	230.09	-	0.04	(23.07)	-	(23.07)	-	100%
4	SWELECT Energy Systems LLC, USA (Refer Note 3)	19-02-2016	Jan- Dec	USD	-	-	-	-	-	-	-	-	-	-	-	100%
5	Amex Alloys Private Limited	05-12-2010	Apr-Mar	INR	-	650.00	(456.18)	9,063.80	8,869.98	-	9,251.10	(642.48)	-	(642.48)	-	100%
6	SWELECT Solar Energy Private Limited	02-09-2009	Apr-Mar	INR	-	444.00	(93.75)	815.41	465.16	-	48.05	(4.44)	-	(4.44)	-	100%
7	Noel Media & Advertising Private Limited (Refer note 4)	15-05-2015	Apr-Mar	INR	-	21.08	243.24	1,155.97	891.65	-	179.63	10.33	-	10.33	-	100%
8	SWELECT Green Energy Solutions Private Limited	13-05-2013	Apr-Mar	INR	-	1,860.95	5,614.34	7,613.61	138.32	-	937.54	(94.89)	-	(94.89)	-	100%
9	K J Solar Systems Private Limited (Refer note 4)	11-02-2016	Apr-Mar	INR	-	10.00	373.76	1,817.32	1,433.56	-	270.93	84.99	-	84.99	-	100%
10	SWELECT Power Systems Private Limited	11-04-2016	Apr-Mar	INR	-	10.00	383.37	7,442.56	7,049.19	-	915.49	11.42	(77.66)	89.08	-	100%

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 2019.
- SWELECT Energy Systems (Asia Pacific) Pte. Ltd, Singapore which was a subsidiary of SWELECT Energy Systems Pte. Ltd, Singapore and the name has been struck off in the Government records in February 2019.
- SWELECT Energy Systems LLC, USA is a 100 % subsidiary of SWELECT Inc, USA.
- Noel Media & Advertising Private Limited and K J Solar Systems Private Limited are 100 % subsidiaries of SWELECT Solar Energy Private Limited.



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