



**swelect**  
**ENERGY SYSTEMS LIMITED**  
(formerly known as 'Numeric Power Systems Limited')  
Stay powerful when sun shines. And thereafter...

## Nineteenth Annual Report 2013 - 2014

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## CORPORATE INFORMATION

### CHAIRMAN

Mr. V. M. SIVASUBRAMANIAM

### MANAGING DIRECTOR

Mr.R.CHELLAPPAN

### DIRECTORS

Mr. N. NATARAJAN  
Mr. V. C. RAGHUNATH  
Mrs. VASANTHA BALAN  
Mrs. JAYASHREE NACHIAPPAN  
Mr. B.G. GIRI  
(Director up to 24.07.2013)

### BANKERS

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

THE HONGKONG AND SHANGHAI BANKING  
CORPORATION LIMITED  
Chennai.

BARCLAYS BANK, PLC  
Mumbai.

BNP PARIBAS  
Chennai.

STATE BANK OF INDIA  
Industrial Finance Branch, Chennai.

ICICI BANK  
Mylapore, Chennai.

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

### AUDITORS

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

### COST AUDITOR

Mr. R. Ravichandran,  
B.Sc., ACMA., Oracle R12 Certified  
No.16, 3rd Street, New Colony,  
Adambakkam, Chennai – 600 088.

### COMPANY SECRETARY

Mrs. J. BHUVANESWARI

### REGISTERED OFFICE

SWELECT ENERGY SYSTEMS LIMITED  
CIN : L93090TN1994PLC028578  
'NUMERIC HOUSE'  
5, Sir P.S. Sivasamy Salai,  
Mylapore, Chennai- 600 004.  
Tel: +91 44 2499 3266  
Fax: +91 44 2499 5179  
Email: cg.ird@swelectes.com  
Website: www.swelectes.com

### PLANT LOCATIONS

No	Location of Plant	Details of the Plant
1	Coimbatore Kuppepalayam SF No 166 & 169, Sembagoundanpudur, No 51, kuppepalayam Village, Coimbatore 641107.	SWELECT 1.1 MW Solar Plant
2	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District.	SWELECT 1.5 MW Wind Mill Power Unit
3	58/3 (14 D,D/1) Salem Main Road, Veerappampalayam PO Idappadi-637105, Salem District.	UNIT 3S
4	Monjanur Village, Aravakurichi Taluk, Karur District.	SWELECT 12 MW Solar Plant

## DIRECTORS' REPORT

Our Valued Shareholders,

We have pleasure in presenting the Nineteenth Annual Report together with the Audited Accounts for the year ended March 31, 2014.

As the valuable shareholders of **SWELECT ENERGY SYSTEMS LIMITED**, you are all aware that our company brings with it, almost three decades of expertise in Power Electronics, Power Quality management and a commendable performance in Solar Power. With our solid back drop of experience, our main focus area is the most promising Renewable Energy Sector, as the currently available resources for production of conventional energy are getting dwindled year after year besides not being environment friendly.

### Financial Results :

The abridged stand alone financial results are as under:

(Rs. in Lakhs)

S.No.	Particulars	for the year ended 31/3/2014	for the year ended 31/3/2013
1	Sales / Income from operations	5128.98	11084.71
	Less: Taxes and duties	158.17	534.88
2	Net Sales/Income from Operations	4970.81	10549.83
3	Other income	3047.32	4729.31
	Total Income from Operations	8018.13	15279.14
4	Total Expenditure	4961.30	11137.72
5	Profit Before Depreciation, Interest and Tax	3056.83	4141.42
6	Interest	116.09	148.29
7	Depreciation	446.23	458.03
8	Exceptional other Income	-	61511.77 #
9	Profit Before Tax	2494.51	65046.87
10	Tax Expense	-	13967.23
11	Profit After Tax	2494.51	51079.64
12	Transfer to General Reserve	249.45	14896.62
13	Interim Dividend	-	12127.01
14	Proposed Final Dividend	909.53	808.47
15	Tax on Dividend	154.57	2104.70
16	Balance Carried Forward	1180.96	21142.84
17	Equity Capital	1010.58	1010.58
18	Reserves and Surplus	63634.44	62204.02
19	EPS (Rs.)	24.68	34.23 *

Note: Previous year's figures have been regrouped / reclassified wherever necessary.

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

\* EPS after excluding Exceptional other income.

### **Results of Operations:**

For the Financial Year 2013-14, the Sales / Income from operations is Rs.5,128.98 Lakhs and EPS is Rs. 24.68.

### **Dividend**

The Board of Directors have pleasure in recommending a Dividend of Rs. 9/- per equity share (@ 90 % on the equity share capital of the Company), free of tax in the hands of the shareholders, for the year ended 31st March 2014, subject to approval of the shareholders at the ensuing Annual General Meeting of the Company.

### **Current Business and Growth of the Company:**

**SWELECT Energy Systems Limited**, formerly known as Numeric power Systems Limited, listed in BSE & NSE, has offices across the country, module manufacturing facility at Bangalore (HHV Solar Technologies Limited), and fully backward integrated facility near Salem that manufactures Solar Power Converter, Array Junction Boxes and Solar Module Mounting Structures. SWELECT also has a 100% owned subsidiary in Singapore for supporting the group's international business.

In a very short time SWELECT has gained its strength in the solar energy space with the status as a complete product company and a leading PV project implementer.

As an experienced Energy Systems Company, SWELECT successfully launched the Smart Grid projects and has over 20 sites of 40 -100 KW installations to its credit in a short time. Across India, we have over 1500 rooftop installations and have commissioned successfully 2 sites of 1 MW SPV parks each under REC scheme and IREDA scheme. The 12 MW SPV Modular Park at Monjanur Village, Karur District, Tamilnadu, is part of our proposed 15 MW capacity that is aimed at selling part of the capacity to prospective Corporate entities from India and overseas.

**SWELECT** has been ranked as No. 1 Rooftop Solar Company (source Soft Disk Awards 2011, 12, 13) for three consecutive years.

### **Our product range includes..**

- **Solar PV Modules.**
- **Solar Charge Controllers (PWM and MPPT) / Power Converters (DC/AC).**
- **Solar Inverters (Stand alone / off-grid).**
- **Solar Grid Tie Inverters.**
- **Grid Interactive Inverter systems for Mini & Smart grid applications.**
- **Complete range of BoS (balance of Systems) for SPV projects.**
- **SPV Hybrid systems with Energy Storage .**
- **Rooftop & Utility scale projects.**
- **Module Mounting structures of all types.**
- **Monitoring and most other balance of systems in SPV projects.**

### **Project capabilities of SWELECT :**

- **Rooftop & Utility scale projects.**
- **Design, Supply, Erection and Commissioning of SPV Farms.**
- **Mechanical Balance of system and works.**
- **Electrical Balance of systems and works.**

**IPP (Independent Power Producer) :**

- **SWELECT is an emerging IPP in the Solar PV energy space.**
- **Is committed to install and commission SPV parks for energy sale to third party and Government through Power Purchase Agreement (PPA).**

**Special Engagements undertaken by the Company:**

- **Project management services.**
- **Power quality audit and Energy audit.**

**Wind Power**

**SWELECT** had installed a 1.5 MW wind mill quite successfully and also commissioned an off-grid Solar-Wind Hybrid System. The R&D wing is actively engaged in developing different prototypes to revolutionise generation of alternate renewable and green energy.

**Solar Power**

**Major mile stones of the Company in the Solar power space:**

- The Company has been engaged in developing Solar Power Projects at various places,
- Has installed over 1500 rooftop projects across India,
- First Company in South India to get REC accreditation for the 1.1 MW Solar Energy Project at Kuppepalayam in Coimbatore, TN.
- 1 MW Solar Energy Farm in Sivaganga, TN.
- 1 MW Engineering and Installation for a batteries manufacturing major in TADA, AP.
- 1 MW DC Side Installation and Commissioning for a leading foundry unit in Coimbatore, TN.
- 15 MW Modular Solar Park at Vellakoil in Karur District,

**Leading customers of SWELECT in Solar Power area include:**

- Private and Nationalised Banks (Over 500 sites),
- Leading steel foundries,
- Engineering institutions,
- Government Departments / Agencies,
- Leading business houses,

**Salient features of the recently commissioned 15 MW Modular Solar Park Project at Vellakoil:**

- The power evacuation is through a 33 kV dedicated feeder connecting Periyar Nagar substation through a 33 / 110 kV Transformer. Distance about 13 km from site.
- This project is one of the few truly modular energy parks with the composition of 5 x 33 kV bays to feed:
  - ❖ 1 x 10 MW
  - ❖ 1 x 2 MW
  - ❖ 3 x 1 MW Energy generating systems
  - ❖ of the 15 MW, 12 MW were commissioned on 28.03.2014 and 3 MW on 11.04.2014 (including 1 MW for NRI of USA).

SWELECT has plans to construct similar energy parks in the near future.

### **Future Prospects and Business:**

As you are aware, the business of SWELECT Energy Systems Ltd provides sustainable energy solutions for a greener and healthier India and has been progressing in the area of Solar and Wind energy. Your Company will concentrate and accelerate the growth of business in the green energy space of Solar and Wind energy on own account and as Turn-Key Projects for several valued customers who have already approached the Company.

As a Channel partner of MNRE (Ministry of New and Renewable Energy), SWELECT has the distinct advantage of being in close proximity to customers for pre-sale guidance, project implementation, commissioning and post-sale service, so as to enable the customers to get the maximum benefit of their investment.

Your Company is looking forward to attracting strategic investments and investing in new technology proposals which would help to the company's growth on a long term basis.

### **Awards / Credentials**

- Accreditation by MNRE (Ministry of New and Renewable Energy) as authorized channel partner for off-grid and decentralised solar applications under JNNSM (Jawaharlal Nehru National Solar Mission) scheme.
- Empanelment with Bureau of Energy Efficiency (BEE) as an Energy Service Provider.
- No.1 Solar Solution Provider (Integrator) Company for the year 2013.
- SD Award 2013 for Leadership in Rooftop Solar Installations.
- Accreditation with IMS - Integrated Management System addressing ISO 9001, ISO 14001 and ISO 18000.

### **Subsidiary Companies:**

#### **HHV Solar Technologies Limited.**

During FY 2012-13 SWELECT acquired 49% Equity with Board Control in HHV Solar Technologies Private Limited, a branded Solar Module Manufacturing Company in Bangalore. HHV Solar has an installed capacity of 40 MW. We contemplate additional 20 MW capacity additions in the coming quarters to facilitate faster growth. We have also converted the company status from Private limited to Public Limited and accordingly the Company has changed its name from HHV SOLAR TECHNOLOGIES PRIVATE LIMITED to **HHV SOLAR TECHNOLOGIES LIMITED** during the FY 2013-14.

With the equity participation and control of HHV Solar Technologies Limited, SWELECT has become the first company in India that offers almost a complete range of Solar Power project components.

In view of SWELECT's control over this Solar panel manufacturing subsidiary and by concerted efforts and impressive performance, SWELECT has become a full-fledged EPC Company, culminating in the Company commissioning the 15 MW Vellakoil Solar Farm in one of the shortest times. The first 12 MW has come up in just 72 days time after the basic land development activities.

#### **SWELECT owns subsidiary companies in Iron and Steel Foundry business viz;**

- 1) AMEX ALLOYS PVT LTD, COIMBATORE
- 2) AMEX IRONS PVT LTD, COIMBATORE

AMEX Alloys is enjoying near 100% export of its quality products (Valve castings) in Low Carbon Steel & Special Alloy Steel with customers in Germany, Spain, Italy, France, and UK and in USA. For the third time the Company received Export Excellence Award adjudged by the Indian Foundry Association.

AMEX Irons has been producing Grey and SG iron castings mostly for domestic market (BHEL / TAFE / JOHNSON Lifts etc.) and in the recent times, after SWELECT takeover, has successfully entered into the European markets as well.

With our high level dedication, team building and cultivation of corporate practices, the two foundries are set for higher growth in the future.

### Results of Subsidiary Companies

Information relating to the following Subsidiary Companies for the year ended March 31, 2014 is attached to this Report.

Sl. No.	Name of the Subsidiary Company	Place of Incorporation
1.	SWELECT Energy Systems Pte. Limited	Singapore
2.	Amex Alloys Private Limited	Coimbatore, India
3.	Amex Irons Private Limited	Coimbatore, India
4.	SWELECT Solar Energy Private Limited	Chennai, India
5.	SWELECT Green Energy Solutions Private Limited	Chennai, India
6.	BS Powertech Solutions Private Limited *	Chennai, India
7.	HHV Solar Technologies Limited	Bengaluru, India

\* Subsidiary of SWELECT Solar Energy Private Limited.

### Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Associates in consolidated financial statements and AS-27 on Financial Reporting of interests in Joint Ventures, we have attached the consolidated financial statements which forms part of the Annual Report and Accounts.

### Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

### Corporate Social Responsibility Committee

During the year, the Board of Directors constituted Corporate Social Responsibility Committee comprising of the following members:

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

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

During the year, SWELECT has contributed Rs 10 lakhs for constructing a library and a reading room in Government Boys Higher Secondary School at Sankagiri, Salem district.

### Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
  - (ii) the Directors have 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 the year;
  - (iii) The Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- and
- (iv) the Directors have prepared the annual accounts on a going concern basis.



### Directors

Mr. R. Chellappan and Mrs. Jayashree Nachiappan, Directors retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

Mr.V.C. Raghunath, Son of Mr. R. Chellappan, was appointed as additional Director at the Board meeting of the Company held on 11.11.2013. The Board recommends his appointment as Whole Time Director of the Company for the period of 5 (Five) years who shall be liable to retire by rotation. A notice has been received from a member proposing his candidature.

Mr.V.M. Sivasubramaniam is a Non- Executive (Independent) Director of the Company. He joined the Board on 20.10.2003. In terms of section 149 and other applicable provisions of the Companies Act 2013, Mr. V.M. Sivasubramaniam being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years who is not liable to retire by rotation. The Company has received a notice in writing from a member proposing his candidature for the office of Independent Director. The Company also received a declaration from Mr.V.M. Sivasubramaniam to the effect that he meets the criteria of Independence as provided in subsection (6) of section 149 of the Companies Act 2013.

Mr.N.Natarajan is a Non- Executive (Independent) Director of the Company. He joined the Board on 11.06.2005. In terms of section 149 and other applicable provisions of the Companies Act 2013, Mr. N.Natarajan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years who is not liable to retire by rotation. The Company has received a notice in writing from a member proposing his candidature for the office of Independent Director. The Company also received a declaration from Mr.N.Natarajan to the effect that he meets the criteria of Independence as provided in Sub Section (6) of Section 149 of the Companies Act 2013.

### Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, retire at the ensuing Annual General Meeting, and are eligible for reappointment.

### Cost Auditor

The Company has appointed Cost Auditor for the financial year 2013-2014.

Particulars of Cost Auditor:

Name:	Mr. R. Ravichandran
Qualification:	B.Sc., ACMA., Oracle R12 Certified
Membership No.	5959
Address:	No.16, 3rd Street, New Colony, Adambakkam, Chennai – 600 088
Phone:	044-22532655
Email:	ravichandranji@gmail.com

Due date for filing Cost Audit Report for the year ended 31.3.2014: 30.09.2014

### Statutory Information

During the year under review, no employee was in receipt of remuneration in excess of the limits laid down in Section 217(2A) of the Companies Act, 1956.

### Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with the (Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, are annexed.

### **Transfer of Amounts to Investor Education and Protection Fund**

Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from to time to time on the due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 24, 2013 (date of last Annual General Meeting) on the Company's website ([www.swelectes.com](http://www.swelectes.com)), and also on the Ministry of Corporate Affairs' website.

### **Corporate Governance**

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement 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 Clause is annexed to this report.

### **Acknowledgment**

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

For and on behalf of the Board of Directors

Chennai  
May 29, 2014

R. CHELLAPPAN  
Managing Director

VASANTHA BALAN  
Director

## ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

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

A.	CONSERVATION OF ENERGY	<ol style="list-style-type: none"> <li>1. Addition of Solar Power capacity in the existing SWELECT owned installation to address Renewable Energy and Energy Savings from Utility / Generator run time and fuel consumption.</li> <li>2. Progressive installation of Solar Lighting and energy efficient lighting in the place of conventional lights.</li> <li>3. Performing energy audits in the manufacturing units and office buildings to ensure that the equipment used do not induce harmonics / bad power factor upstream into the grid.</li> </ol>	
B.	RESEARCH & DEVELOPMENT 1. Specific areas in which R&D is carried out by the Company.	<ol style="list-style-type: none"> <li>1. Release of High MPPT Efficiency Solar Charge controller at 72 – 96 V, 3 kW capacities.</li> <li>2. 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.</li> <li>3. Validation of VFD based Solar Water Pump in capacities of 1 HP to 5 HP.</li> <li>4. Design and Development of Solar Power Converters to suit the Indian Market conditions and for export market.</li> <li>5. Design and Development of Solar based lighting solution for the retail market.</li> <li>6. 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.</li> </ol>	
	2. Benefits derived as a result of the above	<ol style="list-style-type: none"> <li>1. Energy Efficient Systems and Affordable energy alternatives, reduces pollution and green house gas emission from local power plants, combats global warming.</li> <li>2. Power availability in areas where the grid availability is poor.</li> <li>3. Ensuring system reliability.</li> <li>4. Ensuring power savings at optimised costing.</li> </ol>	
	3. Future plan of action	<ol style="list-style-type: none"> <li>1. To extend the in-house SCC products to lower and higher voltage ranges to 12 V – 48 V and up to 40 Amps.</li> <li>2. To enhance the product design to reach the high capacity grid connected inverters and intelligent power monitoring systems.</li> <li>3. To develop solar power systems that would be in line with the changing Government policies and requirements such that the policy benefit reaches the customers.</li> </ol>	
	4. Expenditure on R & D	<b>(Rs. in Lakhs)</b>	
		<b>2013-2014</b>	<b>2012-2013</b>
	a. Capital	41.69	23.40
	b. Recurring	47.50	52.58
	c. Total	89.19	75.98
	d. Total R&D expenditure as percentage of total turnover	1.74	0.69

C.	TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION		
	1. Efforts made towards Technology absorption, adaptation and innovation	1. Solar Power convertors MPPT Charge controllers for optimization of Solar Power recovery 2. Solar Power Converters that are suitable for the recent Government regulation / Policy 3. Design of the system such that the cost of the system is as per the market standards 4. Ensuring that the systems developed are comply with the required MNRE and IEC standards	
	2. Benefits derived as a result of the above	1. Progressive Cost Savings and Lesser Emission of Carbon Foot Print 2. Enhanced product range and imports substitution	
	3. Technology imported	Nil	
D.	External Growth:	More overseas focus for export promotion	
E.	FOREIGN EXCHANGE EARNINGS AND OUTGO:	<b>(Rs. In Lakhs)</b>	<b>(Rs. In Lakhs)</b>
		<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>Foreign Exchange Earnings :</b>		
	Export at F.O.B. value	-	177.12
	Royalty and Technical Services	-	-
	Dividend	-	-
	<b>Foreign Exchange Outflow :</b>		
	Import of Machinery	5483.55	126.64
	Raw materials	283.12	1740.28
	Traded goods	1417.38	200.77
	Travelling	10.24	42.08
	Freight and Insurance	-	-
	Interest	-	-
	Dividend	42.16	705.77
	Engineering & Consultancy	245.25	-

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Company is continuously monitoring the Risks and Concerns and taking adequate measures to ensure high level stability and satisfactory performance in all the major areas and introducing necessary back-up processes also.

### **1. ASSET MANAGEMENT AND LOSS PREVENTION**

Asset management has been achieved by bar-coding the Current and Non-current assets as well as the entire work-in progress in all the plants.

Remote monitoring of the logistics results in loss prevention during transit.

### **2. RISKS AND CONCERNS**

Your Company continuously monitors business and operations risk 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, insurance, legal and other issues like health, safety and environment.

#### **- RISK MANAGEMENT COMMITTEE**

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

#### **- FOREX MANAGEMENT COMMITTEE**

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

### **3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at all times and all policies are duly complied with in this regard. These are considered adequate to safeguard its assets against loss or misappropriation through unauthorised or unintended use.

There is adequate and effective internal control system that employs periodic checks as an on-going process. The Audit Committee and the Board of Directors regularly reviews the effectiveness of Internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory guidelines.

#### 4. FINANCIAL PERFORMANCE

The Management Discussion and Analysis relates to the Stand alone audited financial statements of the Company.

#### FINANCIAL HIGHLIGHTS OF FIVE YEARS PERFORMANCE (Stand alone)

Rs. in lakhs

S.No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-2014
<b>Profit and Loss Account</b>						
1	Sales / Income from Operations	45751.92	51116.67	56258.90	11084.71	5128.98
2	Other Income	776.36	322.41	529.62	4729.31	3047.32
3	<b>Sales and Other Income (1+2)</b>	<b>46528.28</b>	<b>51439.08</b>	<b>56788.52</b>	<b>15814.02</b>	<b>8176.30</b>
4	Less: Taxes and duties	1969.12	2538.06	2794.69	534.88	158.17
5	Net Sales and Other Income (3-4)	44559.16	48901.02	53993.83	15279.14	8018.13
6	Employee Cost	4108.34	4641.05	5713.50	2006.00	625.46
7	Other Operating Expenditure	34723.37	38595.99	43255.81	9131.72	4335.84
8	Profit before Depreciation, Interest & Tax (5-6-7)	5727.45	5663.98	5024.52	4141.42	3056.83
9	Interest	338.95	92.48	103.71	148.29	116.09
10	Depreciation	474.42	489.74	564.96	458.03	446.23
11	Exceptional other Income	0.00	0.00	0.00	61511.77 #	0.00
12	<b>Profit before tax (8-9-10+11)</b>	<b>4914.08</b>	<b>5081.76</b>	<b>4355.85</b>	<b>65046.87</b>	<b>2494.51</b>
13	<b>Profit after tax</b>	<b>3678.63</b>	<b>4021.90</b>	<b>3463.11</b>	<b>51079.64</b>	<b>2494.51</b>
<b>Balance Sheet</b>						
14	Net Fixed Assets	6732.07	6883.36	7362.39	7803.10	14463.30
15	Capital work-in-progress	199.26	178.01	2038.32	50.88	1124.93
16	Investments	472.25	1455.70	2150.70	37509.79	39301.07
17	Net Current and Non-Current Assets	13914.81	20031.34	18869.72	21774.10	20213.65
18	<b>Total:</b>	<b>21318.39</b>	<b>28548.41</b>	<b>30421.13</b>	<b>67137.87</b>	<b>75102.95</b>
19	Share capital	1010.58	1010.58	1010.58	1010.58	1010.58
20	Reserves and Surplus	19384.26	23053.81	26164.56	62204.02	63634.44
21	Net Worth (19+20)	20394.84	24064.39	27175.14	63214.60	64645.02
22	Loan funds	301.08	3850.70	2591.93	2700.79	9235.45
23	Deferred Tax Liability	622.47	633.32	654.06	1222.48	1222.48
24	<b>Total</b>	<b>21318.39</b>	<b>28548.41</b>	<b>30421.13</b>	<b>67137.87</b>	<b>75102.95</b>
25	EPS Rs.	36.40	39.80	34.27	34.23*	24.68

Note: Previous year's figures have been regrouped / reclassified wherever necessary.

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

\* EPS after excluding Exceptional other income.

## 5. HUMAN RESOURCES

Employees are vital and most valuable assets. The Company has a favourable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believe in nurturing leaders from within us as far as possible and provide opportunities for growth across all levels and derive our ability to maintain our No1 position from them.

The total staff strength of the Company as on 31.3.2013 was 182 which increased to 231 during the year ended 31.3.2014.

## 6. WELFARE / SOCIAL ACTIVITIES

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

## 7. QUALITY AND ENVIRONMENT MANAGEMENT

The Company has an Environmental Policy, which is read every morning in the Public Announcement System along with the Quality Policy so as to make the employees conscious of their roles and responsibilities in achieving conformity with the requirements of the quality and environment management system. The Environmental Policy goes as under:

Company is committed to,

- Minimising the environmental impact of its operations by a fully involved EMS Program, with continual improvement strategies by:
- Providing Products and Services that are environmentally sound throughout their lifecycle,
- Creating Health & Safety Practices and Work environment,
- Strengthening practices to protect the Natural Resources like Land, Air, Water and conservation of Energy,
- Complying with all the applicable legal and other requirements and reaching higher standards,
- Setting and tracking measurable environmental objectives to mitigate adverse impacts on Environment,
- Evaluating and continually improving our Environmental performance.

## 8. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Chennai  
May 29, 2014

R.CHELLAPPAN  
Managing Director

VASANTHA BALAN  
Director

**CEO and CFO CERTIFICATION**  
**(Pursuant to Clause 49 (V) of the Listing Agreement)**

Date: 29.05.2014

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

**Certification by Chief Executive Officer and Chief Financial Officer**

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2014 and to the best of our knowledge and belief we hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2013 – March 2014 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of controls were noted.
5. We have indicated to the auditors and the Audit Committee that:
  - (a) There are no significant changes in the internal control over financial reporting during the year.
  - (b) There are no significant changes in the accounting policies during the year.
  - (c) There have been no instances of fraud.
6. We further declare that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

**R. CHELLAPPAN**  
Managing Director

**P.JAGAN**  
Chief Financial Officer



## Report on Corporate Governance

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

### 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 maximising value for all its stakeholders. It encompasses a set of systems and practices to ensure that the Company's affairs are being managed in a manner which ensures accountability, transparency and fairness in all transactions. The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons.

### 2. BOARD OF DIRECTORS

#### i) Composition and Category of Directors

The Board of Directors consist of both executive , non-executive and independent directors

Executive Director : 2

Non-Executive Director : 4

Name of Director	Designation	Category	No. of other Directorship		Committee Memberships in other companies	Committee Chairmanships in other companies
			Private Limited Company	Public Limited Company		
Mr. V.M. Sivasubramaniam	Chairman	Non-Executive Independent	1	-	-	-
Mr. R. Chellappan	Managing Director	Executive	12	2	-	-
Mr. N. Natarajan	Director	Non-Executive Independent	-	1	-	1
Mrs. Vasantha Balan	Director	Non –Executive	4	-	-	-
Mrs. Jayashree Nachiappan	Director	Non – Executive	4	-	-	-
Mr. V.C. Raghunath	Director	Executive	5	-	-	-

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

The composition of the Board is in conformity with the Listing Agreement. The Board critically evaluates the Company's strategic decisions, management policies and their effectiveness. The Board reviews related party transactions, financial reports etc.

#### Key Management Personnel

Name	Designation	Category	No. of other Directorship		Committee Memberships in other companies	Committee Chairmanships in other companies
			Private Limited Company	Public Limited Company		
Mrs. J. Bhuvanewari	Company Secretary	Executive	-	-	-	-
Mr. P.Jagan	Chief Financial Officer	Executive	-	-	-	-

**ii) Reappointment of Directors retiring by rotation.**

Pursuant to sec 152 of the Companies Act 2013 corresponding to Sec.255 of the Companies Act, 1956, Mr. R. Chellappan and Mrs. Jayashree Nachiappan retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Pursuant to Clause 49 IV (G) of the Listing Agreement, a brief resume of the Directors who are appointed and re-appointed and names of the companies in which they hold Directorship / Committee membership are given below:

**(1) Profile of Mr. R. Chellappan**

AGE & DOB	61 years, 8th May 1953.
EDUCATIONAL QUALIFICATION	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) for the last over 19 years.
EXPERIENCE	8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore.
	5 Years with Ashok Leyland Ltd, Chennai.
CREDENTIALS	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.
	Bonafide member of MAIT – Manufacturers’ Associate for Information Technology.
	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 UNDER HIS LEADERSHIP	Started the business (in 1984) with a team of just six members, and then built 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 Business Transfer Agreement (BTA).
	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 Rooftop 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 Decentralised Solar PV systems under JNNSM scheme.
	Amex Alloys was awarded as Export Excellence Award for FY(12-13).
	SD’s No.1 off Grid / Rooftop Solar PV power solution provider of the year 2013.
	A++ SD’s star green rating.
	Winner of the largest numbers of rooftop installation in the country in 2012-13.

Companies (other than SWELECT Energy Systems Limited) in which Mr. R. Chellappan holds directorship and committee membership  
Directorship in other Companies.

Sr. No.	Name of the Company	Positions held
1	HHV Solar Technologies Limited	Managing Director
2	Amex Alloys Private Limited	Director
3	Amex Irons Private Limited	Director
4	SWELECT-Sunpac Power Protection Private Limited	Director
5	SWELECT Technologies Private Limited	Director
6	SWELECT Infrastructure Services Private Limited	Director
7	SWELECT Solar Energy Private Limited	Director
8	Gem Sugars Limited	Director
9	SWELECT Green Energy Solutions Private Limited	Director
10	SWELECT Energy Systems Pte. Limited, Singapore	Director
11	SWELECT Electronics Private Limited	Director
12	BS Powertech Solutions Private Limited	Director
13	SWELECT Power Systems Private Limited	Director
14	Novateur Electrical & Digital Solutions Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 47,47,054 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se:

Mr. R. Chellappan is the father of Mr. V.C. Raghunath who holds Directorship in the Company.

## (2) Profile of Mrs. Jayashree Nachiappan

Mrs. Jayashree Nachiappan is 47 years of age and is a non-executive Director of the Company. She holds an Engineering degree in Printing Technology from College of Engineering, Guindy affiliated to Anna University, Chennai and runs her own offset printing press for the past 20 years.

Directorship in other companies :

S.No.	Name of the Company	Position held
1	Swelect Solar Energy Private Limited	Director
2	Swelect Infrastructure Services Private Limited	Director
3	Swelect Green Energy Solutions Private Limited	Director
4	BS Powertech Solutions Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 100 shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

### (3) Profile of Mr.V.C. Raghunath

Mr.V.C. Raghunath is 33 years of age and an Electrical Engineer and also holds a degree in Master of Science. He joined Numeric Power Systems Limited (Now Swelect Energy Systems Limited) in 2006. He contributes to the development of marketing strategy of the Company and guides the sales team in achieving their targets. He has played a significant role in various solar projects including the 15 MW solar park at Vellakoil project in Karur district. He has handled various solar rooftop projects and other projects all over India. Companies (other than SWELECT Energy Systems Limited) in which Mr. V.C. Raghunath holds directorship and committee membership:

Directorship in other Companies:

S No	Name of the Company	Position held
1	Amex Alloys Private Limited	Director
2	Amex Irons Private Limited	Director
3	BS Powertech Solutions Private Limited	Director
4	SWELECT Energy Systems Pte. Limited, Singapore	Director
5	SWELECT Technologies Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 38,800 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se:

Mr. V.C. Raghunath is the Son of Mr. R. Chellappan who is the Managing Director of the Company.

### (4) Profile of Mr.V.M. Sivasubramaniam

Mr. V.M. Sivasubramaniam is 78 years of age and had a distinguished career in Income Tax Department and introduced public relations based work management systems and computerization, restructured the work and methods in the Investigation Wing in Bombay and introduced various schemes for welfare of staff and ensuring social justice for employees of weaker sections. He taught Physical and Organic Chemistry in Vivekananda College and Bio Chemistry and Bio Physics in Medical College Madurai. He joined IRS and worked in various capacities in Kerala, Bombay, Maharashtra, Gujarat, Calcutta and Chennai for 34 years. Retd as Chief Commissioner of Income Tax, Tamil Nadu. He was trained as an INVR Reserve Officer in the Indian Navy, and took part in Indo-Pak war of 1971, and has won war service medals and retired as Lt. Commander (Executive Br.)

#### Educational and Professional Qualification

Graduate	B.Sc (Chemistry)	St. Joseph's College/Madras Univ	Tiruchirappalli Tamil Nadu
Post Graduate	M.A (Science)	Presidency College/Madras Univ	Chennai TN
-do-	B.L.	TNB Law College	Patna Bihar
-do-	AICWA	ICWA	Calcutta
-do-	Dip in Comp Mgt	Jamnalal Bajaj Institute /Bombay Univ	Bombay
-do-	Dip in Managerial Actg	Jamnalal Bajaj Institute/ Bombay Univ	Bombay
-do-	NCST Certificate in Software Technology	National Centre for Software Technology/TIFR	Bombay

Companies (other than SWELECT Energy Systems Limited) in which Mr. V.M. Sivasubramaniam holds directorship and committee membership

Directorship in other Companies:

S No	Name of the Company	Position held
1	Amex Alloys Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 200 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

#### (5) Profile of Mr. N. Natarajan

Mr. N. Natarajan (74 years of age) completed his Engineering degree from IIT Kharagpur in 1961 and commenced his career as a Class I Engineer in the Central Engineering Service. He progressively rose to very senior positions involving technical, financial, strategic, general management and teaching skills. His distinguished career spanned across several organizations such as the Central Government, Government of Mauritius, RBI, ANZ Grindlays Bank and Loyola Institute of Business Administration.

Mr. Natarajan has held positions as Superintending Engineer in CPWD, Advisor to the Board of Mauritius Housing Corporation, Housing Advisor to the Government of Mauritius, DVO in Income Tax Department, General Manager and Chief Engineer in RBI, Director of Projects, South Asia Region in ANZ Grindlays Bank and Professor and founder Head of Management Development Centre in LIBA. He has also carried out long and short term assignments on behalf of CFTC, World Bank, UN and USAID. He was a Guest Faculty in IIM (A) for several years and Director of SRM Educational Group for a short period. Currently he is a part time Faculty at LIBA, Consultant to Pithavadian and Partners, Architects and Project Managers and a Professional Arbitrator.

#### Educational and Professional Qualification

Graduate	B.Tech (Hons)	IIT	Kharagpur
Post Graduate	PDGIM	FMS	Delhi
Post Graduate	MBA	FMS	Delhi
Post Graduate	FIE	Institution of Engineers	Calcutta
Post Graduate	FloV	Institution of Valuers	Delhi
Post Graduate	FIITArb	Indian Institute of Technical Arbitrators	Chennai
Post Graduate	MICE	Institution of Civil Engineers	London
Post Graduate	MCIHT	Chartered Institute of Highways and Transportation	London
Post Graduate	C.Eng	Council of Engineers	UK and EU
Post Graduate	PMP	Project management Institute	USA
Post Graduate	Black Belt in Six Sigma	Madras Management Association	Chennai

Companies (other than SWELECT Energy Systems Limited) in which Mr. N. Natarajan holds directorship and committee membership:-

Directorship in other Companies:

S No	Name of the Company	Position held
1	HHV Solar Technologies Limited	Chairman

Chairperson and Member of Board Committees of other Companies:

S No	Name of the Company	Name of Committee and Position held
1	HHV Solar Technologies Limited	Audit Committee, Chairman

Shareholding in the company:

- i) Own : 25 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

#### iii) The number of shares held by Non-executive Directors, as on 31.03.2014 is given below.

Name of Director	Category	Number of shares held
Mr. V.M. Sivasubramaniam	Chairman – Non-Executive - Independent	200
Mr. N. Natarajan	Director - Non-Executive - Independent	25
Mrs. Vasantha Balan	Director - Non-Executive	7056
Mrs. Jayashree Nachiappan	Director - Non-Executive	100

The Company has not issued any convertible instruments.

**iv) Details of Board Meetings:**

No. of Board meetings held during the Financial Year 2013 - 2014 : 7

Date of Meeting			
22.04.2013	29.05.2013	15.06.2013	08.07.2013
07.08.2013	11.11.2013	06.02.2014	

**v) Attendance of Directors at the Board Meetings during the year 2013-2014 and last AGM**

Name of the Director	No. of Meetings attended	Sitting fees paid Rs.	Attended Last AGM
Mr. R. Chellappan	7	Nil	Yes
Mr. V.M. Sivasubramaniam	7	1,10,000	Yes
Mr. N. Natarajan	7	1,10,000	Yes
Mrs. Vasantha Balan	7	1,10,000	Yes
Mrs. Jayashree Nachiappan	6	1,05,000	Yes
Mr. V.C.Raghunath*	2	Nil	Yes*
<b>Total</b>		<b>4,35,000</b>	

Note: With effect from 15.6.2013, sitting fees to Non-Executive Directors for attending each Board Meeting has been increased from Rs.5000/- to Rs.20000/-.

\* Mr. V.C. Raghunath attended the last AGM as a member of the Company

**3. DETAILS OF COMMITTEES**

**(A) Audit Committee**

**i) Composition of Audit Committee**

The Audit Committee comprises of the Directors as mentioned below:

- 1) Mr. V.M. Sivasubramaniam, Non-Executive - Independent
- 2) Mr. N. Natarajan, Non-Executive - Independent
- 3) Mrs. Jayashree Nachiappan, Non-Executive

Mr. V.M. Sivasubramaniam is the Chairman of the Committee, having financial and accounting knowledge.

**ii) Terms of Reference:**

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges and they are as under.

- (a) To review financial statements and pre-publication announcements before submission to the Board.
- (b) To ensure compliance of internal control systems and action taken on internal audit reports.
- (c) To apprise the Board on the impact of accounting policies, accounting standards, legislation and Stock Exchange compliance.
- (d) To hold periodical discussions with statutory auditors on the scope and content of the audit.

- (e) To review the Company's financial and risk management policies.
- (f) To review related party transactions of material nature, if any.
- (g) To obtain outside legal or other professional advices.
- (h) To investigate any activity within its terms of reference.

**iii) Details of the Audit Committee Meetings**

Date of Meeting	No. of Members attended	Date of Meeting	No. of Members attended
27.05.2013	2	09.11.2013	3
29.05.2013	2	11.11.2013	3
07.08.2013	3	06.02.2014	3
20.08.2013	3		

Name of the Director	No. of Meetings attended	Sitting fees paid Rs.
Mr. V.M. Sivasubramaniam	7	35,000
Mr. N. Natarajan	7	35,000
Mrs. Jayashree Nachiappan	5	25,000
<b>Total</b>		<b>95,000</b>

Note: Sitting fees for attending each committee meeting is Rs.5,000/- only.

The Audit Committee adheres to the SEBI Guidelines in terms of quorum for its meetings, functioning, role and powers as also set out in the Companies Act, 1956.

**(B) Stakeholders relationship Committee (Formerly known as Investor Grievances Committee)**

- (i) Pursuant to Companies Act, 2013, on 6.2.2014, the Board of Directors had reconstituted Shareholders'/Investors' Grievance Committee with the new name 'Stakeholders relationship committee' to redress the shareholders'/ investors' complaints.

**Terms of reference of the Committee includes the following**

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

**The composition of the Committee is as follows:-**

1. Mr. V.M. Sivasubramaniam, Chairman
2. Mrs. Jayashree Nachiappan, Director
3. Mrs. J. Bhuvanewari, Company Secretary

**Details of Meetings held:**

Date of Meeting	No. of Members attended	Date of Meeting	No. of Members attended
24.05.2013	3	09.11.2013	3
07.08.2013	3	06.02.2014	3

Name of the Director	No. of Meetings attended	Sitting fees paid Rs.
Mr. V.M. Sivasubramaniam	4	20,000
Mrs. Jayashree Nachiappan	4	20,000
<b>Total:</b>		<b>40,000</b>

Note: Sitting fees for attending each committee meeting is Rs.5,000/- only.

- (ii) Name of non-executive director heading the committee : Mr. V.M. Sivasubramaniam, Chairman
- (iii) Name and designation of compliance officer : Mrs. J. Bhuvaneswari, Company Secretary
- (iv) Details of Investor Complaints received and resolved during the year 2013-2014 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	3	3	0

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

**(C) Constitution of new Committees**

At the Board meeting held on 06.02.2014, the following committees of the Companies have been constituted with the following members:

**1) Corporate social responsibilities Committee**

1. Mr.R. Chellappan, Managing Director
2. Mr. N.Natarajan, Independent Director
3. Mr. V.C. Raghunath, Director

**2) Nomination and remuneration Committee**

1. Mr.V.M. Sivasubramaniam, Independent Director
2. Mr.N. Natarajan, Independent Director
3. Mrs. Vasantha Balan, Non-Executive Director

**3) Investment Committee**

1. Mr. R. Chellappan, Managing Director
2. Mr. N.Natarajan, Independent Director
3. Mr. V.C. Raghunath, Director



**(D) Reconstitution of existing Committees**

At the Board meeting held on 06.02.2014, the following committees of the Companies have been re-constituted with the following members:

**a) Borrowing Committee**

1. Mr. R.Chellappan, Managing Director
2. Mr. V.C. Raghunath, Director
3. Mrs. Vasantha Balan, Non-Executive Director

**b) Forex management Committee**

1. Mr. R. Chellappan, Managing Director
2. Mr. V.C. Raghunath, Director
3. Mr. P.Jagan, Chief Financial Officer

**c) Risk management Committee**

1. Mr. R. Chellappan, Managing Director
2. Mr. V.C.Raghunath, Director
3. Mrs. Jayashree Nachiappan, Non-Executive Director

**4. REMUNERATION TO DIRECTORS**

Details of remuneration paid / payable to Directors for the year ended 31st March 2014:

Name of the Director	Sitting fees	Commission on profits	Salary	Contribution to PF	Total
Mr. R. Chellappan	-	25,88,903	24,15,000	-	50,03,903
Mr. V.M. Sivasubramaniam	1,65,000	18,00,000 #	-	-	19,65,000
Mr. N. Natarajan	1,45,000	18,00,000 #	-	-	19,45,000
Mrs. Vasantha Balan	1,10,000	-	-	-	1,10,000
Mrs. Jayashree Nachiappan	1,50,000	-	-	-	1,50,000
Mr. V.C.Raghunath	-	-	2,49,116*	16,203*	2,65,319
<b>Total</b>	<b>5,70,000</b>	<b>61,88,903</b>	<b>26,64,116</b>	<b>16,203</b>	<b>94,39,222</b>

\* Mr. V.C. Raghunath was appointed as an additional Director with effect from 11.11.2013

# As approved by the shareholders at the Annual General Meeting held on 24.07.2013, commission was paid to Non-Executive Directors Mr. V.M. Sivasubramaniam and Mr. N. Natarajan.

The Executive Directors are being paid remuneration as determined by the Board of Directors and approved by the Shareholders at the General Meetings.

Pecuniary relationship or transactions of the non-executive Directors vis-à-vis the company: except Mrs. Vasantha Balan, whose daughter Ms. Aarthi Balan is employed in the Company and none of the non-executive Directors have pecuniary relationship with the Company.

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

## 5. Code of Conduct

The Company's Code of Conduct has been complied with by all the members of the Board and senior management of the Company. The declaration signed by the CEO and CFO, affirming compliance with Code of Conduct by all the Board members and Senior Management Personnel, is included in this Annual Report.

## 6. Details of General Meetings

i. Location and time, where last three AGMs were held:

Year	Venue	Day & Date	Time
16th AGM- 01.04.2010 to 31.03.2011	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.	Saturday, 6th August 2011	3.00 P.M.
17th AGM- 01.04.2011 to 31.03.2012	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.	Saturday, 21st July 2012	4.00 P.M.
18th AGM- 01.04.2012 to 31.03.2013	Savera Hotel No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004.	Wednesday, 24th July 2013	2.30 P.M.

- ii. Whether any special resolutions were passed in the previous 3 Annual General Meetings: Yes
- iii. Whether any special resolution was passed last year through postal ballot – details of voting pattern: No
- iv. Person who conducted the postal ballot exercise: Not applicable
- v. Whether any special resolution is proposed to be conducted through postal ballot: No
- vi. Procedure for postal ballot: Not applicable
- vii. Dividend History:

S.No.	Financial year	Nature of Dividend	Date of Declaration	Class of shares	Percentage of Dividend declared
1	01.10.1996 - 30.09.1997	Final	20.03.1998	Equity	10
2	01.10.1997 - 30.09.1998	Final	27.03.1999	Equity	10
3	01.10.1998 - 30.09.1999	Final	03.03.2000	Equity	10
4	01.10.1999 - 30.09.2000	Final	10.02.2001	Equity	20
5	01.10.2000 - 30.09.2001	Final	16.02.2002	Equity	15
6	01.10.2001 - 30.09.2002	Final	21.12.2002	Equity	20
7	01.10.2002 - 30.09.2003	Final	29.11.2003	Equity	30
8	01.10.2003 - 31.03.2005 (18 months)	Interim	27.10.2004	Equity	20
		Final	28.05.2005	Equity	30
9	01.04.2005 - 31.03.2006	Final	08.07.2006	Equity	40
10	01.04.2006 - 31.03.2007	Final	04.08.2007	Equity	45
11	01.04.2007 - 31.03.2008	Final	14.08.2008	Equity	50
12	01-04.2008 – 31.03.2009	Final	22.08.2009	Equity	50
13	01-04-2009 – 31.03.2010	Final	07.08.2010	Equity	30
14	01-04-2010 – 31.03.2011	Final	06.08.2011	Equity	30
15	01-04-2011 -31.03.2012	Final	21.07.2012	Equity	30
16	01-04-2012- 31-03-2013	Interim	09.07.2012	Equity	1200
17	01-.04.2012 -31-03-2013	Final	24.07.2013	Equity	80

Pursuant to Section 205C of the Companies Act, 1956, the following unclaimed dividend has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

S.No.	Financial year	Date of Declaration	Amount Rs.	Date of remittance to IEPF
1	1.10.1996 - 30.9.1997	20.03.1998	5,850	29.04.2005
2	1.10.1997 - 30.9.1998	27.03.1999	6,050	27.04.2006
3	1.10.1998 - 30.9.1999	03.03.2000	7,050	09.04.2007
4	1.10.1999 - 30.9.2000	10.02.2001	13,300	12.03.2008
5	1.10.2000 - 30.9.2001	16.02.2002	10,575	17.03.2009
6	1.10.2001 - 30.9.2002	21.12.2002	15,400	22.01.2010
7	1.10.2002 - 30.9.2003	29.11.2003	21,450	03.01.2011
8	1.10.2003 - 31.3.2005 (18 Months) – Interim	27.10.2004	13,300	29.11.2011
9	1.10.2003 - 31.3.2005 (18 month) - Final	28.05.2005	17,853	05.07.2012
10	1.4.2005 - 31.3.2006	08.07.2006	24,884	31.07.2013

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on 24.07.2013 (date of last Annual General Meeting) on the website of the Company ([www.swelectes.com](http://www.swelectes.com)), and also on the website of the Ministry of Corporate Affairs.

Reminders for unclaimed dividend amount on equity shares are sent to shareholders as per records every year.

## 7. Disclosures

- i. Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the Company's interest.
- ii. The Company's major related party transactions are generally with its subsidiaries and associates. All related party transactions are negotiated at arm's length basis and are in the ordinary course of business.
- iii. In preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- iv. Business risk evaluation and managing such risks is an ongoing process within the organisation. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.
- v. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL
- vi. No person has been denied access to the Audit Committee.
- vii. The Company has complied with all mandatory requirements of Corporate Governance as per Clause 49 of the Listing Agreement.

## 8. Means of Communication

The Quarterly Unaudited financial results and the Audited financial result is normally published in the newspapers namely Business line (national daily) and Dinamani Tamil (Vernacular Newspaper). The Company's website [www.swelectes.com](http://www.swelectes.com) contains a 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 agreement.

Details regarding Products & Solutions, Customer support offered, Business associates & Partners, Official news Releases, presentation made to media, etc., are also placed on the Company's website [www.swelectes.com](http://www.swelectes.com).

Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, is circulated to the Members and others entitled thereto.

The Report on Corporate Governance forms part of the Annual Report while the Management Discussion and Analysis Report forms part of the Directors' Report.

Email of the Compliance Officer of the Company : company.secy@swelectes.com  
Telephone Number : 044-24993266  
Fax Number : 044-24995179  
E-mail ID for the purpose of registering complaints by investors : cg.ird@swelectes.com

## 9. GENERAL SHAREHOLDERS' INFORMATION

- i. AGM NINETEENTH ANNUAL GENERAL MEETING  
Day, Date and time Monday the 28th July 2014 at 11.00 A.M  
Venue Savera Hotel, 'Samavesh Hall'  
No. 146, Dr. Radhakrishnan Salai,  
Mylapore, Chennai - 600 004.
- ii. Financial year 01.04.2013 to 31.3.2014.
- iii. Date of Book closure 27th June 2014 to 1st July 2014 [Both days inclusive].
- iv. Dividend Payment Date Between 2nd August 2014 and 10th August 2014.
- v. The equity shares of the Company have been listed on the following Stock Exchanges:

### **BSE Limited**

Floor 25, P. J. Towers,  
Dalal Street,  
MUMBAI - 400 001.

### **National Stock Exchange of India Limited,**

Registered Office: "Exchange Plaza",  
Bandra – Kurla Complex, BANDRA (E),  
MUMBAI – 400 051.

- vi. Stock Code

BSE Limited : 532051  
National Stock Exchange of India Limited : SWELECTES

The Company has paid listing fee for the financial year 2014-2015 to BSE Limited and National stock Exchange of India Limited.

- vii. a) Market Price Data: High, Low during each month in the last financial year 01.04.2013 - 31.3.2014.

Share Price in Rs. - Nominal value of Share Rs.10/- each.

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-13	153.85	135.50	153.75	126.00
May-13	153.95	137.00	160.00	134.00
Jun-13	153.00	138.50	154.95	138.35
Jul-13	159.00	126.10	157.95	140.15
Aug-13	156.00	137.25	156.05	137.10
Sep-13	160.00	148.10	157.70	148.05
Oct-13	186.95	150.95	188.00	151.05
Nov-13	181.95	165.00	182.00	161.95
Dec-13	184.00	158.00	182.50	158.40
Jan-14	193.00	171.10	192.00	167.75
Feb-14	189.50	167.65	190.95	166.10
Mar-14	236.50	181.75	236.00	182.25

b) 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-13	141.00	19,504.18	141.65	5930.20
31-May-13	149.10	19,760.30	150.10	5985.95
28-Jun-13	144.65	19,395.81	144.50	5842.20
31-Jul-13	149.90	19,345.70	149.30	5742.00
30-Aug-13	151.85	18,619.72	153.10	5471.80
30-Sep-13	151.20	19,379.77	151.15	5735.30
31-Oct-13	175.35	21,164.52	174.65	6299.15
29-Nov-13	167.65	20,791.93	167.40	6176.10
31-Dec-13	180.40	21,170.68	180.55	6304.00
31-Jan-14	184.50	20,513.85	185.85	6089.50
28-Feb-14	188.50	21,120.12	189.95	6276.95
31-Mar-14	222.60	22,386.27	226.55	6704.20

viii) Registrar and Transfer Agents: M/s. Cameo Corporate Services Limited,  
"Subramanian Building", Fifth Floor,  
No.1, Club House Road,  
Chennai – 600 002.  
Tel: 044-28460390

ix) Share transfer system:

The share transfer work is being handled by Company's Registrars & Transfer Agents, M/s. Cameo Corporate Services Limited. The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai. The Company has a Share Transfer Committee comprising of the following members:

- 1) Mr. R. Chellappan, Managing Director
- 2) Mrs. J.Bhuvaneshwari, Company Secretary

The transfers are approved by the Share transfer Committee and ratified by the Stakeholders relationship Committee (Formerly known as Investor Grievances Committee) and minutes are placed at the Board Meeting. Share transfers are registered and despatched within a period of 15 days from the date of receipt if the documents are correct and valid in all respects.

x) a) Distribution of Shareholding as on 31.03.2014

Shareholding of nominal value of Rs.	No. of shareholders					Share Amount (Rs.)				
	Physical	%	Demat	%	Total	%	Demat	%	Total	%
10 - 5,000	238	2.57	8066	87.14	8304	89.71	7511390	7.44	7987270	7.91
5,001 - 10,000	23	0.25	465	5.03	488	5.28	3602510	3.57	3777510	3.74
10,001 - 20,000	8	0.09	234	2.53	242	2.62	3658600	3.62	3798600	3.76
20,001 - 30,000	0	0.00	68	0.73	68	0.73	1720650	1.70	1720650	1.70
30,001 - 40,000	1	0.01	24	0.26	25	0.27	871370	0.86	911370	0.90
40,001 - 50,000	1	0.01	17	0.18	18	0.19	789920	0.78	839920	0.83
50,001 - 1,00,000	3	0.03	40	0.43	43	0.46	2898140	2.87	3147640	3.12
1,00,001 and above	1	0.01	68	0.73	69	0.74	78771940	77.94	78875440	78.04
<b>Total</b>	<b>275</b>	<b>2.97</b>	<b>8982</b>	<b>97.03</b>	<b>9257</b>	<b>100</b>	<b>99824520</b>	<b>98.78</b>	<b>101058400</b>	<b>100</b>

b) Shareholding pattern as on 31.03.2014

Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
<b>(A)</b>	<b>Promoter and Promoter Group</b>							
<b>(1)</b>	<b>Indian</b>							
(a)	Individuals/Hindu Undivided Family	16	5674380	5674380	56.15	56.15	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0
(c)	Bodies Corporate	1	30	30	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0
	<b>Sub-Total (A)(1)</b>	<b>17</b>	<b>5674410</b>	<b>5674410</b>	<b>56.15</b>	<b>56.15</b>	<b>0</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>							
(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	17	810778	810778	8.02	8.02	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>17</b>	<b>810778</b>	<b>810778</b>	<b>8.02</b>	<b>8.02</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>34</b>	<b>6485188</b>	<b>6485188</b>	<b>64.17</b>	<b>64.17</b>	<b>0</b>	<b>0.00</b>
<b>(B)</b>	<b>Public shareholding</b>							
<b>(1)</b>	<b>Institutions</b>							
(a)	Mutual Funds/UTI	2	106000	106000	1.05	1.05	N.A.	N.A.
(b)	Financial Institutions/ Banks	1	1759	1759	0.02	0.02	N.A.	N.A.
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.
(e)	Insurance Companies	0	0	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	N.A.	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(i)	Any Other (Total)	0	0	0	0.00	0.00	N.A.	N.A.
	<b>Sub-Total (B)(1)</b>	<b>3</b>	<b>107759</b>	<b>107759</b>	<b>1.07</b>	<b>1.07</b>	<b>N.A.</b>	<b>N.A.</b>

Sr. No.	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
<b>(2)</b>	<b>Non-Institutions</b>							
(a)	Bodies Corporate	222	314547	313347	3.11	3.11	N.A.	N.A.
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	8429	1818832	1706995	18.00	18.00	N.A.	N.A.
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	31	988239	977889	9.78	9.78	N.A.	N.A.
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Any Other (Total)	538	391275	391274	3.87	3.87	N.A.	N.A.
(d1)	Clearing Members	37	11524	11524	0.11	0.11	N.A.	N.A.
(d2)	Directors and their relatives	2	225	225	0.00	0.00	N.A.	N.A.
(d3)	Hindu Undivided Families	279	104165	104164	1.03	1.03	N.A.	N.A.
(d4)	Non Resident Indians	218	157760	157760	1.56	1.56	N.A.	N.A.
(d5)	Trust	2	117601	117601	1.16	1.16	N.A.	N.A.
	<b>Sub-Total (B)(2)</b>	<b>9220</b>	<b>3512893</b>	<b>3389505</b>	<b>34.76</b>	<b>34.76</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>9223</b>	<b>3620652</b>	<b>3497264</b>	<b>35.83</b>	<b>35.83</b>	<b>N.A.</b>	<b>N.A.</b>
	<b>TOTAL (A)+(B)</b>	<b>9257</b>	<b>10105840</b>	<b>9982452</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A.	0.00	N.A.	N.A.
C1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.
C2	Public	0	0	0	N.A.	0.00	N.A.	N.A.
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>9257</b>	<b>10105840</b>	<b>9982452</b>	<b>N.A.</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

xi) The position regarding dematerialisation / rematerialisation of shares, as on 31.03.2014 as reported by the Registrars & Transfer Agents, M/s.Cameo Corporate Services Limited, Chennai, is as under:-

a. Dematerialisation:

	National Securities Depository Limited	Central Depository Services (India) Limited	Total
Dematerialisation	as on 31.3.2014	as on 31.3.2014	as on 31.3.2014
- requests	443	89	532
- shares	5130953	153000	5283953
- certificates	46831	1285	48116



The above dematerialised shares are credited to National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai.

b. Rematerialisation:

	<b>National Securities Depository Limited</b>	<b>Central Depository Services (India) Limited</b>	<b>Total</b>
Rematerialisation	as on 31.3.2014	as on 31.3.2014	as on 31.3.2014
- requests	43	7	50
- shares	398	56	454
- certificates	43	7	50

<b>Shareholding details as on 31/03/2014</b>	<b>No. of shareholders</b>	<b>No. of Shares</b>	<b>Percentage</b>
Physical form of shares:	275	123388	1.22
Shares in demat form with -			
National Securities Depository Limited	6162	9176862	90.81
Central Depository Services (India) Limited	2820	805590	7.97
<b>Total</b>	<b>9257</b>	<b>10105840</b>	<b>100</b>

As on 31.03.2014, 99,82,452 equity shares representing 98.78% in the Equity Share Capital is in dematerialized form.

xii) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity: NIL

xiii) Plant Locations:

<b>No</b>	<b>Location of the Property</b>	<b>Details of the Unit</b>
1	SF No 166 &169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore 641107.	SWELECT 1.1 MW Solar Plant
2	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District.	SWELECT 0.5 MW Wind Mill Power Unit – 3 Numbers
3	58/3(14D, D/1) Salem Main road, Veerappampalayam Po Idappadi-637105, Salem District.	UNIT 3S
4	Monjanur Village, Aravakurichi Taluk, Karur District	SWELECT 12 MW Solar Plant

xiv) Address for correspondence: 'Numeric House'  
No.5, Sir P.S. Sivasamy Salai  
Mylapore, Chennai - 600 004  
Tamil Nadu  
Tel: 044-24993266  
Fax: 24995179  
Email: info@swelectes.com  
Website: www.swelectes.com

For and on behalf of the Board of Directors

Chennai  
May 29, 2014

R. CHELLAPPAN  
Managing Director

VASANTHA BALAN  
Director

## CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of SWELECT ENERGY SYSTEMS LIMITED,

I have examined the compliance of conditions of Corporate Governance by **SWELECT ENERGY SYSTEMS LIMITED** ('the Company'), for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement executed by the Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

In my opinion and to the best of my information and according to the explanations, records, given to me during the secretarial audit, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement executed with the Stock Exchanges.

Place: Chennai  
Date: 29th May 2014

**R. KANNAN**  
CP No. 3363  
Door No.6, Plot 11A,  
10th Street, New Colony,  
Adambakkam,  
Chennai – 600 088

## INDEPENDENT AUDITOR'S REPORT

To  
**The Members of Swelect Energy Systems Limited (Formerly 'Numeric Power Systems Limited')**

### Report on the Financial Statements

We have audited the accompanying financial statements of Swelect Energy Systems Limited ("the Company"), (Formerly 'Numeric Power Systems Limited'), which comprise the Balance Sheet as at 31 March, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs; and
- (e) On the basis of written representations received from the directors as on 31 March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For S.R Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W

Chartered Accountants

**per Subramanian Suresh**

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 29 May 2014

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: SWELECT ENERGY SYSTEMS LIMITED ('the Company') (Formerly 'NUMERIC POWER SYSTEMS LIMITED')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to firms covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.368,571,125 and the year-end balance of loans granted to such parties was Rs. 302,671,230.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (f) and (g) of clause 4(iii) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, relating to its manufacturing operations and generation of solar and wind power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income tax, excise duty and sales tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount in (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Cenvatcredit related matters	2,630,000	1998- 2002	High Court
Kerala Sales Tax Act, 1963*	Penalty	666,665	2000-2001	Deputy Commissioner, Commercial Taxes
Delhi VAT Act, 2004	Disputed turnover	1,200,684	2006-2007	Commissioner, Appeals
HP VAT Act, 2005#	Benefit under a Notification	9,477,031	2007 – 2012	High Court
Income Tax Act, 1961@	Disallowances of various items	6,295,600	2009-10	Commissioner of Income Tax, Appeals

\*Excludes amounts paid under protest amounting to Rs.333,334 lakhs.

#Excludes amounts paid under protest amounting to Rs.5,704,646 lakhs.

@Excludes amounts paid under protest amounting to Rs.8,280,000 lakhs.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company has no dues in respect of financial institutions and has not issued any debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. The Company has not given any guarantee for loans taken by others from financial institutions.

- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Order are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For S.R.Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W  
Chartered Accountants

**per Subramanian Suresh**

Partner  
ICAI Membership no.: 083673  
Place: Chennai  
Date: 29 May 2014

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Balance Sheet as at 31 March 2014**

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

	Notes	31 March 2014	31 March 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,363,443,512	6,220,402,341
		<b>6,464,501,912</b>	<b>6,321,460,741</b>
<b>Non-current liabilities</b>			
Long-term borrowings	6	752,083,000	-
Other long-term liabilities	5	19,380,856	19,380,856
Deferred tax liabilities (net)	11	122,246,706	122,246,706
Long-term provisions	7	800,000	800,000
		<b>894,510,562</b>	<b>142,427,562</b>
<b>Current liabilities</b>			
Short-term borrowings	6	171,462,501	270,078,456
Trade payables	8	40,727,099	68,882,687
Other current liabilities	8	154,778,813	24,310,622
Short-term provisions	7	110,109,641	263,571,444
		<b>477,078,054</b>	<b>626,843,209</b>
<b>Total</b>		<b>7,836,090,528</b>	<b>7,090,731,512</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	1,444,368,522	777,958,346
Intangible assets	10	1,961,266	2,351,645
Capital work-in-progress		112,493,054	5,087,564
Non-current investments	12	1,070,385,843	949,939,943
Long-term loans and advances	14	449,180,082	239,423,667
Trade receivables	15.1	-	4,409,464
Other assets	15.2	563,977,534	435,722,000
		<b>3,642,366,301</b>	<b>2,414,892,629</b>
<b>Current assets</b>			
Current investments	17	2,859,720,313	2,801,038,844
Inventories	13	173,346,120	118,794,509
Trade receivables	15.1	340,622,281	131,204,524
Cash and bank balances	16	748,375,700	1,448,980,775
Short-term loans and advances	14	35,280,101	33,880,494
Other assets	15.2	36,379,712	141,939,737
		<b>4,193,724,227</b>	<b>4,675,838,883</b>
<b>Total</b>		<b>7,836,090,528</b>	<b>7,090,731,512</b>
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W

Chartered Accountants

**per Subramanian Suresh**

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 29 May 2014

For and on behalf of the board of directors

R.Chellappan  
Managing Director

J.Bhuvaneshwari  
Company Secretary

Place: Chennai

Date: 29 May 2014

Vasantha Balan  
Director

P.Jagan  
Chief Financial Officer

Place: Chennai

Date: 29 May 2014

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Statement of profit and loss for the year ended 31 March 2014**

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

	Notes	31 March 2014	31 March 2013
<b>Income</b>			
Revenue from operations (gross)	18	512,897,760	1,108,471,341
Less: Excise duty		15,817,195	53,487,719
<b>Revenue from operations (net)</b>		<b>497,080,565</b>	<b>1,054,983,622</b>
Other income	19	304,732,318	472,930,626
<b>Total revenue</b>		<b>801,812,883</b>	<b>1,527,914,248</b>
<b>Expenses</b>			
Cost of raw material and components consumed	20	165,631,054	440,296,136
Purchase of traded goods	21	200,394,407	306,268,393
(Increase) / decrease in inventories of finished goods			
work-in-progress and traded goods	21	(50,282,477)	(46,985,360)
Employee benefits expense	22	62,545,729	200,600,208
Other expenses	23	116,711,342	206,194,534
Depreciation and amortisation expense	24	44,622,786	45,802,597
Finance costs	25	12,738,923	22,227,017
<b>Total expenses</b>		<b>552,361,764</b>	<b>1,174,403,525</b>
<b>Profit before tax and exceptional items</b>		<b>249,451,119</b>	<b>353,510,723</b>
Add: Exceptional items (Also refer note 27)		-	6,151,176,806
<b>Profit before tax</b>		<b>249,451,119</b>	<b>6,504,687,529</b>
<b>Tax expenses</b>			
Current tax (includes tax on exceptional items of Rs. Nil (Previous year Rs. 1,085,218,526))		43,647,811	1,339,882,364
Less: MAT credit entitlement		(43,647,811)	-
Deferred tax		-	56,840,652
<b>Total tax expense</b>		<b>-</b>	<b>1,396,723,016</b>
<b>Profit for the year</b>		<b>249,451,119</b>	<b>5,107,964,513</b>
Pre-tax loss from ordinary activities attributable to discontinued operations	27	-	(48,261,846)
<b>Earnings per equity share</b> (nominal value of share Rs.10/- (31 March 2013: Rs.10/-))	26		
Basic and diluted earnings per share			
--- continuing operations		24.68	34.23
--- total profit for the year		24.68	505.45
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

**For S.R Batliboi & Associates LLP**  
ICAI Firm's registration number: 101049W  
Chartered Accountants

For and on behalf of the board of directors

**per Subramanian Suresh**  
Partner  
ICAI Membership no.: 083673

R.Chellappan  
Managing Director  
J.Bhuvaneshwari  
Company Secretary

Vasanth Balan  
Director  
P.Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

Place: Chennai  
Date: 29 May 2014

Place: Chennai  
Date: 29 May 2014



**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Cash flow statement for the year ended 31 March 2014**

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

	31 March 2014	31 March 2013
<b>A. Cash flow from operating activities:</b>		
<b>Profit before taxation</b>	249,451,119	6,504,687,529
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/amortisation on continuing operations	44,622,786	36,092,484
Depreciation/amortisation on discontinued operations	-	9,710,113
Profit on sale of tangible assets	-	(48,000)
Unrealised foreign exchange (gain) / loss, net	(1,931,075)	2,523,452
Profit on sale of uninterruptible power supply systems business (refer note 27)	-	(6,151,176,806)
Net gain from the sale of current investment	(100,062,714)	(112,252,387)
Dividend income - mutual fund	(37,462,711)	(41,488,024)
Remission and write off of debts	1,443,100	1,701,960
Liability no longer required written back	(1,284,227)	(23,500,000)
Interest expense	11,609,030	14,829,067
Interest income	(143,999,180)	(278,479,746)
<b>Operating profit / (loss) before working capital changes</b>	<b>22,386,128</b>	<b>(37,400,358)</b>
<b>Movement in working capital :</b>		
(Increase) in trade receivables	(206,451,393)	(61,444,502)
(Increase) in loans and advances	(104,746,481)	(172,998,290)
(Increase) in inventories	(54,551,611)	(109,946,973)
(Decrease) / increase in trade payables, other current and long-term liabilities	(22,472,388)	27,932,055
Increase /(decrease) in provisions	1,254,276	(9,108,344)
<b>Cash used in operations</b>	<b>(364,581,469)</b>	<b>(362,966,414)</b>
Taxes paid, net	(270,601,545)	(40,526,832)
<b>Net cash flow used in operating activities (A)</b>	<b>(635,183,014)</b>	<b>(403,493,246)</b>
<b>B. Cash flow from investing activities:</b>		
Capital expenditure (refer note 1 below)	(690,424,420)	(50,662,875)
Proceeds from sale of tangible assets	-	352,136
Proceeds from sale of uninterruptible power supply systems business, net of tax aggregating to Rs. 1,085,218,526 (refer note 27)	-	6,831,515,659
Investment in current investments	(108,681,469)	(2,695,911,973)
Investment in subsidiaries (net)	(70,445,900)	(749,429,745)
Redemption / (Investment) in bank deposits (having original maturity of more than three months)	481,596,641	(1,731,201,908)
Interest received	205,723,784	181,529,766
Dividend received on mutual fund	179,110,179	53,613,540
<b>Net cash flow (used in) / generated from investing activities (B)</b>	<b>(3,121,185)</b>	<b>1,839,804,600</b>

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Cash flow statement for the year ended 31 March 2014**

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

	31 March 2014	31 March 2013
<b>C. Cash flow from financing activities:</b>		
(Repayment) / proceeds of short-term borrowings	(98,615,955)	8,361,836
Proceeds from long-term borrowings	752,083,000	-
Interest paid	(11,232,397)	(13,909,871)
Dividend paid	(80,846,720)	(1,243,018,320)
Dividend tax paid	(13,739,900)	(201,648,650)
<b>Net cash flow generated from / (used in) financing activities (C)</b>	<b>547,648,028</b>	<b>(1,450,215,005)</b>
<b>Net decrease in cash and cash equivalents (A + B + C)</b>	<b>(90,656,171)</b>	<b>(13,903,651)</b>
Cash and cash equivalents at the beginning of the year	105,854,984	119,758,635
<b>Closing cash and cash equivalents (Refer Note 2 below)</b>	<b>15,198,813</b>	<b>105,854,984</b>

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

	31 March 2014	31 March 2013
Cash and bank balances including non-current bank balance, as per note 16	1,312,353,234	1,884,702,775
Less: Term deposit placed with the banks	(729,089,302)	(1,338,941,477)
Less: Non-current bank balance (refer note 15.2)	(563,977,534)	(435,722,000)
Less: Unpaid dividend accounts*	(4,087,585)	(4,184,314)
<b>Cash and cash equivalent at the end of the year</b>	<b>15,198,813</b>	<b>105,854,984</b>

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

b) Components of cash and cash equivalents

Balances with banks:		
On current accounts	15,095,153	105,739,842
Cash on hand	103,660	115,142

**Notes :**

- Increase in capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months amounting to Rs. 1,293,066,836 (previous year Rs. 1,774,663,477) are not included under Cash and Cash equivalents. These fixed deposits include deposits amounting to Rs. 480,055,421 (Previous year Rs. 435,722,000) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R Batliboi & Associates LLP**  
ICAI Firm's registration number: 101049W  
Chartered Accountants

**per Subramanian Suresh**  
Partner  
ICAI Membership no.: 083673

Place: Chennai  
Date: 29 May 2014

For and on behalf of the board of directors

R.Chellappan  
Managing Director

J.Bhuvaneswari  
Company Secretary

Place: Chennai  
Date: 29 May 2014

Vasanth Balan  
Director

P.Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

**1. Nature of operations**

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

On 29 May 2012, the Company had consummated the sale of its Uninterruptible Power Supply Systems (UPS) Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated 9 February 2012 (refer to note 27 for further details).

**2. Summary of significant accounting policies**

**(a) Basis of preparation**

The financial statements of the Company have been prepared to comply in all material respects with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared on an accrual basis under the historical cost convention.

The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous years.

**(b) Use of estimates**

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

**(c) Tangible and intangible fixed assets**

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

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

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

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

**(d) Depreciation and amortisation**

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher as follows:

Building	3.34%
Plant and machinery (other than Windmills)	4.75%

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

Windmills (included under Plant and Machinery)	10.00%
Office equipment, electrical etc	4.75%
Computers	16.21%
Furniture and fittings	6.33%
Vehicles	9.50%

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

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

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

**(e) Impairment of tangible and intangible fixed assets**

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

**(f) Investments**

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

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

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

**(g) Inventories**

Inventories are valued as follows:

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

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

**(h) Revenue recognition**

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

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

Sale of goods

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

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

Sale of power

Income from sale of power

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

Income from Sale of Renewable Energy Certificates

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

Income from service

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

Interest

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

Dividend

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

**(i) Foreign currency transactions**

Initial recognition

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

Conversion

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

Exchange differences

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

## **SWELECT ENERGY SYSTEMS LIMITED** (formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

### **Notes to financial statements for the year ended 31 March 2014**

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

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

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

#### **(j) Retirement and other employee benefits**

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

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

#### **(k) Income taxes**

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

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

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

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

## **SWELECT ENERGY SYSTEMS LIMITED** (formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

### **Notes to financial statements for the year ended 31 March 2014**

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

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

#### **(l) Earnings per share**

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

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

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

#### **(m) Leases**

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

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

#### **(n) Provision**

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

##### **Provision for warranty:**

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

#### **(o) Contingent liabilities**

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

#### **(p) Cash and Cash equivalents**

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

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**Notes to financial statements for the year ended 31 March 2014**

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

**(q) Borrowing costs**

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

**(r) Cash flow statement**

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



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<b>3 Share capital</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Authorised shares</b>		
20,000,000 (Previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,105,840 (Previous year - 10,105,840) equity shares of Rs. 10/- each	101,058,400	101,058,400
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>101,058,400</b>	<b>101,058,400</b>

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

**Equity shares**

	<b>31 March 2014</b>		<b>31 March 2013</b>	
	<b>Number of shares</b>	<b>Rupees</b>	<b>Number of shares</b>	<b>Rupees</b>
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>10,105,840</b>	<b>101,058,400</b>	<b>10,105,840</b>	<b>101,058,400</b>

**b. Terms/rights attached to equity shares**

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

During the year ended 31 March 2014, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs. Nil (31 March 2013 Rs. 120/-) and proposed dividend was Rs. 9/- (31 March 2013: Rs. 8/-).

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

**c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:**

	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Number of shares</b>	<b>Number of shares</b>
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	5,052,920	5,052,920
Equity shares allotted as fully paid up pursuant to the merger of UPS division of Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited') for consideration other than cash.	52,920	52,920

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

	<b>31 March 2014</b>		<b>31 March 2013</b>	
	<b>Number of shares</b>	<b>% holding in the class</b>	<b>Number of shares</b>	<b>% holding in the class</b>
<b>Equity shares of Rs.10/- each fully paid</b>				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

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

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**Notes to financial statements for the year ended 31 March 2014**

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

**4 Reserves and surplus**

	<u>31 March 2014</u>	<u>31 March 2013</u>
<b>Capital reserve</b>		
Balance as per the last financial statements	15,263,880	15,263,880
Movement during the year	-	-
<b>Closing balance</b>	<u>15,263,880</u>	<u>15,263,880</u>
<b>Securities premium account</b>		
Balance as per the last financial statements	18,268,300	18,268,300
Movement during the year	-	-
<b>Closing balance</b>	<u>18,268,300</u>	<u>18,268,300</u>
<b>General reserve</b>		
Balance as per the last financial statements	1,761,682,891	272,021,028
Add: amount transferred from surplus balance in the statement of profit and loss	24,945,112	1,489,661,863
<b>Closing balance</b>	<u>1,786,628,003</u>	<u>1,761,682,891</u>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	4,425,187,270	2,310,902,430
Profit for the year	249,451,119	5,107,964,513
<u>Less: Appropriations</u>		
Interim equity dividend	-	(1,212,700,800)
(amount per share: Rs.Nil (31 March 2013: Rs. 120/-)		
Tax on interim equity dividend	-	(196,730,390)
Proposed final equity dividend		
(amount per share: Rs. 9/- (31 March 2013: Rs. 8/-)	(90,952,560)	(80,846,720)
Tax on proposed equity dividend	(15,457,388)	(13,739,900)
Transferred to general reserve	(24,945,112)	(1,489,661,863)
Total appropriations	<u>(131,355,060)</u>	<u>(2,993,679,673)</u>
<b>Net surplus in the statement of profit and loss</b>	<u>4,543,283,329</u>	<u>4,425,187,270</u>
<b>Total reserves and surplus</b>	<u>6,363,443,512</u>	<u>6,220,402,341</u>

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**Notes to financial statements for the year ended 31 March 2014**

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

**5 Other long-term liabilities**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Rental deposit	19,380,856	19,380,856
	<u>19,380,856</u>	<u>19,380,856</u>

**6 Borrowings**

	<u>Long-term</u>		<u>Short-term</u>	
	<u>31 March 2014</u>	<u>31 March 2013</u>	<u>31 March 2014</u>	<u>31 March 2013</u>
<b>Secured borrowings</b>				
Cash credit from Bank	-	-	171,462,501	189,971,957
Working capital demand loans	-	-	-	20,000,000
Buyer's credit	-	-	-	60,106,499
Term loan from Banks	752,083,000	-	-	-
	<u>752,083,000</u>	<u>-</u>	<u>171,462,501</u>	<u>270,078,456</u>

**The above amount includes**

Secured borrowings	752,083,000	-	171,462,501	270,078,456
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The Cash Credit from the Bank is secured against the inventory and book debts of the Company and it is repayable on demand.

Working capital demand loans (WCDL) and buyer's credit were taken from banks and were secured by a pari passu charge on inventory, book debts and investments in mutual funds of the Company. WCDL and buyer's credit were repaid during the year.

Term loan from Banks are secured by pledge of investments in Mutual funds of the Company. (Refer Note 17).

Term loan from Bank I amounting to Rs.578,500,000 (Previous year Rs. Nil) is repayable in 16 installments of Rs. 36,156,250 (Previous year Rs. Nil) each per quarter starting from May 2015 and ends on May 2019.

Term loan from Bank II amounting to Rs.173,583,000 (Previous year Rs. Nil) is for a period of three years with bullet repayment terms.

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**Notes to financial statements for the year ended 31 March 2014**

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

**7 Provisions**

	Long-term		Short-term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 28)	-	-	577,686	1,027,272
Provision for leave benefits	-	-	2,222,007	1,218,145
<b>Total (A)</b>	-	-	<b>2,799,693</b>	<b>2,245,417</b>
<b>Other provisions</b>				
Provision for warranties	800,000	800,000	900,000	200,000
Provision for Income tax (net of advance tax)	-	-	-	166,539,407
Proposed equity dividend	-	-	90,952,560	80,846,720
Provision for tax on proposed equity dividend	-	-	15,457,388	13,739,900
<b>Total (B)</b>	<b>800,000</b>	<b>800,000</b>	<b>107,309,948</b>	<b>261,326,027</b>
<b>Total (A)+(B)</b>	<b>800,000</b>	<b>800,000</b>	<b>110,109,641</b>	<b>263,571,444</b>

**Note:**

	31 March 2014	31 March 2013
<b>Provision for warranties</b>		
At the beginning of the year	1,000,000	51,506,903
Arising during the year	700,000	1,000,000
Utilised during the year	-	-
Less: Transferred pursuant to the business transfer agreement (refer note 27)	-	(51,506,903)
<b>At the end of the year</b>	<b>1,700,000</b>	<b>1,000,000</b>

**8 Trade payables and other current liabilities**

Trade payables (refer note below regarding dues to micro, small and medium enterprises)	40,727,099	68,882,687
<b>Other current liabilities</b>		
Interest accrued and due on borrowings	1,155,090	-
Interest accrued but not due on borrowings	-	1,531,723
Unpaid dividend	4,087,585	4,184,315
Payables for capital purchases	132,460,422	4,836,769
Retention money payables	-	1,076,245
Advance from customers	3,117,435	9,902,460
Statutory dues payables	13,958,281	2,779,110
	<b>154,778,813</b>	<b>24,310,622</b>
	<b>195,505,912</b>	<b>93,193,309</b>

**Note :**

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

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**Notes to financial statements for the year ended 31 March 2014**

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

**9 Tangible assets**

Particulars	Land (Refer 9(a))	Buildings (Refer 9(b & c))	Plant and machinery (Refer 9 (c & e))	Office equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
<b>Cost</b>									
At 1 April 2012	136,858,759	360,363,846	239,675,416	56,329,285	47,925,076	55,494,312	56,115,286	4,047,824	956,809,804
Additions	-	16,134,219	226,325,727	3,437,349	2,172,547	501,088	1,813,877	121,927	250,506,734
Deletions	-	(59,595)	(138,942)	(121,234)	(109,160)	(409,724)	(20,442)	-	(859,097)
Disposals (refer note 27)	(11,715,430)	(36,914,377)	(72,361,406)	(15,923,383)	(46,382,325)	(9,970,797)	(42,453,421)	-	(235,721,139)
<b>At 31 March 2013</b>	<b>125,143,329</b>	<b>339,524,093</b>	<b>393,500,795</b>	<b>43,722,017</b>	<b>3,606,138</b>	<b>45,614,879</b>	<b>15,455,300</b>	<b>4,169,751</b>	<b>970,736,302</b>
Additions	-	1,052,105	704,303,608	3,296,967	717,849	221,050	703,667	212,704	710,507,950
Deletions	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>125,143,329</b>	<b>340,576,198</b>	<b>1,097,804,403</b>	<b>47,018,984</b>	<b>4,323,987</b>	<b>45,835,929</b>	<b>16,158,967</b>	<b>4,382,455</b>	<b>1,681,244,252</b>
<b>Depreciation</b>									
At 1 April 2012	546,180	57,677,232	84,132,309	18,837,325	30,245,521	23,181,092	22,093,731	1,769,375	238,482,765
Charge for the year	18,206	11,654,265	22,370,896	2,275,217	1,484,227	3,049,169	3,066,905	828,226	44,747,111
Deletions	-	(11,349)	(97,528)	(116,373)	(5,160)	(304,109)	(20,442)	-	(554,961)
Disposals (refer note 27)	(564,386)	(6,145,729)	(23,444,554)	(6,222,029)	(29,942,039)	(6,566,228)	(17,011,994)	-	(89,896,959)
<b>At 31 March 2013</b>	<b>-</b>	<b>63,174,419</b>	<b>82,961,123</b>	<b>14,774,140</b>	<b>1,782,549</b>	<b>19,359,924</b>	<b>8,128,200</b>	<b>2,597,601</b>	<b>192,777,956</b>
Charge for the year	-	11,375,245	24,568,034	2,204,224	664,426	2,896,659	1,521,732	867,454	44,097,774
Deletions	-	-	-	-	-	-	-	-	-
<b>At 31 March 2014</b>	<b>-</b>	<b>74,549,664</b>	<b>107,529,157</b>	<b>16,978,364</b>	<b>2,446,975</b>	<b>22,256,583</b>	<b>9,649,932</b>	<b>3,465,055</b>	<b>236,875,730</b>
<b>Net Block</b>									
At 31 March 2013	125,143,329	276,349,674	310,539,672	28,947,877	1,823,589	26,254,955	7,327,100	1,572,150	777,958,346
At 31 March 2014	125,143,329	266,026,534	990,275,246	30,040,620	1,877,012	23,579,346	6,509,035	917,400	1,444,368,522

**Notes**

Particulars	Gross block	Depreciation charge for the year	Accumulated Depreciation	Assets transferred pursuant to business transfer agreement	Net book value
a. Land includes land held on leasehold basis As at 31 March 2014	-	-	-	-	-
As at 31 March 2013	10,815,430	18,206	564,386	(10,815,430)	-
b. Buildings includes those constructed on leasehold land As at 31 March 2014	1,052,105	35,140	35,140	-	1,016,965
As at 31 March 2013	34,542,456	185,933	5,753,864	(34,542,456)	-
c. Plant and machinery includes assets given on operating lease (Represent plant and machinery leased for a term of 11 months to subsidiaries of the company)	46,633,726	2,051,328	4,599,272	-	42,034,454
As at 31 March 2014	40,694,326	1,728,890	2,547,943	-	38,146,383
As at 31 March 2013	255,238,872	6,808,832	55,772,588	-	199,466,284
d. Buildings include assets given on operating lease As at 31 March 2014	255,238,872	6,808,832	48,963,756	-	206,275,116
As at 31 March 2013	-	-	-	-	-

e. Additions to Plant and machinery includes asset amounting to Rs. 645,576,693 (Previous year Rs. Nil) related to solar plant constructed on lease hold land taken for a period of 25 years from Swelect Green Energy Solutions Private Limited and interest and borrowing amounting to Rs. 9,926,484 (Previous year Rs. Nil)

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**Notes to financial statements for the year ended 31 March 2014**

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**10 Intangible assets**

Particulars	Goodwill	Computer software	Total
<b>Gross block</b>			
At 1 April 2012	13,816,060	48,845,205	62,661,265
Additions	-	2,458,828	2,458,828
Disposals (refer note 27)	-	(48,785,134)	(48,785,134)
<b>At 31 March 2013</b>	<b>13,816,060</b>	<b>2,518,899</b>	<b>16,334,959</b>
Additions	-	134,633	134,633
Disposals	-	-	-
<b>At 31 March 2014</b>	<b>13,816,060</b>	<b>2,653,532</b>	<b>16,469,592</b>
<b>Amortisation</b>			
At 1 April 2012	13,816,060	30,933,435	44,749,495
Charge for the year	-	1,055,487	1,055,487
Disposals (refer note 27)	-	(31,821,668)	(31,821,668)
<b>At 31 March 2013</b>	<b>13,816,060</b>	<b>167,254</b>	<b>13,983,314</b>
Charge for the year	-	525,012	525,012
Disposals	-	-	-
<b>At 31 March 2014</b>	<b>13,816,060</b>	<b>692,266</b>	<b>14,508,326</b>
<b>Net block</b>			
<b>At 31 March 2013</b>	<b>-</b>	<b>2,351,645</b>	<b>2,351,645</b>
<b>At 31 March 2014</b>	<b>-</b>	<b>1,961,266</b>	<b>1,961,266</b>

**11 Deferred tax liabilities (net)**

	31 March 2014	31 March 2013
<b>Deferred tax liability</b>		
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	129,379,923	123,492,317
<b>Gross deferred tax liability</b>	<b>129,379,923</b>	<b>123,492,317</b>
<b>Deferred tax asset</b>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1,523,685)	(1,245,611)
Carry forward business loss and unabsorbed depreciation	(5,609,532)	-
<b>Gross deferred tax asset</b>	<b>(7,133,217)</b>	<b>(1,245,611)</b>
<b>Deferred tax liabilities (net)</b>	<b>122,246,706</b>	<b>122,246,706</b>

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**Notes to financial statements for the year ended 31 March 2014**

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

<b>12 Non-current investments</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments of subsidiaries (unquoted)</b>		
244,000 (Previous year - 104,000) equity shares of Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited'), Rs.100/- each fully paid	24,400,000	10,400,000
12,232,500 (Previous year - 12,232,500) equity shares of Singapore Dollar 1/- each fully paid in Swelect Energy Systems Pte. Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore').	437,290,241	437,290,241
4,999,900 (Previous year - 4,999,900) of equity shares of Amex Irons Private Limited, Rs.10/- each fully paid	99,500,000	99,500,000
1,000,000 (Previous year - 920,000) of equity shares of Amex Alloys Private Limited, Rs.10/- each fully paid	54,118,000	42,171,400
1,832,400 (Previous year - 1,832,470) of equity shares of HHV Solar Technologies Limited, Rs.10/- each fully paid (Refer note below)	218,602,602	218,603,302
70,000 ( Previous year - Nil ) of equity shares of Swelect Green Energy Solutions Private Limited, Rs.100/- each fully paid	7,000,000	-
<b>Investment in preference shares instruments of subsidiaries (unquoted)</b>		
250,000 (Previous year - 375,000) of 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, Rs.100/- each fully paid	25,000,000	37,500,000
15,000,000 (Previous year - 10,000,000) of 10% Cumulative redeemable preference shares of HHV Solar Technologies Limited, Rs.10/- each fully paid	150,000,000	100,000,000
<b>Investment in joint ventures (unquoted)</b>		
2,500 (Previous year - 2,500) equity shares of Rs 100/- each fully paid in Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')	250,000	250,000
	<b>1,016,160,843</b>	<b>945,714,943</b>

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<b>Non trade investments (valued at cost unless stated otherwise)</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Investment in equity instruments (unquoted)</b>		
300,000 (Previous year - 300,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	3,000,000	3,000,000
<b>Investment in tax free bonds ( unquoted)</b>		
50,000 ( Previous year - Nil) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited	50,000,000	-
<b>Investment in associates (unquoted)</b>		
12,250 (Previous year - 12,250) equity shares of Rs 100/- each fully paid in Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	1,225,000	1,225,000
	<b>54,225,000</b>	<b>4,225,000</b>
	<b>1,070,385,843</b>	<b>949,939,943</b>
Aggregate amount of unquoted investments	1,070,385,843	949,939,943

**Note :**

HHV Solar Technologies Private Limited was converted into HHV Solar Technologies Limited w.e.f. 10 Feb 2014.

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

Raw materials and components	65,114,406	60,845,272
Work-in-progress	4,935,530	4,041,753
Finished goods	650,076	966,238
Traded goods	102,646,108	52,941,246
	<b>173,346,120</b>	<b>118,794,509</b>

**14 Loans and advances**

	<b>Non-current</b>		<b>Current</b>	
	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Capital advances</b>				
Unsecured, considered good	9,590,369	7,649,571	-	-
<b>(A)</b>	<b>9,590,369</b>	<b>7,649,571</b>	-	-
<b>Security deposit</b>				
Unsecured, considered good	9,374,943	8,095,394	21,721,033	10,577,297
<b>(B)</b>	<b>9,374,943</b>	<b>8,095,394</b>	<b>21,721,033</b>	<b>10,577,297</b>
<b>Loan and advances to related parties ( refer note 32)</b>				
Unsecured, considered good	302,671,230	202,802,307	-	6,246,828
<b>(C)</b>	<b>302,671,230</b>	<b>202,802,307</b>	-	<b>6,246,828</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	-	9,940,587	13,385,158
<b>(D)</b>	-	-	<b>9,940,587</b>	<b>13,385,158</b>





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**15 Trade receivables and other assets**

**15.1 Trade receivables**

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
- Unsecured, considered good	-	-	93,269,300	66,782,959
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>93,269,300</b>	<b>66,782,959</b>
<b>Other receivables</b>				
- Unsecured, considered good	-	4,409,464	247,352,981	64,421,565
<b>(B)</b>	<b>-</b>	<b>4,409,464</b>	<b>247,352,981</b>	<b>64,421,565</b>
<b>Total (A + B)</b>	<b>-</b>	<b>4,409,464</b>	<b>340,622,281</b>	<b>131,204,524</b>

**Included in trade receivables are:**

Dues from subsidiary companies in which the Managing director is a director:

--BS Powertech Solutions Private Limited	-	-	54,309,371	54,309,371
-- Amex Alloys Private Limited	-	-	176,314,109	13,833,347
-- Amex Irons Private Limited	-	-	-	123,803
-- Swelect Energy Systems Pte. Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore')	-	-	1,188,332	26,692

**15.2 Other assets**

**Unsecured, considered good**

Non - current bank balance (note 16)*	563,977,534	435,722,000	-	-
Interest accrued on fixed deposits	-	-	36,379,712	98,104,316
Dividend accrued on investments	-	-	-	41,488,024
Others	-	-	-	2,347,397
	<b>563,977,534</b>	<b>435,722,000</b>	<b>36,379,712</b>	<b>141,939,737</b>

\* Non-current bank balance include deposits amounting to Rs. 480,055,421 (Previous year Rs. 435,722,000) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.

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**Notes to financial statements for the year ended 31 March 2014**

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16 Cash and bank balances	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	15,095,153	105,739,842
On unpaid dividend accounts	-	-	4,087,585	4,184,314
Cash on hand	-	-	103,660	115,142
<b>Total (A)</b>	-	-	<b>19,286,398</b>	<b>110,039,298</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	563,977,534	435,722,000	-	-
Deposits with original maturity for more than 3 months but less than 12 months *	-	-	729,089,302	1,338,941,477
<b>Total (B)</b>	<b>563,977,534</b>	<b>435,722,000</b>	<b>729,089,302</b>	<b>1,338,941,477</b>
<b>Amount disclosed under other assets (note 15.2)</b>	<b>(563,977,534)</b>	<b>(435,722,000)</b>	-	-
<b>Total cash and bank balances (A+B)</b>	-	-	<b>748,375,700</b>	<b>1,448,980,775</b>

\* Deposits to the extent of Rs 50,000,000 (Previous year Rs.130,000,000) have been given as collateral to the banks to facilitate the borrowing and opening of letter of credit for subsidiary companies.

**17 Current investments**

	31 March 2014	31 March 2013
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Unquoted mutual funds</b>		
Nil (Previous year - 9,598) units of Rs. 10/- each fully paid up HDFC prudence fund	-	2,000,000
Nil (Previous year - 282,736) units of Rs. 10/- each fully paid up Templeton India Income Opportunities Fund	-	3,000,000
Nil (Previous year - 20,449,714) units of Rs.10/- each fully paid up IDFC Dynamic bond quarterly dividend plan	-	208,883,669
Nil (Previous year - 19,687,530) units of Rs. 10/- each fully paid up Templeton India low duration fund monthly dividend plan	-	204,806,184
Nil (Previous year - 2,930,604) units of Rs. 10/- each fully paid up Prudential ICICI income plan - growth plan	-	104,600,000
Nil (Previous year -35,309,816) units of Rs. 10/- each fully paid up SBI Magnum income fund - regular growth plan	-	1,008,227,135
Nil (Previous year - 50,000,000) units of Rs. 10/- each fully paid up SBI debt fund growth plan	-	500,000,000
Nil (Previous year - 68,845) units of Rs.10/- each fully paid up Templeton India short term income plan monthly dividend plan	-	157,588,296
Nil (Previous year - 3,362,467) units of Rs.10/- each fully paid up Reliance dynamic bond fund growth plan	-	52,157,908
Nil (Previous year - 5,772,583) units of Rs 10/- each fully paid up IDFC dynamic bond fund regular growth plan	-	80,000,000
Nil (Previous year - 13,014,376) units of Rs.10/-each fully paid up HSBC flexi debt growth plan.	-	207,938,491
Nil (Previous year -5,170,104) units of Rs.10/- each fully paid up DWS short maturity fund growth plan	-	106,602,334

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	<b>31 March 2014</b>	<b>31 March 2013</b>
Nil (Previous year -3,124,416) units of Rs.10/- each fully paid up Birla Sun Life income plus growth plan	-	163,439,982
Nil (Previous year - 17,931) units of Rs.10/- each fully paid up Birla Sun Life saving fund daily dividend reinvestment plan	-	1,794,845
1,114,602 (Previous year - Nil) unit of Rs. 100/- each fully paid up ICICI Prudential Liquid Super Institutional Fund - daily dividend plan	111,515,612	-
202,936 (Previous year - Nil) unit of Rs. 1000/- each fully paid up Templeton India Treasury Management Account Super Institutional Plan - Daily dividend reinvestment plan	203,072,441	-
660,344 (Previous year - Nil) unit of Rs. 100/- each fully paid up Birla Sunlife Saving Fund daily dividend reinvestment plan	66,230,532	-
8,972 (Previous year - Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund	12,072,728	-
190 (Previous year - Nil) unit of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan	190,914	-
85,726 (Previous year - Nil) unit of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	9,064,266	-
55,375 (Previous year - Nil) of Rs.10/- each fully paid up SBI Premier Liquid Fund - daily dividend plan	55,555,100	-
12,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan	120,000,000	-
21,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan*	210,000,000	-
21,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan*	210,000,000	-
21,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan*	210,000,000	-
8,201,872 ( Previous year - Nil) unit of Rs. 10/- each fully paid up Birla SunLife Fixed Plan Series 499 days - regular growth plan*	82,018,720	-
3,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan*	300,000,000	-
5,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	50,000,000	-
20,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series*	200,000,000	-
50,00,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan*	50,000,000	-
22,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan*	220,000,000	-
21,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	250,000,000	-
50,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 366 Days direct growth plan	500,000,000	-
	<b>2,859,720,313</b>	<b>2,801,038,844</b>
Aggregate cost of unquoted investments	2,859,720,313	2,801,038,844

**Note:**

\* Investments marked have been pledged as collateral securities with banks for avilment of term loans (Refer Note 6).

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**18 Revenue from operations (net)**

	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods	223,253,054	530,375,671
Traded goods	203,674,108	390,033,111
Sale of services	18,938,780	122,641,216
Sale of power	17,588,877	18,870,843
<b>Other operating revenue</b>		
Scrap sales	1,829,969	6,873,020
Other	47,612,972	39,677,480
<b>Revenue from operations (gross)</b>	<b>512,897,760</b>	<b>1,108,471,341</b>
Less: Excise duty	15,817,195	53,487,719
<b>Revenue from operations (net)</b>	<b>497,080,565</b>	<b>1,054,983,622</b>
Details of products sold		
	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Manufactured goods sold and sale of products</b>		
Continuing operations		
--Contract manufacturing	145,927,761	183,803,269
--Solar Energy Systems / Services	77,325,293	28,397,960
--Solar power	17,588,877	18,870,843
Discontinued operations		
-- UPS	-	318,174,442
	<b>240,841,931</b>	<b>549,246,514</b>
<b>Traded goods sold</b>		
Continuing operations		
--Solar Energy Systems	203,674,108	138,161,393
Discontinued operations		
-- UPS	-	251,871,718
	<b>203,674,108</b>	<b>390,033,111</b>
<b>Details of services rendered</b>		
Continuing operations		
--Solar Energy Systems / Services	18,938,780	10,978,945
Discontinued operations		
--Annual maintenance contract services	-	111,662,271
	<b>18,938,780</b>	<b>122,641,216</b>

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**19 Other income**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Interest income	143,999,180	278,479,746
Dividend income from:		
Investment in subsidiaries	3,750,000	3,750,000
Long term, Non trade investments	-	180,000
Exchange differences (net)	3,320,812	-
Net gain from the sale of current investments	100,062,714	112,252,387
Dividend income on current investments - mutual fund	37,462,711	41,488,024
Rental income	11,161,871	9,184,368
Liabilities no longer required, written back	1,284,227	23,500,000
Other non-operating income	3,690,803	4,096,101
	<b>304,732,318</b>	<b>472,930,626</b>

**20 Cost of raw material and components consumed**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Inventory at the beginning of the year	60,845,272	626,131,354
Purchases	169,900,188	503,257,749
Less: Transferred pursuant to the business transfer agreement (refer note 27)	-	(628,247,695)
	230,745,460	501,141,408
Less: inventory at the end of the year	65,114,406	60,845,272
Cost of raw material and components consumed	<b>165,631,054</b>	<b>440,296,136</b>

**Details of raw material and components consumed**

Batteries	19,372,501	274,181,743
Semi-knocked down components	26,003,049	149,970,331
Solar panel and accessories	64,772,188	-
Others	55,483,316	16,144,062
	<b>165,631,054</b>	<b>440,296,136</b>

**Details of inventory at the end of the year**

**Raw materials and components**

Batteries	1,840,188	26,783,011
Semi-knocked down components	12,956,557	23,515,631
Solar panel and accessories	35,400,459	-
Others	14,917,202	10,546,630
	<b>65,114,406</b>	<b>60,845,272</b>

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**21 (Increase) / decrease in inventories**

	<u>31 March 2014</u>	<u>31 March 2013</u>
<b>Inventories at the end of the year</b>		
Traded goods	102,646,108	52,941,246
Work-in-progress	4,935,530	4,041,753
Finished goods	650,076	966,238
	<u>108,231,714</u>	<u>57,949,237</u>
<b>Add : Transferred pursuant to the business transfer agreement (Refer note 27)</b>		
Traded goods	-	211,759,021
Work-in-progress	-	374,428
Finished goods	-	188,323,820
	<u>-</u>	<u>400,457,269</u>
<b>Inventories at the beginning of the year</b>		
Traded goods	52,941,246	312,403,921
Work-in-progress	4,041,753	18,437,752
Finished goods	966,238	80,579,473
	<u>57,949,237</u>	<u>411,421,146</u>
	<u>(50,282,477)</u>	<u>(46,985,360)</u>
<b>Details of purchase of traded goods</b>		
Traded UPS Systems	-	117,621,207
Batteries	105,923	44,349,500
Solar PV modules	140,830,944	141,376,578
Others	59,457,540	2,921,108
	<u>200,394,407</u>	<u>306,268,393</u>
<b>Details of inventory</b>		
<b>Traded goods</b>		
Solar PV modules	101,577,197	52,237,492
Others	1,068,911	703,754
	<u>102,646,108</u>	<u>52,941,246</u>
<b>Work-in-progress</b>		
Semi-manufactured UPS Systems	3,540,375	4,041,753
Others	1,395,155	-
	<u>4,935,530</u>	<u>4,041,753</u>
<b>Finished goods</b>		
Manufactured UPS Systems	259,260	844,238
Others	390,816	122,000
	<u>650,076</u>	<u>966,238</u>

**22 Employee benefit expense**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Salaries, wages and bonus	54,735,296	174,066,448
Contribution to provident and other funds	2,764,209	14,643,281
Gratuity expense (refer note 28)	977,748	2,569,162
Staff welfare expenses	4,068,476	9,321,317
	<u>62,545,729</u>	<u>200,600,208</u>

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**23 Other expenses**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Sub-contracting and processing expenses	41,715,890	13,286,782
Service and maintenance charges	353,592	2,597,036
Power and fuel	2,218,054	4,863,165
Freight and forwarding charges	2,708,829	18,651,388
Rent (refer note 29)	3,935,679	8,698,391
Rates and taxes	4,689,580	7,089,151
Insurance	1,682,509	2,967,759
Repairs and maintenance		
- Plant & Machinery	1,036,893	471,388
- Buildings	277,402	918,552
- Others	5,161,326	11,480,115
Sales promotion	4,393,919	15,314,677
Advertisement	9,143,503	7,079,548
Travelling and conveyance	10,246,083	32,091,771
Communication costs	1,987,466	4,652,676
Printing and stationery	1,924,521	2,398,065
Exchange differences (net)	-	25,432,715
Legal and professional fees	5,727,119	27,097,923
Payment to auditor (Refer details below)	3,227,384	3,046,904
Bad debts/advances written off	1,443,100	1,701,960
Provision for warranties (net of reversals)	700,000	1,000,000
Miscellaneous expenses	14,138,493	15,354,568
	<u>116,711,342</u>	<u>206,194,534</u>
<b>Payment to auditor</b>		
<b>As auditor:</b>		
Audit fee	2,100,000	2,100,000
Limited review	900,000	900,000
<b>In other capacity:</b>		
Reimbursement of expenses	227,384	46,904
	<u>3,227,384</u>	<u>3,046,904</u>

**24 Depreciation and amortisation expense**

Depreciation of tangible assets	44,097,774	44,747,110
Amortisation of intangible assets	525,012	1,055,487
	<u>44,622,786</u>	<u>45,802,597</u>

**25 Finance costs**

Interest	11,609,030	14,829,067
Bank and other charges	1,129,893	7,397,950
	<u>12,738,923</u>	<u>22,227,017</u>

**26 Earnings price per share (EPS)**

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

	<u>31 March 2014</u>	<u>31 March 2013</u>
Profit after tax as per Statement of Profit & Loss - (A)	249,451,119	5,107,964,513
Less: Net profit attributable to the discontinued operations and exceptional item (refer note 27)-(B)	-	4,762,059,725
Net profit attributable to the equity share holders for continuing operations (A-B) = C	249,451,119	345,904,788
	<u>Number of shares</u>	<u>Number of shares</u>
Weighted average number of equity shares - (D)	10,105,840	10,105,840
Basic and diluted earnings per share - continuing operations - (C/D)	24.68	34.23
Basic and diluted earnings per share - total Profit - (A/D)	24.68	505.45



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**27 Discontinued operations - Sale of Uninterruptible power supply systems (UPS)**

On 29 May 2012 the Company had consummated sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated 9 February 2012. The UPS business undertaking comprising of operations in India, Singapore and its investment in Srilanka was transferred as a going concern on a slump sale basis for an aggregate consideration of Rs. 811.13 Crores (including, an amount of Rs. 19.46 Crores for the Singapore operations). The net assets transferred pursuant to the slump sale of its UPS Business, being operations in India and investment in Srilanka is Rs. 176.56 Crores and the profit recognised pursuant to the slump sale is Rs. 615.12 Crores and disclosed as an exceptional item in the statement of profit & loss.

The Company's continuing operations represent revenues from Solar power project, solar and wind power generation, contract manufacturing services, installation and maintenance services and sale of energy efficient lighting systems.

Discontinuance of UPS division falls within the meaning of Accounting Standard 24 - Discontinuing Operations. The following table summarises the revenues, expenses, loss and cash flows from ordinary activities attributable to the discontinued operations and assets/liabilities transferred pursuant to the slump sale of UPS Business comprising the Company's operations in India and investment in Srilanka.

**a) Revenues, profits and expenses from ordinary activities attributable to discontinued operations**

Particulars	For the year ended 31 March 2014	For the period 1 April 2012 to 28 May 2012
Revenue (including other income)	-	652,354,315
Expenses	-	693,437,138
<b>(Loss) / profit from operating activities</b>	-	<b>(41,082,823)</b>
Finance costs	-	4,030,953
Depreciation/amortisation	-	3,148,070
<b>(Loss) / profit before tax</b>	-	<b>(48,261,846)</b>

**b) The assets and liabilities transferred pursuant to the slump sale in the current year and corresponding amounts for Initial disclosure event**

Particulars	For the year ended 31 March 2014	As at 28 May 2012
<b>Total liabilities (A)</b>	-	<b>546,511,382</b>
Other long-term liabilities	-	1,323,330
Long-term provisions	-	19,190,570
Trade payables	-	356,079,393
Other current liabilities	-	121,148,097
Short-term provisions	-	48,769,992
<b>Total assets (B)</b>	-	<b>2,312,068,761</b>
Fixed assets (including capital work-in-progress)	-	164,066,392
Non-current investments	-	9,560,000
Long-term loans and advances	-	15,776,516
Trade receivables	-	27,026,662
Inventories	-	1,028,704,964
Trade receivables	-	983,365,582
Short-term loans and advances	-	83,568,645
<b>Net assets (B-A)</b>	-	<b>1,765,557,379</b>

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**Notes to financial statements for the year ended 31 March 2014**

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**c) Cash flows from ordinary activities attributable to discontinued operations**

Particulars	For the year ended 31 March 2014	For the period 1 April 2012 to 28 May 2012
Operating activities	-	(35,891,518)
Investing activities	-	516,837
Financing activities	-	(1,689,172)
<b>Net cash inflows</b>	-	<b>(37,063,853)</b>

**28 Employee benefit plans**

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

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

**Net employee benefit expense (recognised in personnel expenses)**

Particulars	31 March 2014	31 March 2013
Current service cost	375,423	6,013,355
Interest cost on benefit obligations	180,594	3,611,970
Expected return on plan assets	(194,233)	(547,459)
Net actuarial loss / (gain) recognised in the year	615,964	(6,508,704)
<b>Net benefit expense</b>	<b>977,748</b>	<b>2,569,162</b>
Actual return on plan assets	(194,233)	(547,459)
<b>Details of provision for gratuity</b>		
Present value of obligations at the end of the year	2,903,387	2,257,421
Less : Fair value of plan assets at the end of the year	(2,325,701)	(1,230,149)
<b>Plan liability</b>	<b>577,686</b>	<b>1,027,272</b>
<b>Changes in the present value of the defined benefit obligations are as follows:</b>		
Present value of obligations at the beginning of the year	2,257,421	45,149,623
Interest cost	180,594	3,611,970
Current service cost	375,423	6,013,355
Benefits paid		
- Continuing operations	(526,015)	(1,825,717)
- Discontinued operations (Also refer note 27)	-	(44,183,106)
Actuarial loss / (gain) on obligations	615,964	(6,508,704)
<b>Present value of obligations at the end of the year</b>	<b>2,903,387</b>	<b>2,257,421</b>
<b>Changes in the fair value of plan assets are as follows:</b>		
Fair value of planned assets at the beginning of the year	1,230,149	36,164,797
Expected return on plan assets	194,233	547,459
Contributions	1,427,334	10,526,716
Benefits paid		
- Continuing operations	(526,015)	(1,825,717)
- Discontinued operations (Also refer note 27)	-	(44,183,106)
<b>Fair value of plan assets at the end of the year</b>	<b>2,325,701</b>	<b>1,230,149</b>

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

<b>Year ended</b>	<b>31 March 2014</b>	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2011</b>	<b>31 March 2010</b>
Defined benefit obligations	2,903,387	2,257,421	45,149,623	35,595,878	28,904,822
Plan assets	2,325,701	1,230,149	36,164,797	29,698,026	23,298,833
Deficit	577,686	1,027,272	8,984,826	5,897,852	5,605,989
Experience adjustments on plan liabilities / (asset)	615,964	(6,508,704)	4,189,414	2,839,441	2,283,086

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

<b>Particulars</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Discount rate (p.a)	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	1,000,000	1,000,000

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

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

**29 Leases**

**Operating leases: Company as lessee**

<b>Particulars</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Lease payments for the year	3,935,679	8,698,391
Future minimum rentals payable under operating leases are as follows:		
Not later than one year	2,285,390	783,350
Later than one year but not later than five years	486,217	562,258
Later than five years	-	-
	<b>2,771,607</b>	<b>1,345,608</b>

The lease term (office building for branch offices at various locations) ranges between 1 to 6 years. Escalation clause ranges from 5-10% premium in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases.

**Operating leases: Company as lessor**

<b>Particulars</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Lease rent received for the year	58,744,843	47,684,945
Future minimum lease rental receivable under operating lease are as follows:		
Not later than one year	57,542,639	47,684,945
Later than one year but not later than five years	92,821,536	116,502,719
Later than five years	-	-
	<b>150,364,175</b>	<b>164,187,664</b>

The Company has entered into non - cancellable operating lease of its buildings (remaining term 4 years) and plant and machinery (remaining term 11 months). Terms for lease of building include annual escalation rental charges from the second year of such lease.

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**30 Segment information**

**A. Primary segment information (By Business segments)**

The Company's continuing operations represents revenue from Solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar PV inverters and energy efficient lighting systems. During the previous year, the Company had discontinued its operations relating to Uninterruptible power supply systems (UPS) (Also refer note 27).

Business (Primary) segments of the Company are:

Continuing operations

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

Discontinued operations

- a) Uninterruptible power supply systems

<b>Particulars</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>1. Segment revenue</b>		
Continuing operations		
-- Contract manufacturing	130,110,566	165,312,677
-- Solar Energy Systems / Services	317,527,058	192,565,412
-- Others	49,442,941	44,754,931
Discontinued operations		
-- Uninterruptible power supply systems	-	652,350,602
<b>Total revenue (net)</b>	<b>497,080,565</b>	<b>1,054,983,622</b>
<b>2. Segment results</b>		
Segment profits before finance charges and tax		
Continuing operations		
-- Contract manufacturing	14,339,766	13,727,805
-- Solar Energy Systems / Services	(35,934,571)	(105,631,384)
-- Others	48,355,723	39,677,480
Discontinued operations		
-- Uninterruptible power supply systems	-	(48,261,846)
Exceptional items - UPS (refer note 27)	-	6,151,176,806
Other unallocable income	234,299,231	468,827,735
Finance Charges	(11,609,030)	(14,829,067)
<b>Total profits before tax</b>	<b>249,451,119</b>	<b>6,504,687,529</b>
Tax expenses	-	(1,396,723,016)
<b>Total profits after tax</b>	<b>249,451,119</b>	<b>5,107,964,513</b>
<b>3. Segment assets</b>		
Continuing operations		
-- Contract manufacturing	110,155,556	151,510,618
-- Solar Energy Systems / Services	3,245,273,485	2,101,214,159
-- Others	4,281,195,202	4,813,292,654
-- Un-allocable assets	199,466,285	24,714,081
Discontinued operations		
-- Uninterruptible power supply systems	-	-
<b>Total assets</b>	<b>7,836,090,528</b>	<b>7,090,731,512</b>

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	31 March 2014	31 March 2013
<b>4. Segment liabilities</b>		
Continuing operations		
-- Contract manufacturing	2,877,816	18,168,947
-- Solar Energy Systems / Services	1,059,830,922	19,352,296
-- Others	308,879,878	731,749,528
Discontinued operations		
-- Uninterruptible power supply systems	-	-
<b>Total liabilities</b>	<b>1,371,588,616</b>	<b>769,270,771</b>
<b>5. Additions to tangible and intangible fixed assets</b>		
Continuing operations		
-- Solar Energy Systems / Services	694,205,639	242,459,946
-- Others	16,436,944	8,289,155
Discontinued operations		
-- Uninterruptible power supply systems	-	2,216,461
<b>Total additions to tangible and intangible fixed assets</b>	<b>710,642,583</b>	<b>252,965,562</b>
<b>6. Depreciation / Amortisation</b>		
Continuing operations		
-- Contract manufacturing	2,378,394	2,378,394
-- Solar Energy Systems / Services	32,395,102	30,877,090
-- Others	9,849,290	9,399,043
Discontinued operations		
-- Uninterruptible power supply systems	-	3,148,070
<b>Total depreciation / amortisation</b>	<b>44,622,786</b>	<b>45,802,597</b>

**B. Secondary segment information (By Geographical segments)**

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2014 and year ended 31 March 2013. All tangible and intangible assets are located only in India except trade receivable and investment.

Particulars	Geographical segment			
	31 March 2014		31 March 2013	
	Outside India	India	Outside India	India
Revenues				
Sale to external customer	-	497,080,565	17,711,761	1,037,271,861
Less: sale attributable to discontinued operations (refer note 27)	-	-	(14,782,259)	(637,568,343)
Revenue from continuing operations	-	497,080,565	2,929,502	399,703,518
Additions to tangible and intangible assets	-	710,642,583	-	252,965,562
Segment assets	440,614,754	7,395,475,774	441,023,518	6,649,707,994

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**31 Information in respect of Joint Venture in terms of Accounting Standard 27 -**

Financial Reporting of Interests in Joint Ventures'

Name of the Joint Venture: Swelect Infrastructure Services Private Limited  
(Formerly known as Numeric Infrastructure Services Private Limited')

Nature of business: Providing infrastructure services.

Proportion of ownership interest: 50 % (Previous year - 50%)

Date of incorporation: 2 April 2004

Country of incorporation: India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2014	31 March 2013
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	250,000	250,000
Reserves and surplus	520,928	601,021
	<b>770,928</b>	<b>851,021</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	22,549	22,549
<b>Current liabilities</b>		
Trade payables	-	334,172
Other current liabilities	5,618	563,633
	<b>5,618</b>	<b>897,805</b>
<b>Total</b>	<b>799,095</b>	<b>1,771,374</b>
<b>Asset</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	48,179	58,178
	<b>48,179</b>	<b>58,178</b>
<b>Current assets</b>		
Trade receivables	-	641,398
Cash and bank balances	750,916	750,228
Short-term loans and advances	-	321,570
	<b>750,916</b>	<b>1,713,196</b>
<b>Total</b>	<b>799,095</b>	<b>1,771,374</b>

Summary of income and expenditure:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2014	31 March 2013
Other Income	896,489	-
<b>Expenses</b>		
Personnel expenses	-	-
Manufacturing and other expenses	966,582	2,861
Depreciation	10,000	10,000
Financial expenses	-	104
	<b>(80,093)</b>	<b>(12,965)</b>

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**Notes to financial statements for the year ended 31 March 2014**

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**32 Related party transactions**

**1. Names of related parties and nature of relationship**  
Subsidiaries

Associate	Swelect Energy Systems Pte. Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore') Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited') Amex Alloys Private Limited Amex Irons Private Limited HHV Solar Technologies Limited ( Formerly known as HHV Solar Technologies Private Limited) BS Powertech Solutions Private Limited Swelect Green Energy Solutions Private Limited (Formerly known as 'Numeric Green Energy Solutions Private Limited)' (with effect from 13 May 2013) Numeric Lanka Technologies (Private) Limited ( up to 29 May 2012 )
Joint Venture	"Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited)'" "Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited)'"
Enterprises owned or significantly influenced by key management personnel or their relatives	"Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited)'" "Swelect Technologies Private Limited (Formerly known as 'Numeric Technologies Private Limited)'"
Key Management Personnel	Mr. R Chellappan - Managing Director Mr. A Balan - Director (Resigned with effect from 30 May 2012) Mr. K V Nachiappan - Director (Resigned with effect from 30 May 2012) Mrs. Vasantha Balan - Director ( With effect from 13 August 2012 )
Relatives of key management personnel	Mrs. Gunasundari Chellappan Mr. A Balan Mr. V.C.Raghunath Mrs. V.C.Mirunalini Miss. Aarthi Balan

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**32 Related party transactions**

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>Sale of goods</b>										
-- Numeric Lanka Technologies (Private) Limited	170,842,318	67,659,845	-	-	-	-	-	-	170,842,318	67,659,845
-- Swelect Energy Systems Pte. Limited, Singapore	-	-	-	-	-	-	-	-	-	-
-- Amex Alloys Private Limited	170,828,428	13,229,367	-	-	-	-	-	-	170,828,428	13,229,367
-- Amex Irons Private Limited	-	108,125	-	-	-	-	-	-	-	108,125
-- HHV Solar Technologies Limited	13,890	12,982	-	-	-	-	-	-	13,890	12,982
-- BS Powertech Solutions Private Limited	-	54,309,371	-	-	-	-	-	-	-	54,309,371
<b>Sale of Services</b>										
-- Amex Alloys Private Limited	6,318,347	-	-	-	-	-	-	-	6,318,347	-
-- Amex Alloys Private Limited	6,318,347	-	-	-	-	-	-	-	6,318,347	-
<b>Purchases of traded goods</b>										
-- Amex Irons Private Limited	24,275,956	45,806,301	-	-	-	-	-	-	24,275,956	45,806,301
-- Swelect Energy Systems Pte. Limited, Singapore	10,736	-	-	-	-	-	-	-	10,736	-
-- HHV Solar Technologies Limited	24,265,220	45,798,320	-	-	-	-	-	-	24,265,220	45,798,320
<b>Sale of Power</b>										
-- HHV Solar Technologies Limited	474,946	-	-	-	-	-	-	-	474,946	-
-- HHV Solar Technologies Limited	474,946	-	-	-	-	-	-	-	474,946	-
<b>Rental income</b>										
-- Amex Alloys Private Limited	11,161,871	9,184,368	-	-	-	-	-	-	11,161,871	9,184,368
-- Amex Alloys Private Limited	7,661,384	6,951,440	-	-	-	-	-	-	7,661,384	6,951,440
-- Amex Irons Private Limited	3,136,896	2,202,928	-	-	-	-	-	-	3,136,896	2,202,928
-- HHV Solar Technologies Limited	333,591	-	-	-	-	-	-	-	333,591	-
-- BS Powertech Solutions Private Limited	30,000	30,000	-	-	-	-	-	-	30,000	30,000
<b>Interest income</b>										
-- Amex Alloys Private Limited	29,780,538	17,159,763	-	-	-	-	-	-	29,780,538	17,159,763
-- Amex Alloys Private Limited	5,852,823	7,616,382	-	-	-	-	-	-	5,852,823	7,616,382
-- Amex Irons Private Limited	7,042,032	4,037,927	-	-	-	-	-	-	7,042,032	4,037,927
-- HHV Solar Technologies Limited	2,230,068	2,608,219	-	-	-	-	-	-	2,230,068	2,608,219
-- Swelect Solar Energy Private Limited	3,872,594	1,130,336	-	-	-	-	-	-	3,872,594	1,130,336
-- BS Powertech Solutions Private Limited	10,616,711	1,766,899	-	-	-	-	-	-	10,616,711	1,766,899
-- Swelect Green Energy Solutions Private Limited	166,310	-	-	-	-	-	-	-	166,310	-



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Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>Rent expense</b>										
-- Mr. R Chellappan	68,396	-	-	750,000	182,250	-	-	-	250,646	750,000
-- Swelect Green Energy Solutions Private Limited	-	-	-	-	182,250	-	-	-	182,250	-
-- Swelect Electronics Private Limited	68,396	-	-	750,000	-	-	-	-	68,396	-
<b>Remuneration</b>										
-- Mr. R Chellappan	-	-	-	-	5,003,903	6,903,328	1,431,149	1,947,975	6,951,878	8,334,477
-- Mr. A Balan	-	-	-	-	5,003,903	6,099,161	-	-	5,003,903	6,099,161
-- Mr. K V Nachiappan	-	-	-	-	-	429,167	-	-	-	429,167
-- Mr. V.C.Raghunath	-	-	-	-	-	375,000	-	-	-	375,000
-- Mrs. V.C.Mirunalini	-	-	-	-	-	-	700,353	566,766	700,353	566,766
-- Miss Aarthi Balan	-	-	-	-	-	-	583,344	331,655	583,344	331,655
<b>Dividend paid</b>										
-- Mr. R Chellappan	-	-	-	-	38,032,880	619,845,600	19,214,160	3,747,064	41,779,944	639,059,760
-- Others	-	-	-	-	37,976,432	569,646,480	19,214,160	3,747,064	37,976,432	569,646,480
<b>Management fees</b>										
-- BS Powertech Solutions Private Limited	2,400,000	2,400,000	2,400,000	-	56,448	50,199,120	-	-	2,400,000	2,400,000
<b>Dividend received</b>										
-- Amex Alloys Private Limited- Preference shares	3,750,000	3,750,000	3,750,000	-	-	-	-	-	3,750,000	3,750,000
<b>Non-current investments made</b>										
-- Swelect Solar Energy Private Limited - Equity shares	82,946,600	759,576,453	759,576,453	-	-	-	-	-	82,946,600	759,576,453
-- Swelect Energy Systems Pte. Limited, Singapore - Equity shares	14,000,000	10,000,000	10,000,000	-	-	-	-	-	14,000,000	10,000,000
-- Amex Alloys Private Limited - Equity shares	11,946,600	-	-	-	-	-	-	-	11,946,600	-
-- HHV Solar Technologies Limited - Equity shares	-	25,000,000	25,000,000	-	-	-	-	-	-	25,000,000
-- HHV Solar Technologies Limited - Preference shares	50,000,000	218,603,302	218,603,302	-	-	-	-	-	50,000,000	218,603,302
-- Swelect Green Energy Solutions Private Limited	7,000,000	100,000,000	100,000,000	-	-	-	-	-	7,000,000	100,000,000
<b>Non-current investments - Redemption</b>										
-- Amex Alloys Private Limited - Preference shares	12,500,700	-	-	-	-	-	-	-	12,500,700	-
-- HHV Solar Technologies Limited - Equity shares	12,500,000	700	700	-	-	-	-	-	12,500,000	700

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**32 Related party transactions**

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>Investments disposed off</b>										
-- Numeric Power Systems (Mauritius) Private Limited	-	9,706,708	-	-	-	-	-	-	-	9,706,708
-- Numeric Lanka Technologies (Private) Limited	-	146,708	-	-	-	-	-	-	-	146,708
	-	9,560,000	-	-	-	-	-	-	-	9,560,000
<b>Advances made</b>										
-- Swelect Technologies Private Limited	214,942,740	273,559,835	-	1,035,904	-	-	-	-	214,942,740	274,595,739
-- Swelect Solar Energy Private Limited	11,200,275	28,869,963	-	5,494	-	-	-	-	11,200,275	28,869,963
-- Amex Irons Private Limited	20,185,282	70,305,896	-	-	-	-	-	-	20,185,282	70,305,896
-- Amex Alloys Private Limited	36,934,433	50,424,227	-	-	-	-	-	-	36,934,433	50,424,227
-- Swelect Electronics Private Limited	-	-	-	1,030,410	-	-	-	-	-	1,030,410
-- Swelect Green Energy Solutions Private Limited	22,603,640	-	-	-	-	-	-	-	22,603,640	-
-- HHV Solar Technologies Limited	111,666,951	100,000,000	-	-	-	-	-	-	111,666,951	100,000,000
-- BS Powertech Solutions Private Limited	12,352,159	23,959,749	-	-	-	-	-	-	12,352,159	23,959,749
<b>Repayment of advances</b>										
-- Amex Alloys Private Limited	156,216,571	151,470,609	-	957,167	-	-	-	-	156,216,571	152,427,776
-- Amex Irons Private Limited	49,968,516	33,422,133	-	-	-	-	-	-	49,968,516	33,422,133
-- Swelect Green Energy Solutions Private Limited	20,210,727	15,858,731	-	-	-	-	-	-	20,210,727	15,858,731
-- Swelect Electronics Private Limited	16,559,449	-	-	957,167	-	-	-	-	16,559,449	-
-- HHV Solar Technologies Limited	4,030,453	260,822	-	-	-	-	-	-	4,030,453	260,822
-- BS Powertech Solutions Private Limited	1,369,999	1,500,000	-	-	-	-	-	-	1,369,999	1,500,000
-- Swelect Solar Energy Private Limited	14,077,427	428,923	-	-	-	-	-	-	14,077,427	428,923
--HHV Solar Technologies Limited - loan converted to preference share	50,000,000	100,000,000	-	-	-	-	-	-	50,000,000	100,000,000

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

32 Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
<b>Balance outstanding at year end:</b>										
<b>Trade payables</b>										
--HHV Solar Technologies Limited	-	163,418	-	-	-	-	-	-	-	163,418
	-	163,418	-	-	-	-	-	-	-	163,418
<b>Amounts receivable from related parties</b>	534,483,042	279,689,745	-	78,737	-	-	-	-	534,483,042	279,768,482
<b>Trade receivables</b>										
-- Amex Irons Private Limited	-	123,803	-	-	-	-	-	-	-	123,803
-- Amex Alloys Private Limited	176,314,109	13,833,347	-	-	-	-	-	-	176,314,109	13,833,347
-- Swelect Energy Systems Pte. Limited., Singapore	1,188,332	26,692	-	-	-	-	-	-	1,188,332	26,692
-- BS Powertech Solutions Private Limited	54,309,371	54,309,371	-	-	-	-	-	-	54,309,371	54,309,371
<b>Advances</b>										
-- Swelect Technologies Private Limited	-	-	-	5,494	-	-	-	-	-	5,494
-- Swelect Solar Energy Private Limited	38,677,609	37,681,627	-	-	-	-	-	-	38,677,609	37,681,627
-- Amex Irons Private Limited	78,512,689	68,359,206	-	-	-	-	-	-	78,512,689	68,359,206
-- Swelect Electronics Private Limited	-	-	-	73,243	-	-	-	-	-	73,243
-- HHV Solar Technologies Limited	57,463,688	6,303,833	-	-	-	-	-	-	57,463,688	6,303,833
-- BS Powertech Solutions Private Limited	47,081,899	22,459,749	-	-	-	-	-	-	47,081,899	22,459,749
-- Amex Alloys Private Limited	74,724,844	74,244,720	-	-	-	-	-	-	74,724,844	74,244,720
-- Swelect Green Energy Solutions Private Limited	6,210,501	-	-	-	-	-	-	-	6,210,501	-
<b>Other Current Assets</b>										
--HHV Solar Technologies Limited	-	2,347,397	-	-	-	-	-	-	-	2,347,397

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

**33 Directors' remuneration**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Salaries	2,415,000	3,302,708
Commission	2,588,903	3,600,620
	<b>5,003,903</b>	<b>6,903,328</b>

**34 Contingent liabilities**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Claims against the Company not acknowledged as debts		
a) Excise / cenvat related matters	2,630,000	2,630,000
b) Sales tax related matters	17,382,361	17,382,361
c) Income tax related matters	14,575,600	-
	<b>34,587,961</b>	<b>20,012,361</b>

**35 Derivative instruments and foreign currency exposures**

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

Particulars	Foreign Currency	31 March 2014		31 March 2013	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	23,418	1,361,264	40,014	2,176,354
Advances receivable	USD	268	15,550	17,898	973,484
	EUR	23,640	1,947,700	8,390	583,441
Non-current investments	SGD	12,232,500	437,290,241	12,232,500	437,290,241
Trade payables	USD	27,534	1,600,628	1,816	98,794
	EUR	592,673	48,831,473	-	-
Buyer's credit availed from banks	USD	-	-	1,105,102	60,106,498

**36 Value of imports calculated on CIF basis**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Raw materials	28,312,384	174,028,091
Traded goods	141,737,640	20,077,176
Capital goods	548,354,602	12,664,510
	<b>718,404,626</b>	<b>206,769,777</b>

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Notes to financial statements for the year ended 31 March 2014**

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

**37 Expenditure in foreign currency (on accrual basis)**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Travelling	1,024,559	4,208,130
	<u>1,024,559</u>	<u>4,208,130</u>

**38 Imported and indigenous raw materials**

	% of total consumption		Value	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Imported	12%	35%	20,045,331	152,031,672
Indigenous	88%	65%	145,585,723	288,264,464
	<u>100%</u>	<u>100%</u>	<u>165,631,054</u>	<u>440,296,136</u>

**39 Net dividend remitted in foreign exchange**

<b>Final equity dividend</b>	<u>31 March 2014</u>	<u>31 March 2013</u>
Period to which it relates	2012-13	2011-12
Number of non-resident shareholders	7	8
Number of equity shares of Rs 10/- each held on which dividend was due	527,000	573,800
Amount remitted	4,216,000	70,577,400

**40 Earnings in foreign exchange (on accrual basis)**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Exports at F.O.B. value	-	17,711,761
	<u>-</u>	<u>17,711,761</u>

**41 Capital and other commitments**

- a) At 31 March 2014, the estimated amount of contracts remaining to be executed on capltial account and not provided for is Rs. 48,662,043 (31 March 2013: Rs. Nil)
- b) Commitments relating to lease arrangements, please refer to note 29.

**42 Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.**

**For S.R Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W  
Chartered Accountants

For and on behalf of the board of directors

**per Subramanian Suresh**  
Partner  
ICAI Membership no.: 083673

R.Chellappan  
Managing Director

Vasantha Balan  
Director

J.Bhuvaneswari  
Company Secretary

P.Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

Place: Chennai  
Date: 29 May 2014

## INDEPENDENT AUDITOR'S REPORT

To

**The Board of Directors of SWELECT ENERGY SYSTEMS LIMITED (Formerly 'NUMERIC POWER SYSTEMS LIMITED')**

We have audited the accompanying consolidated financial statements of SWELECT ENERGY SYSTEMS LIMITED (Formerly 'NUMERIC POWER SYSTEMS LIMITED') ("the Company") and its subsidiaries, joint venture and associates which comprise the consolidated Balance Sheet as at 31 March 2014, consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31 March, 2014;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matter

We did not audit total assets of Rs. 9319.73 lakhs as at 31 March 2014, total revenues of Rs. 334.35 lakhs and net cash outflows amounting to Rs.68.65 lakhs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries, associates and joint ventures, whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries, associates and joint ventures is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

### For S.R. BATLIBOI & ASSOCIATES LLP

ICAI Firm Registration Number: 101049W  
Chartered Accountants

### per Subramanian Suresh

Partner  
ICAI Membership Number: 083673

Place: Chennai  
Date: 29 May 2014

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Consolidated Balance sheet as at 31 March 2014**

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

	Notes	31 March 2014	31 March 2013
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,683,103,655	6,551,195,571
		<b>6,784,162,055</b>	<b>6,652,253,971</b>
Minority interest	4.1	(50,000,000)	(43,663,918)
Preference shares in subsidiary held by minority shareholders		26,160,130	26,160,130
<b>Non-current liabilities</b>			
Long-term borrowings	5a	753,021,972	47,300,000
Other long-term liabilities	5b	19,380,856	19,380,856
Deferred tax liabilities (net)	11	150,704,017	130,809,846
Long-term provisions	7	14,040,102	13,040,517
		<b>937,146,947</b>	<b>210,531,219</b>
<b>Current liabilities</b>			
Short-term borrowings	6	258,477,353	400,206,149
Trade payables	8	430,639,265	374,187,580
Other current liabilities	8	261,066,720	134,828,295
Short-term provisions	7	138,589,833	292,292,869
		<b>1,088,773,171</b>	<b>1,201,514,893</b>
<b>Total</b>		<b>8,786,242,303</b>	<b>8,046,796,295</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	9	2,304,584,882	1,489,630,275
Intangible assets	10	17,488,909	27,302,327
Capital work-in-progress		117,343,544	7,494,492
Goodwill on consolidation	38	344,039,763	327,276,561
Non-current investments	12	56,075,802	6,077,178
Long-term loans and advances	14	212,588,737	82,315,773
Trade receivables	15.1	-	4,409,464
Other assets	15.2	563,977,534	435,722,000
		<b>3,616,099,171</b>	<b>2,380,228,070</b>
<b>Current assets</b>			
Current investments	16	2,859,720,313	2,801,038,844
Inventories	13	368,695,273	291,514,717
Trade receivables	15.1	432,707,135	322,754,285
Cash and bank balances	17	1,318,085,119	2,030,788,044
Short-term loans and advances	14	152,579,207	77,801,739
Other assets	15.2	38,356,085	142,670,596
		<b>5,170,143,132</b>	<b>5,666,568,225</b>
<b>Total</b>		<b>8,786,242,303</b>	<b>8,046,796,295</b>
Summary of significant accounting policies	2		

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

As per our report of even date

**For S.R. Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W

Chartered Accountants

**per Subramanian Suresh**

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: 29 May 2014

For and on behalf of the board of directors

R.Chellappan  
Managing Director

J. Bhuvaneshwari  
Company Secretary

Place: Chennai

Date: 29 May 2014

Vasantha Balan  
Director

P. Jagan  
Chief Financial Officer

Place: Chennai

Date: 29 May 2014

## SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

### Consolidated statement of profit and loss for the year ended 31 March 2014

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

	Notes	31 March 2014	31 March 2013
<b>Income</b>			
Revenue from operations (gross)	18	1,830,979,325	1,868,452,045
Less: Excise duty		66,510,233	103,780,223
<b>Revenue from operations (net)</b>		<b>1,764,469,092</b>	<b>1,764,671,822</b>
Other income	19	268,511,498	448,452,656
<b>Total revenue</b>		<b>2,032,980,590</b>	<b>2,213,124,478</b>
<b>Expenses</b>			
Cost of raw material and components consumed	20	850,705,240	732,661,448
Purchase of traded goods		307,846,166	365,247,741
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	21	(51,733,693)	(75,066,276)
Employee benefits expense	22	157,353,163	266,927,826
Other expenses	23	438,576,504	441,956,220
Depreciation and amortisation expense	24	99,998,082	74,406,698
Finance costs	25	45,253,119	40,200,325
<b>Total expenses</b>		<b>1,847,998,581</b>	<b>1,846,333,982</b>
Share in loss of associate company		(1,376)	(1,376)
<b>Net profit before tax, prior period items, minority interest and exceptional items</b>		<b>184,980,633</b>	<b>366,789,120</b>
Exceptional items (refer note 26)		-	6,293,930,654
Net prior period items	33	-	(13,061,296)
<b>Net profit before tax and minority interest</b>		<b>184,980,633</b>	<b>6,647,658,478</b>
<b>Tax expense</b>			
Current tax (includes tax on exceptional items of Rs. Nil (Previous year Rs. 1,109,420,724))		57,092,562	1,380,283,668
Less: MAT credit entitlement for the year		(57,092,562)	-
Less: Deferred tax		19,894,171	59,124,752
<b>Total tax expense</b>		<b>19,894,171</b>	<b>1,439,408,420</b>
<b>Net profit after tax before minority interest</b>		<b>165,086,462</b>	<b>5,208,250,058</b>
Minority interest (refer note 4.1)		(3,288,963)	459,642
<b>Net profit for the year</b>		<b>161,797,499</b>	<b>5,208,709,700</b>
Pre-tax loss from ordinary activity attributable to discontinued operations	26	-	(31,185,249)
<b>Earnings per equity share</b> [nominal value of share Rs.10/- (31 March 2013: Rs.10/-)]	34		
Basic and diluted earnings per share			
--- continuing operations		15.95	30.78
--- total profit for the year		15.95	515.42
Summary of significant accounting policies	2		

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

As per our report of even date

#### For S.R. Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

#### per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R.Chellappan  
Managing Director

J. Bhuvaneshwari  
Company Secretary

Place: Chennai  
Date: 29 May 2014

Vasantha Balan  
Director

P. Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

Place: Chennai  
Date: 29 May 2014



## **SWELECT ENERGY SYSTEMS LIMITED**

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

### **Consolidated cash flow statement for the year ended 31 March 2014**

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

	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>A. Cash flow from operating activities:</b>		
Profit before taxation excluding minority interest	184,980,633	6,660,719,774
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortisation on continuing operations	99,998,082	64,696,585
Depreciation/amortisation on discontinued operations	-	9,710,113
Share of loss in associate company	1,376	1,376
Profit on sale of uninterruptible power supply systems business (refer note 26)	-	(6,293,930,654)
Loss on sale of tangible assets	109,575	1,700,111
Provision for bad/doubtful receivables including advances	18,161,794	4,852,230
Unrealised foreign exchange loss /(gain), net	14,173,999	(11,022,578)
Liability no longer required written back	(4,574,413)	(23,602,661)
Net gain from sale of current investment	(100,062,714)	(112,252,386)
Dividend income - mutual fund	(37,462,711)	(41,488,024)
Interest expense	34,176,893	28,771,176
Interest income	(120,838,532)	(263,417,314)
Dividend income	-	(180,000)
<b>Operating profit before working capital changes</b>	<b>88,663,982</b>	<b>24,557,748</b>
<b>Adjustments for changes in working capital:</b>		
(Increase) in trade receivables	(116,010,885)	(419,156,996)
(Increase) in loans and advances	(79,336,663)	(215,290,662)
(Increase) in inventories	(77,180,556)	(249,447,762)
Increase in trade payables, current and long term liabilities	32,524,429	534,504,228
Increase in provisions	(1,133,651)	5,433,748
<b>Cash used in operations</b>	<b>(152,473,344)</b>	<b>(319,399,696)</b>
Taxes paid, net	(287,328,730)	(35,659,543)
<b>Net cash flow (used in) operating activities (A)</b>	<b>(439,802,074)</b>	<b>(355,059,239)</b>
<b>B. Cash flow from investing activities:</b>		
Capital expenditure (refer note 1 below)	(896,642,581)	(749,557,108)
Proceeds from sale of uninterruptible power supply systems business, (net of tax aggregating to Rs. 1,109,420,724) - (refer note 26)	-	7,001,878,211
Investment in current investments	(108,681,469)	(2,642,297,307)
Investment in subsidiaries (net)	(16,761,826)	(218,604,678)
Proceeds from sale of tangible assets	1,536,484	2,603,661
Redemption / (Investment) in bank deposits (having original maturity of more than 3 months)	778,288,747	(2,011,404,317)
Interest received	181,578,946	360,614,312
Dividend received on investments	179,418,085	180,000
<b>Net cash flow / generated from investing activities (B)</b>	<b>118,736,386</b>	<b>1,743,412,774</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from issue of preference share capital	-	26,160,129
(Repayment) / proceeds of short-term borrowings	(141,728,796)	221,337,511
Proceeds from long-term borrowings	705,721,972	41,893,622
Interest paid	(27,632,976)	(23,106,343)

**SWELECT ENERGY SYSTEMS LIMITED**  
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

**Consolidated cash flow statement for the year ended 31 March 2014**

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

	31 March 2014	31 March 2013
Dividend paid	(80,846,720)	(1,243,018,320)
Dividend tax paid	(13,739,900)	(201,648,650)
<b>Net cash flow generated from / (used in) in financing activities (C)</b>	<b>441,773,580</b>	<b>(1,178,382,051)</b>
Exchange differences on translation of foreign currency cash and cash equivalents (D)	73,230,193	13,999,312
<b>Net increase in cash and cash equivalents (A + B + C + D)</b>	<b>193,938,085</b>	<b>223,970,796</b>
Add: Cash acquired on acquisition of subsidiary	-	1,248,877
Cash and cash equivalents at the beginning of the year	384,553,144	159,333,471
<b>Closing cash and cash equivalents (Refer note 2 below)</b>	<b>578,491,229</b>	<b>384,553,144</b>
a) The reconciliation to the cash and bank balances as given in note 17 is as follows:	<b>31 March 2014</b>	<b>31 March 2013</b>
Cash and bank balances including non-current bank balance, as per note 17	1,882,062,653	2,466,510,044
Less: Term deposit placed with the banks	(735,506,305)	(1,642,050,586)
Less: Non-current bank balance (refer note 15.2)	(563,977,534)	(435,722,000)
Less: unpaid dividend accounts*	(4,087,585)	(4,184,314)
<b>Cash and cash equivalents at the end of the year</b>	<b>578,491,229</b>	<b>384,553,144</b>

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

b) Components of cash and cash equivalents

Balances with banks:

On current accounts	105,831,469	109,953,681
On deposit accounts	471,597,662	239,347,167
Cash on hand	1,062,098	35,252,296

**Notes :**

- Increase in capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months amounting to Rs. 1,299,483,839 (Previous year Rs. 2,077,772,586) are not included under cash and cash equivalents. Fixed deposits include deposits amounting to Rs. 480,055,421 (Previous year Rs. 435,722,000) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

**For S.R Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W  
Chartered Accountants

**per Subramanian Suresh**

Partner  
ICAI Membership no.: 083673

Place: Chennai  
Date: 29 May 2014

For and on behalf of the board of directors

R.Chellappan  
Managing Director

J.Bhuvanewari  
Company Secretary

Place: Chennai  
Date: 29 May 2014

Vasanth Balan  
Director

P.Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

## **SWELECT ENERGY SYSTEMS LIMITED**

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

### **Notes to consolidated financial statements for the year ended 31 March 2014**

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

#### **Company overview**

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

On 29 May 2012, the Company had consummated the sale of its Uninterruptible Power Supply Systems (UPS) Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated 9 February 2012 (refer note 26 for further details).

#### **1. Basis of preparation and presentation of consolidated financial statements**

The consolidated financial statements are prepared in accordance with Indian GAAP under the historical cost convention and on an accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant requirements/guidelines issued by SEBI, under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. The consolidated financial statements ('CFS') have been prepared in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years.

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

<b>Name</b>	<b>Country of incorporation</b>	<b>Percentage holding as at 31 March 2014</b>	<b>Percentage holding as at 31 March 2013</b>
Swelect Energy Systems Pte. Ltd. (formerly known as 'Numeric Power Systems Pte. Ltd')	Singapore	100	100
Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')	India	100	100
Amex Alloys Private Limited	India	100	92
Amex Irons Private Limited	India	100	100
BS Powertech Solutions Private Limited	India	100	76
HHV Solar Technologies Limited (Formerly known as HHV Solar Technologies Private Limited)*	India	49	49
Swelect Green Energy Solutions Private Limited	India	100	Nil

\* HHV Solar Technologies Private Limited was converted into HHV Solar Technologies Limited with effect from 10 February 2014.

#### **a.) Investment in BS Powertech Solutions Private Limited**

The Company's wholly owned subsidiary Swelect Solar Energy Private Limited (Formerly 'Numeric Solar Energy Private Limited') had entered into a Share Purchase Agreement dated 25 January 2012 to acquire 76% of the equity share capital of BS Powertech Solutions Private Limited ('BSPSPL'), a company engaged as an implementer to produce solar power. Up to 31 March 2013 the Company had acquired 76% of the equity share capital and also obtained majority control over the board of directors of BSPSPL.

During the year, on 11 December 2013, Swelect Solar Energy Private Limited acquired the balance 24% of the equity share capital of BSPSPL, resulting in BSPSPL becoming 100% subsidiary of the Company.

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### Notes to consolidated financial statements for the year ended 31 March 2014

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#### b.) Acquisition of 8% in Amex Alloys Private Limited

The Company acquired 8% of the equity share capital of Amex Alloys Private Limited ('AAPL'), on 8 July 2013. The Company was holding 92% equity shares in AAPL and with the aforesaid acquisition of 8%, AAPL is now a 100% owned subsidiary of the Company, with effect from 8 July 2013.

#### c.) Investment in Swelect Green Energy Solutions Private Limited ('SGESPL')

During the current year, the Company acquired 100% of the equity share capital of Swelect Green Energy Solutions Private Limited ('SGESPL') on 11 November 2013. The group results, includes revenues of Rs. 0.09 lakhs and loss of Rs. 27.87 lakhs of SGESPL from the date of effective control to 31 March 2014 and the financial position includes the net assets of Rs. 124.18 lakhs pursuant to such acquisition.

(ii) The particulars of joint venture company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage Holding as at 31 March 2014	Percentage Holding as at 31 March 2013
Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')	India	50	50

(iii) The particulars of associate company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage Holding as at 31 March 2014	Percentage Holding as at 31 March 2013
Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	India	49	49

(iv) The financial statements of the subsidiaries, joint venture and associate used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March 2014.

(v) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealised profits/losses.

(vi) Any excess/shortage of cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognised as goodwill/capital reserve in the CFS.

(vii) The Company has prepared the accompanying CFS by including the Company's proportionate interest in the joint venture's assets, liabilities, income, expenses etc on a line by line basis. Intra-group balances, intra-group transactions and unrealised profits / losses have been eliminated to the extent of the Company's proportionate share.

(viii) The investment in the associate company has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'. The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's percentage holding in its share capital.

(ix) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for like transactions and is presented to the extent possible, in the same manner as the Company's separate financial statements.

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**2. Summary of significant accounting policies**

**(a) Use of estimates**

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

**(b) Tangible and intangible fixed assets**

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

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

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

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

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

**(c) Depreciation and amortisation**

Depreciation is provided using the straight line method as per the useful lives of the assets as estimated by the management. The Management estimates the useful lives of fixed assets as follows:

Building	1% - 3.34%
Plant and machinery (Other than Windmills)	4.75 – 10.34%
Windmills (included under Plant & Machinery)	10.00%
Office equipment, electrical etc	4.75 - 33%
Computers	16.21 - 33%
Furniture and fittings	6.33 - 20%
Patterns	11.31%
Vehicles	9.50 - 20%

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Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

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.

Lease hold land is amortised on a straight-line basis over the primary lease period of 99 years.

Intangible assets comprising goodwill, software and certification process are amortised using the straight-line method over a period of five years.

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

**(d) Impairment of tangible and intangible fixed assets**

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

**(e) Investments**

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

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

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

**(f) Inventories**

Inventories are valued as follows:

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

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

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#### **(g) Revenue recognition**

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

##### Sale of goods

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

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

##### Sale of Power

##### Income from sale of power

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

##### Income from Sale of Renewable Energy Certificates

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

##### Income from service

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

##### Interest

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

##### Dividend

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

#### **(h) Foreign currency transactions and translations**

##### Initial recognition

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

##### Conversion

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

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#### Exchange differences

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

#### Translation of Non-integral foreign operation

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

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

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

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

#### (i) Retirement and other employee benefits

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

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

#### (j) Income taxes

Provision for income tax is made for current and deferred taxes. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.



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

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

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

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

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

**(k) Earnings per share**

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

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

**(l) Leases**

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

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

**(m) Provision**

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

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#### **Provision for warranty:**

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

#### **(n) Contingent liabilities**

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

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

#### **(o) Cash and cash equivalents**

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

#### **(p) Borrowing costs**

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

#### **(q) Statement of cash flows**

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

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#### 3 Share capital

	31 March 2014	31 March 2013
<b>Authorised shares</b>		
20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each fully called up	101,058,400	101,058,400
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>101,058,400</b>	<b>101,058,400</b>

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

##### Equity shares

	31 March 2014		31 March 2013	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>10,105,840</b>	<b>101,058,400</b>	<b>10,105,840</b>	<b>101,058,400</b>

#### b. Terms/rights attached to equity shares

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

During the year ended 31 March 2014, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs. Nil (31 March 2013: Rs. 120/-) and proposed dividend of Rs.9/- (31 March 2013: Rs.8/-).

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

#### c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2014	31 March 2013
	Number of shares	Number of shares
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	5,052,920	5,052,920
Equity shares allotted as fully paid up pursuant to the merger of UPS division of Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited') for consideration other than cash.	52,920	52,920

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

	31 March 2014		31 March 2013	
	Number of shares	% holding in the class	Number of shares	% holding in the class
<b>Equity shares of Rs.10/- each fully paid of the Company</b>				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

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

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4	<b>Reserves and surplus</b>	<u>31 March 2014</u>	<u>31 March 2013</u>
	<b>Capital reserve (refer note 38)</b>		
	Balance as per the last financial statements	31,813,073	31,813,073
	Movement during the year	(1,402,924)	-
	<b>Closing balance</b>	<u>30,410,149</u>	<u>31,813,073</u>
	<b>Capital redemption reserve</b>		
	Balance as per the last financial statements	-	-
	Movement during the year	12,500,000	-
	<b>Closing Balance</b>	<u>12,500,000</u>	<u>-</u>
	<b>Securities premium account</b>		
	Balance as per the last financial statements	18,268,300	18,268,300
	Movement during the year	-	-
	<b>Closing balance</b>	<u>18,268,300</u>	<u>18,268,300</u>
	<b>Revaluation reserve</b>		
	Balance as per the last financial statements	41,794,135	42,274,231
	Movement during the year	(527,676)	(480,096)
	<b>Closing balance</b>	<u>41,266,459</u>	<u>41,794,135</u>
	<b>General reserve</b>		
	Balance as per the last financial statements	1,761,682,891	272,021,028
	Add: amount transferred from surplus balance in the consolidated statement of profit and loss	24,945,112	1,489,661,863
	<b>Closing balance</b>	<u>1,786,628,003</u>	<u>1,761,682,891</u>
	<b>Foreign currency translation reserve</b>		
	Balance as per last account	28,536,747	5,122,674
	Add: Additions during the year	79,088,446	23,414,073
	<b>Closing balance</b>	<u>107,625,193</u>	<u>28,536,747</u>
	<b>Surplus in the consolidated statement of profit and loss</b>		
	Balance as per last financial statements	4,669,100,425	2,454,070,398
	Profit for the year	161,797,499	5,208,709,700
	<u>Less: Appropriations</u>		
	Interim equity dividend	-	(1,212,700,800)
	(amount per share: Rs. Nil (31 March 2013: Rs. 120/-))		
	Tax on interim equity dividend	-	(196,730,390)
	Proposed final equity dividend (amount per share : Rs. 9/- (31 March 2013: Rs. 8/-))	(90,952,560)	(80,846,720)
	Tax on proposed equity dividend	(15,457,388)	(13,739,900)
	Tax on Cumulative Redeemable Preference Share dividend	(637,313)	-
	Transfer to capital redemption reserve	(12,500,000)	-
	Transfer to general reserve	(24,945,112)	(1,489,661,863)
	Total appropriations	<u>(144,492,373)</u>	<u>(2,993,679,673)</u>
	<b>Net surplus in the consolidated statement of profit and loss</b>	<u>4,686,405,551</u>	<u>4,669,100,425</u>
	<b>Total reserves and surplus</b>	<u>6,683,103,655</u>	<u>6,551,195,571</u>
<b>4.1</b>	<b>Minority interest</b>		
	Minority interest (refer note below)	<u>(50,000,000)</u>	<u>(43,663,918)</u>
		<u>(50,000,000)</u>	<u>(43,663,918)</u>

Share of losses with regards to minority interests is restricted to Rs. 50,000,000 (Previous year Rs. Nil) as agreed between the shareholders.

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5a Long-term Borrowings	Non-current		Current maturities	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Secured borrowings</b>				
Term loan from banks	752,083,000	47,300,000	-	20,100,000
Finance lease obligation	938,972	-	469,486	330,343
Less: amount disclosed under the head 'other current liabilities' (refer note 8)	-	-	(469,486)	(20,430,343)
<b>Total</b>	<b>753,021,972</b>	<b>47,300,000</b>	<b>-</b>	<b>-</b>

Term loan aggregating to Rs.578,500,000 (Previous year: Rs. Nil) is repayable in 16 installments of Rs. 36,156,250 (Previous year: Rs. Nil) each per quarter starting from May 2015 and ends on May 2019. Term loan aggregating to Rs.173,583,000 (Previous year: Rs. Nil) is for a period of three years with bullet repayment terms. Term loan from Banks are secured by pledge of investments in mutual funds of the Company ( Refer Note 16).

Term loans aggregating to Rs. Nil (Previous year: Rs. 47,300,000) is secured by hypothecation of certain specified plant and machinery and other fixed assets, and further secured by collateral by way of :

- equitable mortgage of land and building owned by Hind High Vacuum Company Private Limited.
- extension of charge on the current assets (first charge to working capital).
- extension of equitable mortgage of residential premises of two directors of Hind High Vacuum Company Private Limited.
- personal guarantees of three directors of Hind High Vacuum Company Private Limited and
- corporate guarantee from Hind High Vacuum Company Private Limited.

#### Finance lease obligation

Hire purchase loan aggregating to Rs. 938,972 (Previous year Rs. Nil) represent amount borrowed from bank for the purpose of vehicle financing.

#### 5b Other long-term liabilities

	31 March 2014	31 March 2013
Rental deposits	19,380,856	19,380,856
	<b>19,380,856</b>	<b>19,380,856</b>

#### 6 Short-term borrowings

<b>Secured borrowings</b>	31 March 2014	31 March 2013
Cash credit from Bank	174,963,127	234,052,977
Packing Credit Foreign Currency (PCFC)	-	42,875,030
Working capital loan	80,500,679	50,917,699
Buyer's credit	3,013,547	72,360,443
	<b>258,477,353</b>	<b>400,206,149</b>

#### Cash credit from bank

Cash credit from bank aggregating to Rs. 171,462,501 (Previous year: Rs. 189,971,957) of Swelect Energy Systems Limited (formerly known as 'Numeric Power Systems Limited') is secured against the inventory and book debts of the Company and it is repayable on demand.

Cash credit from bank aggregating to Rs. 3,500,626 (Previous year: Rs. 44,081,020) represents facility availed by HHV Solar Technologies Limited (HSTL) is secured by hypothecation of inventories, receivables and other current assets present and future, and is repayable on demand.

Further the facility is collaterally secured by:

- a.) Equitable mortgage of land and building owned by Hind High Vacuum Company Private Limited ('HHVCPL').
- b.) Extension of equitable mortgage of residential premises of two directors of HHVCPL.
- c.) Personal guarantees of three directors of HHVCPL; and
- d.) Corporate guarantee from HHVCPL.

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#### Packing Credit Foreign Currency (PCFC)

Packing Credit Foreign Currency (PCFC) aggregating to Rs. Nil (previous year Rs. 42,875,030), of Amex Alloys Private Limited are secured by exclusive first charge on the entire current assets and all movable fixed assets of the Company. Fixed deposit of Rs. Nil (Previous year : Rs 80,000,000 ) in the name of Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') have been offered as collateral security. The above loans are further secured by the corporate guarantee extended by the holding Company. These loans are repayable on demand.

#### Working Capital Loan and Buyer's Credit

Working capital loan aggregating to Rs.49,931,162 (Previous year of Rs. Nil) and buyer's credit amounting to Rs. 3,013,547 (Previous year of Rs. 12,253,944), of Amex Alloys Private Limited ('AAPL') are secured by exclusive first charge on the entire current assets and all movable fixed assets of the AAPL. Fixed deposit of Rs. Nil (Previous year: Rs. 80,000,000) in the name of Swelect Energy Systems Limited have been offered as collateral security. The above loans are further secured by the corporate guarantee given by the Swelect Energy Systems Limited. These loans are repayable on demand.

Working capital loan aggregating to Rs. 30,569,517 (Previous year of Rs. 30,917,699) representing loan taken by Amex Irons Private Limited ('AIPL'), is secured by the equitable mortgage of land and building, hypothecation of plant and machinery present and future, inventory and book debts of the Company. Fixed deposit of Rs. 50,000,000 (Previous year: Rs. 50,000,000) in the name of Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') has been offered as collateral security. In addition, the above loan is secured by corporate guarantee given by the Swelect Energy Systems Limited. Working capital loan is repayable on demand.

Working capital loans (WCL) aggregating to Rs. Nil (Previous year Rs. 20,000,000) and buyer's credit aggregating to Rs. Nil (previous year Rs. 60,106,499) is taken from banks by Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') and are secured by a pari passu charge on inventory, book debts and investments in mutual funds of the Company. WCL and Buyer's credit were repaid during the year.

## 7 Provisions

	Long-term		Short-term	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Provision for employee benefits</b>				
Provision for gratuity (refer note 27)	1,509,436	3,811,787	693,778	998,312
Provision for leave benefits	1,769,137	1,655,766	2,333,647	2,415,752
<b>Total (A)</b>	<b>3,278,573</b>	<b>5,467,553</b>	<b>3,027,425</b>	<b>3,414,064</b>
<b>Other provisions</b>				
Provision for income tax	-	-	25,959,147	191,856,370
Provision for warranties (refer note below)	10,761,529	7,572,964	2,556,000	2,435,815
Proposed equity dividend	-	-	90,952,560	80,846,720
Provision for tax on proposed equity dividend	-	-	15,457,388	13,739,900
Provision for tax on proposed preference dividend	-	-	637,313	-
<b>Total (B)</b>	<b>10,761,529</b>	<b>7,572,964</b>	<b>135,562,408</b>	<b>288,878,805</b>
<b>Total (A)+(B)</b>	<b>14,040,102</b>	<b>13,040,517</b>	<b>138,589,833</b>	<b>292,292,869</b>
<b>Provision for warranties</b>				
At the beginning of the year			10,008,779	51,506,903
Arising during the year			4,964,750	10,008,779
Utilised during the year			(1,656,000)	-
Less: Transferred pursuant to the business transfer agreement (refer note 26)			-	(51,506,903)
<b>At the end of the year</b>			<b>13,317,529</b>	<b>10,008,779</b>

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### **Notes to consolidated financial statements for the year ended 31 March 2014**

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#### **8 Trade payables and other current liabilities**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Trade payables (refer note below regarding dues to micro, small and medium enterprises)	430,639,265	374,187,580
<b>Other current liabilities</b>		
Interest accrued but not due on borrowings	1,000	6,650,333
Interest accrued and due on borrowings	1,155,090	1,049,674
Unpaid dividend	4,087,585	4,184,315
Current maturities of long-term borrowings (Refer note 5a)	469,486	20,430,345
Payables for capital purchases	158,412,927	38,421,126
Retention money payables	4,400,000	1,076,245
Advance from customers	57,206,357	29,716,171
Statutory dues payables	35,334,275	33,300,086
	<u>261,066,720</u>	<u>134,828,295</u>
	<u>691,705,985</u>	<u>509,015,875</u>

**Note :**

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

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**9 Tangible assets**

Particulars	Land (Refer note 9 (a))	Buildings (Refer note 9 (b & d))	Plant and machinery (Refer note 9 (c) and 9(h))	Office equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
<b>Cost</b>									
<b>At 1 April 2012</b>	183,311,074	592,534,651	337,334,499	67,075,596	49,730,185	63,535,383	63,637,631	4,047,824	1,361,206,843
Additions	-	47,606,457	399,096,165	16,669,898	2,627,267	926,041	3,950,336	121,928	470,998,092
Asset acquired on acquisition (refer note 9(g))	-	-	183,129,947	2,238,180	2,329,637	8,229,648	1,817,950	-	197,745,362
Deletion	-	(943,240)	(6,101,049)	(339,897)	(210,501)	(497,652)	(1,261,556)	-	(9,353,895)
Disposals (refer note 26)	(11,715,430)	(36,914,377)	(73,028,078)	(15,923,383)	(46,459,469)	(9,970,797)	(42,453,421)	-	(236,464,955)
Other adjustment#	-	10,884,249	-	-	(207)	311,309	-	-	11,195,351
<b>At 31 March 2013</b>	171,595,644	613,167,740	840,431,484	69,720,394	8,016,912	62,533,932	25,690,940	4,169,752	1,795,326,798
Additions	5,331,566	9,200,505	858,524,690	5,714,962	1,008,573	842,715	2,673,144	212,704	883,508,859
Deletion	-	-	(30,000)	(50,962)	-	-	(671,812)	-	(752,774)
Other adjustment#	-	19,696,359	(2,000,000)	(470)	10,193	563,222	-	-	18,269,304
<b>At 31 March 2014</b>	176,927,210	642,064,604	1,696,926,174	75,383,924	9,035,678	63,939,869	27,692,272	4,382,456	2,696,352,187
<b>Depreciation</b>									
<b>At 1 April 2012</b>	546,180	64,673,275	105,958,692	21,298,363	31,190,751	25,650,073	24,800,429	1,769,373	275,887,136
Charge for the year (refer note 9(e) and 9(f))	18,206	15,618,022	49,126,774	3,177,275	1,734,212	4,493,988	3,924,039	828,224	78,920,740
Accumulated depreciation on acquired asset (refer note 9(g))	-	-	32,988,288	2,216,426	2,265,488	6,640,649	1,642,955	-	45,753,786
Deletions	-	(661,466)	(2,956,791)	(308,737)	(76,784)	(392,037)	(654,308)	-	(5,050,123)
Disposals (refer note 26)	(564,386)	(6,145,729)	(23,602,027)	(6,222,029)	(30,024,097)	(6,566,228)	(17,011,991)	-	(90,136,487)
Other adjustment#	-	184,217	29,840	-	4,947	102,467	-	-	321,471
<b>At 31 March 2013</b>	-	73,666,319	161,544,756	20,161,298	5,094,517	29,928,912	12,701,124	2,597,597	305,696,523
Charge for the year (refer note 9(e) and 9(f))	-	16,309,225	56,026,808	3,866,149	998,164	5,236,850	2,400,522	867,455	85,705,173
Deletions	-	-	-	(15,249)	-	-	(404,455)	-	(419,704)
Other adjustment#	-	492,864	-	(55)	626	291,878	-	-	785,313
<b>At 31 March 2014</b>	-	90,470,408	217,571,564	24,012,143	6,093,307	35,457,640	14,697,191	3,465,052	391,767,305
<b>Net Block</b>									
<b>At 31 March 2013</b>	171,595,644	539,499,421	678,886,728	49,559,096	2,922,395	32,605,020	12,989,816	1,572,155	1,489,630,275
<b>At 31 March 2014</b>	176,927,210	551,594,196	1,479,354,610	51,371,781	2,942,371	28,482,229	12,995,081	917,404	2,304,584,882

# Other adjustment represents adjustment pursuant to foreign currency translation.



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**Notes to tangible Assets shedule:**

Particulars	Gross block	Depreciation charge for the year	Accumulated Depreciation	Asset transferred pursuant to business transfer agreement	Net book value
9 a. Land includes land held on leasehold basis					
As at 31 March 2014	-	-	-	-	-
As at 31 March 2013	10,815,430	18,206	564,386	(10,815,430)	-
b. Buildings includes those constructed on leasehold land					
As at 31 March 2014	1,052,105	35,140	35,140	-	1,016,965
As at 31 March 2013	34,542,456	185,933	5,753,864	(34,542,456)	-
c. Plant and machinery includes assets given on operating lease (Represents plant and machinery leased for a term of 11 months to subsidiaries of the company)					
As at 31 March 2014	46,633,726	2,051,328	4,599,272	-	42,034,454
As at 31 March 2013	40,694,326	1,728,890	2,547,943	-	38,146,383
d. Buildings include asset given on operating lease					
As at 31 March 2014	255,238,872	6,808,832	55,772,588	-	199,466,284
As at 31 March 2013	255,238,872	6,808,832	48,963,756	-	206,275,116

- e. Depreciation charge includes prior period charge of Rs. Nil (Previous year Rs. 7,258,631).
- f. Depreciation charge for the year in the consolidate statement of profit and loss, includes amount recouped from revaluation reserve of Rs. 527,676 (Previous year: Rs. 480,096)
- g. Asset acquired out of acquisition represents asset acquired from HHV Solar Technologies Limited on 10 January 2013.
- h. Additions to plant and machinery includes asset amounting to Rs. 645,576,693 (Previous year Rs. Nil) related to solar plant constructed on lease hold land taken for a period of 25 years from Swelect Green Energy Solutions Private Limited and interest on borrowing amounting to Rs. 9,926,484 (Previous year Rs. Nil).

**10 Intangible assets**

Particulars	Goodwill	Computer software	Certification process	Total
<b>Gross block</b>				
<b>At 1 April 2012</b>	<b>13,816,060</b>	<b>50,171,456</b>	-	<b>63,987,516</b>
Additions	-	2,458,828	294,361	2,753,189
Asset acquired on acquisition (refer note 9(g))	-	-	59,211,518	59,211,518
Disposals (refer note 26)	-	(48,785,134)	-	(48,785,134)
<b>At 31 March 2013</b>	<b>13,816,060</b>	<b>3,845,150</b>	<b>59,505,879</b>	<b>77,167,089</b>
Additions	-	580,342	4,426,825	5,007,167
Disposals (refer note 26)	-	-	-	-
<b>At 31 March 2014</b>	<b>13,816,060</b>	<b>4,425,492</b>	<b>63,932,704</b>	<b>82,174,256</b>
<b>Amortisation</b>				
<b>At 1 April 2012</b>	<b>13,816,060</b>	<b>31,417,351</b>	-	<b>45,233,411</b>
Accumulated depreciation on acquired asset (refer note (g))	-	-	33,228,336	33,228,336
Charge for the year	-	1,222,360	2,002,323	3,224,683
Disposals (refer note 26)	-	(31,821,668)	-	(31,821,668)
<b>At 31 March 2013</b>	<b>13,816,060</b>	<b>818,043</b>	<b>35,230,659</b>	<b>49,864,762</b>
Charge for the year	-	752,545	14,068,040	14,820,585
Disposals	-	-	-	-
<b>At 31 March 2014</b>	<b>13,816,060</b>	<b>1,570,588</b>	<b>49,298,699</b>	<b>64,685,347</b>
<b>Net block</b>				
<b>At 31 March 2013</b>	-	<b>3,027,107</b>	<b>24,275,220</b>	<b>27,302,327</b>
<b>At 31 March 2014</b>	-	<b>2,854,904</b>	<b>14,634,005</b>	<b>17,488,909</b>

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<b>11 Deferred tax liabilities (net)</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Deferred tax liability</b>		
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	163,396,810	135,273,963
<b>Gross deferred tax liability</b>	<b>163,396,810</b>	<b>135,273,963</b>
<b>Deferred tax asset</b>		
Provision for doubtful debts and advances	(825,813)	(898,651)
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowed for tax purposes on payment basis	(4,003,194)	(3,565,466)
Carry forward business loss and unabsorbed depreciation	(7,863,786)	-
<b>Gross deferred tax asset</b>	<b>(12,692,793)</b>	<b>(4,464,117)</b>
<b>Deferred tax liabilities (net)</b>	<b>150,704,017</b>	<b>130,809,846</b>
<b>12 Non-current investments</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>Trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments of subsidiaries (unquoted)</b>		
<b>Non trade investments (valued at cost unless stated otherwise)</b>		
<b>Investment in equity instruments (unquoted)</b>		
300,000 (Previous year - 300,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	3,000,000	3,000,000
<b>Investment in tax free bonds ( unquoted)</b>		
50,000 (Previous year - Nil) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited	50,000,000	-
<b>Investment in associates (unquoted)</b>		
12,250 (Previous year - 12,250) equity shares of Rs 100/- each fully paid in Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	1,225,000	1,225,000
Add: Share of accumulated profit in Associate Company	1,850,802	1,852,178
	<b>56,075,802</b>	<b>6,077,178</b>
<b>13 Inventories (valued at lower of cost and net realisable value)</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Raw materials and components	166,597,040	141,409,669
Stores and spares	259,492	-
Work-in-progress	46,486,657	54,186,098
Finished goods	41,441,562	37,972,716
Traded goods	113,910,522	57,946,234
	<b>368,695,273</b>	<b>291,514,717</b>

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**14 Loans and advances**

	Non-Current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Capital advances</b>				
Unsecured, considered good	12,378,430	8,737,662	-	-
<b>(A)</b>	<b>12,378,430</b>	<b>8,737,662</b>	<b>-</b>	<b>-</b>
<b>Security deposit</b>				
Unsecured, considered good	32,150,545	28,031,785	21,777,887	10,747,185
<b>(B)</b>	<b>32,150,545</b>	<b>28,031,785</b>	<b>21,777,887</b>	<b>10,747,185</b>
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	7,218,554	89,926,494	33,418,362
<b>(C)</b>	<b>-</b>	<b>7,218,554</b>	<b>89,926,494</b>	<b>33,418,362</b>
<b>Other loans and advances</b>				
<u>Unsecured, considered good:</u>				
Advance income-tax (net of provision for taxation)	64,338,945	-	-	-
MAT credit entitlement	59,596,658	2,504,096	-	-
Prepaid expenses	8,807,449	736,211	3,860,182	2,753,392
Loans to employees	789,399	2,013,200	1,297,530	1,744,550
Balances with government authorities	34,527,311	33,074,265	35,717,114	29,138,250
<b>(D)</b>	<b>168,059,762</b>	<b>38,327,772</b>	<b>40,874,826</b>	<b>33,636,192</b>
<u>Unsecured, considered doubtful:</u>				
Balances with government authorities	-	-	13,292,392	3,159,000
Provision for doubtful advance	-	-	(13,292,392)	(3,159,000)
<b>(E)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A + B + C + D + E)</b>	<b>212,588,737</b>	<b>82,315,773</b>	<b>152,579,207</b>	<b>77,801,739</b>

**15 Trade receivables and other assets**

**15.1 Trade receivables**

	Non-current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Outstanding for a period exceeding six months from the date they are due for payment</b>				
Unsecured, considered good	-	-	76,827,247	31,806,949
Doubtful	-	-	14,769,423	40,824,101
<b>(A)</b>	<b>-</b>	<b>-</b>	<b>91,596,670</b>	<b>72,631,050</b>
<b>Other receivables</b>				
Unsecured, considered good	-	4,409,464	355,879,888	290,947,336
<b>(B)</b>	<b>-</b>	<b>4,409,464</b>	<b>355,879,888</b>	<b>290,947,336</b>
<b>Provision for doubtful receivables</b>				
	-	-	(14,769,423)	(40,824,101)
<b>(C)</b>	<b>-</b>	<b>-</b>	<b>(14,769,423)</b>	<b>(40,824,101)</b>
<b>Total (A + B + C)</b>	<b>-</b>	<b>4,409,464</b>	<b>432,707,135</b>	<b>322,754,285</b>

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15.2 Other assets	Non - Current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Unsecured, considered good</b>				
Non-current bank balances (note 17)*	563,977,534	435,722,000	-	-
Dividend accrued on investments	-	-	-	41,795,931
Interest accrued on fixed deposits	-	-	37,623,265	98,363,679
Others	-	-	732,820	2,510,986
	<b>563,977,534</b>	<b>435,722,000</b>	<b>38,356,085</b>	<b>142,670,596</b>

\*Non-current bank balances include deposits amounting to Rs. 480,055,421 (Previous year: Rs 435,722,000) retained in Escrow account pursuant to the transfer of Uninterruptible power supply systems business.

16 Current investments	31 March 2014	31 March 2013
<b>Current investments (valued at lower of cost and fair value, unless stated otherwise)</b>		
<b>Unquoted mutual funds</b>		
Nil (Previous year - 9,598) units of Rs. 10/- each fully paid up HDFC prudence fund	-	2,000,000
Nil (Previous year - 282,736) units of Rs. 10/- each fully paid up Templeton India Income Opportunities Fund	-	3,000,000
Nil (Previous year - 20,449,714) units of Rs.10/- each fully paid up IDFC Dynamic bond quarterly dividend plan	-	208,883,669
Nil (Previous year - 19,687,530) units of Rs. 10/- each fully paid up Templeton India low duration fund monthly dividend plan	-	204,806,184
Nil (Previous year - 2,930,604) units of Rs. 10/- each fully paid up Prudential ICICI income plan - growth plan	-	104,600,000
Nil (Previous year -35,309,816) units of Rs. 10/- each fully paid up SBI Magnum income fund - regular growth plan	-	1,008,227,135
Nil (Previous year - 50,000,000) units of Rs. 10/- each fully paid up SBI debt fund growth plan	-	500,000,000
Nil (Previous year - 68,845) units of Rs.10/- each fully paid up Templeton India short term income plan monthly dividend plan	-	157,588,296
Nil (Previous year - 3,362,467) units of Rs.10/- each fully paid up Reliance dynamic bond fund growth plan	-	52,157,908
Nil (Previous year - 5,772,583) units of Rs 10/- each fully paid up IDFC dynamic bond fund regular growth plan	-	80,000,000
Nil ( Previous year - 13,014,376) units of Rs.10/- each fully paid up HSBC flexi debt growth plan.	-	207,938,491
Nil (Previous year -5,170,104) units of Rs.10/- each fully paid up DWS short maturity fund growth plan	-	106,602,334
Nil (Previous year -3,124,416) units of Rs.10/- each fully paid up Birla Sun Life income plus growth plan	-	163,439,982
Nil (Previous year - 17,931) units of Rs.10/- each fully paid up Birla Sun Life saving fund daily dividend reinvestment plan	-	1,794,845
1,114,602 (Previous year - Nil) unit of Rs. 100/- each fully paid up ICICI Prudential Liquid Super Institutional Fund - daily dividend plan	111,515,612	-
202,936 (Previous year - Nil) unit of Rs. 1000/- each fully paid up Templeton India Treasury Management Account Super Institutional Plan - Daily dividend reinvestment plan	203,072,441	-
660,344 (Previous year - Nil) unit of Rs. 100/- each fully paid up Birla Sunlife Saving Fund daily dividend reinvestment plan	66,230,532	-

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	<b>31 March 2014</b>	<b>31 March 2013</b>
8,972 (Previous year - Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund -	12,072,728	-
190 (Previous year - Nil) unit of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan	190,914	-
85,726 (Previous year - Nil) unit of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	9,064,266	-
55,375 (Previous year - Nil) of Rs.10/- each fully paid up SBI Premier Liquid Fund - daily dividend plan	55,555,100	-
12,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan	120,000,000	-
21,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan*	210,000,000	-
21,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan*	210,000,000	-
21,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan*	210,000,000	-
8,201,872 ( Previous year - Nil) unit of Rs. 10/- each fully paid up Birla SunLife Fixed Plan Series 499 days - regular growth plan*	82,018,720	-
3,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan*	300,000,000	-
5,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	50,000,000	-
20,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up kotak fixed maturity plan - growth series*	200,000,000	-
50,00,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan*	50,000,000	-
22,000,000 (Previous year - Nil) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan*	220,000,000	-
21,000,000 (Previous year - Nil) each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	250,000,000	-
50,000,000 (Previous year - Nil) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 366 Days direct growth plan	500,000,000	-
Unquoted mutual funds	<b>2,859,720,313</b>	<b>2,801,038,844</b>
Aggregate cost of unquoted investments	2,859,720,313	2,801,038,844

**Note:**

\* Investments marked have been pledged as collateral securities with banks for availment of term loans (refer note 5a)

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**17 Cash and bank balances**

	Non- Current		Current	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	105,831,469	109,953,681
On deposit accounts	-	-	471,597,662	239,347,167
On unpaid dividend accounts	-	-	4,087,585	4,184,314
Cash on hand	-	-	1,062,098	35,252,296
<b>Total (A)</b>	-	-	<b>582,578,814</b>	<b>388,737,458</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 3 months but less than 12 months *	-	-	735,506,305	1,642,050,586
Deposits with original maturity for more than 12 months	563,977,534	435,722,000	-	-
<b>Total (B)</b>	<b>563,977,534</b>	<b>435,722,000</b>	<b>735,506,305</b>	<b>1,642,050,586</b>
<b>Amount disclosed under Other Current Assets (refer note 15.2)</b>	<b>(563,977,534)</b>	<b>(435,722,000)</b>	-	-
<b>Total cash and bank balances (A+B)</b>	-	-	<b>1,318,085,119</b>	<b>2,030,788,044</b>

\* Deposits to the extent of Rs 50,000,000 (Previous year Rs.130,000,000) have been given as collateral to the banks to facilitate the borrowing and opening of letter of credit by subsidiary companies.

**18 Revenue from operations (net)**

	31 March 2014	31 March 2013
<b>Revenue from operations</b>		
Sale of products		
Manufactured goods	1,680,147,695	1,342,546,141
Traded goods	38,573,761	323,307,713
Sale of services	12,560,965	122,641,216
Sale of Power	37,687,658	18,870,843
<b>Other operating revenue</b>		
Scrap sales	6,126,611	11,010,266
Other	55,882,635	50,075,866
<b>Revenue from operations (gross)</b>	<b>1,830,979,325</b>	<b>1,868,452,045</b>
Less: Excise duty	66,510,233	103,780,223
<b>Revenue from operations (net)</b>	<b>1,764,469,092</b>	<b>1,764,671,822</b>

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

19	<b>Other income</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	Interest income	120,838,532	263,417,314
	Dividend income from:		
	Long term, non trade investments	-	180,000
	Net gain from the sale of current investments	100,062,714	112,252,386
	Dividend income on current investments - mutual fund	37,462,711	41,488,024
	Rental income	1,357,921	1,207,235
	Liabilities no longer required, written back	4,574,413	23,602,661
	Other non-operating income	4,215,207	6,305,036
		<b>268,511,498</b>	<b>448,452,656</b>
20	<b>Cost of raw material and components consumed</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	Inventory at the beginning of the year	141,409,669	653,670,769
	Add: Inventory acquired on acquisition	-	38,954,601
	Add: Purchases	875,892,611	809,693,442
		<b>1,017,302,280</b>	<b>1,502,318,812</b>
	Less: Inventory transferred pursuant to the business transfer agreement (Refer note 26)	-	628,247,695
	Less: Inventory at the end of the year	166,597,040	141,409,669
	<b>Cost of raw material and components consumed</b>	<b>850,705,240</b>	<b>732,661,448</b>
21	<b>(Increase) / decrease in inventories</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
	<b>Inventories at the end of the year</b>		
	Work-in-progress	46,486,657	54,186,098
	Traded goods	113,910,522	57,946,234
	Finished goods	41,441,562	37,972,716
	<b>(A)</b>	<b>201,838,741</b>	<b>150,105,048</b>
	<b>Inventories transferred pursuant to the business transfer agreement (refer note 26)</b>		
	Work-in-progress	-	374,428
	Traded goods	-	229,612,069
	Finished goods	-	188,323,820
	<b>(B)</b>	<b>-</b>	<b>418,310,317</b>
	<b>Inventories obtained on account of acquisition</b>		
	Work-in-progress	-	4,618,294
	Traded goods	-	-
	Finished goods	-	12,132,375
	<b>(C)</b>	<b>-</b>	<b>16,750,669</b>
	<b>Inventories at the beginning of the year</b>		
	Work-in-progress	54,186,098	57,118,254
	Traded goods	57,946,234	335,233,578
	Finished goods	37,972,716	84,246,588
	<b>(D)</b>	<b>150,105,048</b>	<b>476,598,420</b>
	<b>Total (D + C - B - A)</b>	<b>(51,733,693)</b>	<b>(75,066,276)</b>

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**22 Employee benefit expense**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Salaries, wages and bonus	136,838,637	231,925,130
Contribution to provident and other funds	7,291,918	16,550,280
Gratuity expense (refer note 27)	2,401,341	4,081,771
Staff welfare expenses	10,821,267	14,370,645
	<b>157,353,163</b>	<b>266,927,826</b>

**23 Other expenses**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Sub-contracting and processing expenses	128,841,733	96,365,474
Service and maintenance charges	353,592	2,597,036
Consumption of stores and spares	6,612,283	-
Power and fuel	98,948,183	94,797,789
Freight and forwarding charges	11,783,859	26,181,897
Rent (refer note 28)	19,437,225	11,215,827
Rates and taxes	11,254,864	13,308,560
Insurance	4,283,749	5,866,300
Repairs and maintenance		
- Plant & Machinery	14,453,414	9,684,347
- Buildings	2,495,249	2,802,831
- Others	7,209,840	12,520,949
Sales promotion	7,049,155	18,927,696
Advertisement	9,143,503	7,413,988
Travelling and conveyance	19,507,104	37,111,080
Communication costs	3,394,475	5,656,715
Printing and stationery	3,204,149	3,141,422
Exchange differences (net)	25,369,109	29,289,194
Legal and professional fees	24,478,722	37,938,484
Loss on sale of assets	109,575	1,700,111
Provision for bad/doubtful receivables including advances	18,161,794	4,852,230
Provision for warranties (net of reversals)	4,964,750	2,827,072
Amortisation of preliminary expenses	-	1,380,424
Miscellaneous expenses	17,520,177	16,376,794
	<b>438,576,504</b>	<b>441,956,220</b>

**24 Depreciation and amortisation expense**

	<b>31 March 2014</b>	<b>31 March 2013</b>
Depreciation of tangible assets (refer note 9 (e) and 9 (f))	85,177,497	71,182,015
Amortisation of intangible assets	14,820,585	3,224,683
	<b>99,998,082</b>	<b>74,406,698</b>



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25 Finance costs	31 March 2014	31 March 2013
Interest	34,176,893	28,771,176
Bank and other charges	11,076,226	11,429,149
	<b>45,253,119</b>	<b>40,200,325</b>

**26 Discontinued operations - Sale of Uninterruptible power supply systems**

On 29 May 2012, the Company had consummated sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated 9 February 2012. The UPS business undertaking comprising of operations in India, Singapore and its investment in Srilanka was transferred as a going concern on a slump sale basis for an aggregate consideration of Rs. 811.13 Crores (including, an amount of Rs. 19.46 Crores for the Singapore operations). The net assets transferred pursuant to the slump sale of its UPS Business, being operations in India, Singapore and investment in Srilanka is Rs. 181.74 Crores and the profit recognised pursuant to the slump sale is Rs. 629.39 Crores and disclosed as an exceptional item in the consolidated statement of profit and loss.

The Group's continuing operations represents revenues from Solar power project, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of energy efficient lighting systems and foundry.

Discontinuance of UPS division falls within the meaning of Accounting Standard 24 - Discontinuing Operations. The following table summarises the revenues, expenses, profits and cash flows from ordinary activities attributable to the discontinued operations and assets/liabilities transferred pursuant to the slump sale of UPS Business comprising the Company's operations in India, Singapore and investment in Srilanka.

**a) Revenues, profits and expenses from ordinary activities attributable to discontinued operations**

Particulars	For the year ended 31 March 2014	For the period 1 April 2012 to 28 May 2012
Revenue (including other income)	-	698,585,827
Expenses	-	722,592,054
<b>(Loss) / profit from operating activities</b>	-	<b>(24,006,227)</b>
Finance costs	-	4,030,952
Depreciation/amortisation	-	3,148,070
<b>(Loss) / profit before tax</b>	-	<b>(31,185,249)</b>

**b) The assets and liabilities transferred pursuant to the slump sale in the current year and corresponding amounts for Initial disclosure event**

Particulars	For the year ended 31 March 2014	As at 28 May 2012
<b>Total liabilities (A)</b>	-	<b>597,644,606</b>
Other long-term liabilities	-	1,323,330
Long-term provisions	-	19,190,570
Trade payables	-	405,244,895
Other current liabilities	-	122,457,648
Short-term provisions	-	49,428,163
<b>Total assets (B)</b>	-	<b>2,415,012,887</b>
Fixed assets (including capital work-in-progress)	-	164,714,543
Long-term loans and advances	-	15,776,516
Non-current trade receivables	-	27,026,663
Inventories	-	1,047,039,692
Trade receivables	-	1,076,332,365
Short-term loans and advances	-	84,123,108
<b>Net assets (B-A)</b>	-	<b>1,817,368,281</b>

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**c) Cash flows from ordinary activities attributable to discontinued operations**

Particulars	For the year ended 31 March 2014	For the period 1 April 2012 to 28 May 2012
Operating activities	-	(24,148,681)
Investing activities	-	516,837
Financing activities	-	(1,689,172)
<b>Net cash inflows</b>	<b>-</b>	<b>(25,321,016)</b>

The consolidated results includes revenues of Rs.Nil (Previous year 3,784,791) and profit of Rs.Nil (Previous year Rs.1,328,615) of Numeric Lanka Technologies Private Limited.

**27 Employee benefit plans**

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

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

**Net employee benefit expense (recognised in personnel expenses)**

Particulars	31 March 2014	31 March 2013
Current service cost	1,666,622	6,767,246
Interest cost on benefit obligations	497,175	3,799,422
Expected return on plan assets	(414,818)	(651,934)
Net actuarial (gain) / loss recognised in the year	652,362	(5,832,963)
<b>Net benefit expense</b>	<b>2,401,341</b>	<b>4,081,771</b>
Actual return on plan assets	(414,818)	(651,934)
<b>Details of provision for gratuity</b>		
Present value of obligations at the end of the year	7,639,939	4,791,775
Less : Fair value of plan assets at the end of the year	(5,436,725)	18,324
<b>Plan liability</b>	<b>2,203,214</b>	<b>4,810,099</b>
<b>Changes in the present value of the defined benefit obligations are as follows:</b>		
Present value of obligations at the beginning of the year	4,791,775	46,066,623
Interest cost	497,175	3,799,422
Current service cost	1,666,622	6,767,246
Benefits paid		
- Continuing operations	32,005	(1,825,447)
- Discontinued operations (refer note 26)	-	(44,183,106)
Actuarial (gain) / loss on obligations	652,362	(5,832,963)
<b>Present value of obligations at the end of the year</b>	<b>7,639,939</b>	<b>4,791,775</b>
<b>Changes in the fair value of plan assets are as follows:</b>		
Fair value of planned assets at the beginning of the year	(18,324)	36,164,797
other adjustment	3,943,146	-
Expected return on plan assets	414,818	651,934
Contributions	829,160	9,173,498
Benefits paid		
- Continuing operations	267,925	(1,825,447)
- Discontinued operations (refer note 26)	-	(44,183,106)
<b>Fair value of plan assets / (liability) at the end of the year</b>	<b>5,436,725</b>	<b>(18,324)</b>

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

Year ended	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Defined benefit obligations	7,639,939	4,791,775	46,066,623	36,512,878	28,904,822
Plan (liability) / assets	5,436,725	(18,324)	36,164,797	29,698,026	23,298,833
Deficit	2,203,214	4,810,099	9,901,826	6,814,852	5,605,989
Experience adjustments on plan (asset) / liabilities	652,362	(5,832,963)	4,189,414	2,736,875	2,283,086

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

Particulars	31 March 2014	31 March 2013
Discount rate	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 5%	1% - 3%
Contribution expected to be paid during the next year	1,000,000	1,000,000

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

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

**28 Leases**

**Operating leases : Company as lessee**

Particulars	31 March 2014	31 March 2013
Lease payments for the year	19,437,225	11,215,827
Future minimum lease rentals payable under operating leases are as follows:		
<b>Minimum Lease Payments:</b>		
Not later than one year	4,902,477	783,350
Later than one year but not later than five years	6,948,017	562,258
Later than five years	28,629,300	-
	<b>40,479,794</b>	<b>1,345,608</b>

The lease term (office building for branch offices and warehouse at various locations) ranges between 1 to 6 years. Escalation clause ranges from 5-10% of premium in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases.

**Operating leases : Company as lessor**

Particulars	31 March 2014	31 March 2013
Lease rent received for the year	48,970,893	40,854,715
Future minimum lease rental receivable under non-cancellable operating lease are as follows:		
Not later than one year	47,075,976	46,410,768
Later than one year but not later than five years	70,275,929	116,502,719
Later than five years	920,000	-
	<b>118,271,905</b>	<b>162,913,487</b>

The Company has entered into non-cancellable operating lease of its building (remaining term 4 years), and plant and machinery (remaining term 11 months). Terms for lease of building include annual escalation rental charges from the second year of such lease.

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**29** Information in respect of Joint Venture in terms of Accounting Standard 27 -  
Financial Reporting of Interests in Joint Ventures'

Name of the Joint Venture:	Swelect Infrastructure Services Private Limited" (formerly known as 'Numeric Infrastructure Services Private Limited')
Nature of business	Providing infrastructure services.
Proportion of ownership interest:	50 % (Previous year 50%)
Date of incorporation:	2 April 2004
Country of incorporation:	India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2014	31 March 2013
<b>Equity and liabilities</b>		
<b>Shareholders' funds</b>		
Share capital	250,000	250,000
Reserves and surplus	520,928	601,021
	<u>770,928</u>	<u>851,021</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities (net)	22,549	22,549
<b>Current liabilities</b>		
Trade payables	5,618	334,172
Other current liabilities	-	563,632
	<u>5,618</u>	<u>897,804</u>
<b>Total</b>	<u>799,095</u>	<u>1,771,374</u>
<b>Asset</b>		
<b>Non-current assets</b>		
Fixed assets		
Tangible assets	48,179	58,178
	<u>48,179</u>	<u>58,178</u>
<b>Current assets</b>		
Trade receivables	-	641,398
Cash and bank balances	750,916	750,228
Short-term loans and advances	-	321,570
	<u>750,916</u>	<u>1,713,196</u>
<b>Total</b>	<u>799,095</u>	<u>1,771,374</u>

Summary of income and expenditure:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2014	31 March 2013
Other Income	896,489	-
<b>Expenses</b>		
Personnel expenses	-	-
Manufacturing and other expenses	966,582	2,861
Depreciation	10,000	10,000
Financial expenses	-	103
	<u>(80,093)</u>	<u>(12,964)</u>

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**30 Segment information**

**A. Primary segment information (By Business segments)**

The Group operations predominantly relates to the Solar power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar photovoltaic inverters and energy efficient lighting systems and foundry. During the previous year the Group had discontinued its operations relating to Uninterruptible Power Supply Systems (UPS) (Also refer note 26). Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Business (Primary) segments of the Group are:

Continuing operations

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

Discontinued operations

- a) Uninterrupted power supply systems

Particulars	31 March 2014	31 March 2013
<b>1. Segment revenue</b>		
Continuing operations		
--- Contract manufacturing	130,110,566	165,312,677
--- Foundry	718,217,492	665,916,358
--- Solar Energy Systems / Services	1,275,619,063	382,006,288
--- Others	62,199,242	55,090,686
Discontinued operations		
-- Uninterruptible power supply systems	-	698,582,114
<b>Total</b>	<b>2,186,146,363</b>	<b>1,966,908,123</b>
Less: Inter segment revenue	(421,677,271)	(202,236,301)
<b>Total Revenue (net)</b>	<b>1,764,469,092</b>	<b>1,764,671,822</b>
<b>2. Segment results</b>		
Segment profits before finance charges and tax		
Continuing operations		
--- Contract manufacturing	14,339,766	13,728,000
--- Foundry	72,271,254	31,764,774
--- Solar Energy Systems / Services	(133,071,316)	(115,990,302)
--- Others	47,367,764	15,813,684
Discontinued operations		
-- Uninterruptible power supply systems	-	(31,185,249)
Other unallocable income	214,961,095	468,827,735
Exceptional items - UPS (refer note 26)	-	6,293,930,654
Finance charges	(34,176,893)	(28,771,176)
<b>Total profits before tax</b>	<b>181,691,670</b>	<b>6,648,118,120</b>
Tax expense	(19,894,171)	(1,439,408,420)
<b>Total profits after tax</b>	<b>161,797,499</b>	<b>5,208,709,700</b>

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	<b>31 March 2014</b>	<b>31 March 2013</b>
<b>3. Segment assets</b>		
Continuing operations		
--- Contract manufacturing	110,155,557	151,510,618
--- Foundry	403,047,005	359,866,137
--- Solar Energy Systems / Services	3,320,780,596	2,258,197,043
--- Others	4,752,792,861	5,245,009,516
--- Un-allocable assets	199,466,284	32,212,981
Discontinued operations		
-- Uninterruptible power supply systems	-	-
<b>Total assets</b>	<b>8,786,242,303</b>	<b>8,046,796,295</b>
<b>4. Segment liabilities</b>		
Continuing operations		
--- Contract manufacturing	2,877,816	18,552,295
--- Foundry	209,302,035	178,100,137
--- Solar Energy Systems / Services	1,504,860,389	599,058,247
--- Others	258,879,878	572,671,515
--- Unallocable liability	-	-
Discontinued operations		
-- Uninterruptible power supply systems	-	-
<b>Total liabilities</b>	<b>1,975,920,118</b>	<b>1,368,382,194</b>
<b>5. Additions to tangible and intangible fixed assets</b>		
Continuing operations		
--- Foundry	196,142,747	87,469,907
--- Solar Energy Systems / Services	694,205,639	643,927,989
--- Others	16,436,944	8,289,155
Discontinued operations		
-- Uninterruptible power supply systems	-	2,216,461
<b>Total additions to tangible and intangible fixed assets</b>	<b>906,785,330</b>	<b>741,903,512</b>
<b>6. Depreciation / amortisation</b>		
Continuing operations		
--- Contract manufacturing	2,378,394	2,378,394
--- Foundry	19,380,070	22,782,631
--- Solar Energy Systems / Services	68,390,328	36,698,560
--- Others	9,849,290	9,399,043
Discontinued operations		
-- Uninterruptible power supply systems	-	3,148,070
<b>Total Depreciation / amortisation</b>	<b>99,998,082</b>	<b>74,406,698</b>

**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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

**31 Segment information**

**B. Secondary segment information (By geographical segments)**

The following table shows the geographical distribution of the Group's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2014 and year ended 31 March 2013.

Particulars	Geographical segment			
	31 March 2014		31 March 2013	
	Outside India	India	Outside India	India
Revenues				
Sale to external customer	441,059,975	1,323,409,117	141,157,257	1,623,514,565
Less: sale attributable to discontinued operations (refer note 26)	-	-	(61,013,771)	(637,568,343)
Revenue from the continuing operations	441,059,975	1,323,409,117	202,171,027	2,261,082,908
Additions to tangible and intangible assets	20,619,016	886,166,314	11,291,638	730,611,874
Segment assets	309,141,022	8,477,101,281	844,071,203	7,202,725,092

**32 Capital and other commitments**

- a) At 31 March, 2014, the estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 48,662,043 (31 March 2013: Rs.9,000,000).
- b) Commitments relating to lease arrangements, please refer to note 28.

**33 Prior period item**

It represents the components of prior period items and its impact in the consolidated statement of profit and loss.

Particulars	31 March 2014	31 March 2013
<b>A Revenue from operations (net)</b>	-	-
Other expenses	-	5,802,665
Depreciation and amortisation expense	-	7,258,631
<b>B Total expenses</b>	-	<b>13,061,296</b>
<b>Net prior period item (A - B)</b>	-	<b>(13,061,296)</b>

**34 Earnings per share (EPS)**

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

	31 March 2014	31 March 2013
Profit after tax as per consolidated statement of profit and loss (A)	161,797,499	5,208,709,700
less: Net profit attributable to discontinued operations and exceptional item (B)	-	(4,897,687,973)
less: Preference dividend tax (C)	(637,313)	-
Net profit attributable to the equity share holders for continuing operation (A - B - C = D)	161,160,186	311,021,727
	<b>Number of shares</b>	<b>Number of shares</b>
Weighted average number of equity shares (E)	10,105,840	10,105,840
Basic and diluted earnings per share - Continuing operations (D / E)	15.95	30.78
Basic and diluted earnings per share - Total Profit [(A-C) / E]	15.95	515.42

**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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**35 Related party transactions**

**1. Names of related parties and nature of relationship**

Associate	"Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')"
Joint Venture	"Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')"
Enterprises owned or significantly influenced by key management personnel or their relatives	"Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited')" "Swelect Technologies Private Limited (Formerly known as 'Numeric Technologies Private Limited')"
Key Management Personnel	Mr. R Chellappan - Managing Director Mr. A Balan - Director (Resigned with effect from 30 May 2012) Mr. K V Nachiappan - Director (Resigned with effect from 30 May 2012) Mrs. Vasantha Balan - Director (Appointed with effect from 13 August 2012)
Relatives of key management personnel	Mrs. Gunasundari Chellappan Mr. A Balan Mr. V.C.Raghunath Mrs. Jayashree Nachiappan Mrs. V.C.Mirunalini Miss. Aarthi Balan



**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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

**35 Related party transactions**

Particulars	Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013	31-Mar-2014	31-Mar-2013
<b>Rent expense</b>								
-- Mr. R.Chellappan	-	750,000	182,250	-	-	-	182,250	750,000
-- Swelect Electronics Private Limited	-	750,000	182,250	-	-	-	182,250	-
<b>Remuneration</b>								
-- Mr. R.Chellappan	-	-	5,003,903	6,903,328	1,947,975	1,431,149	6,951,878	8,334,477
-- Mr. A.Balan	-	-	5,003,903	6,099,161	-	-	5,003,903	6,099,161
-- Mr. K.V.Nachiappan	-	-	-	429,167	-	-	-	429,167
-- Mr. V.C.Raghunath	-	-	-	375,000	-	-	-	375,000
-- Mrs. V.C.Mirunalini	-	-	-	-	700,353	566,766	700,353	566,766
-- Miss Aarthi Balan	-	-	-	-	583,344	331,655	583,344	331,655
	-	-	-	-	664,278	532,728	664,278	532,728
<b>Dividend paid</b>								
-- Mr. R.Chellappan	-	-	38,032,880	619,845,600	3,747,064	19,214,160	41,779,944	639,059,760
-- Others	-	-	37,976,432	569,646,480	-	-	37,976,432	569,646,480
<b>Advances made</b>								
-- Swelect Technologies Private Limited	-	-	56,448	50,199,120	3,747,064	19,214,160	3,803,512	69,413,280
-- Swelect Electronics Private Limited	-	1,035,904	-	-	-	-	-	1,035,904
	-	5,494	-	-	-	-	-	5,494
	-	1,030,410	-	-	-	-	-	1,030,410
<b>Repayment of advances</b>								
-- Swelect Electronics Private Limited	-	957,167	-	-	-	-	-	957,167
	-	957,167	-	-	-	-	-	957,167
<b>Balance outstanding at year end:</b>								
<b>Amounts receivable from related parties</b>								
-- Swelect Technologies Private Limited	-	78,737	-	-	-	-	-	78,737
-- Swelect Electronics Private Limited	-	5,494	-	-	-	-	-	5,494
	-	73,243	-	-	-	-	-	73,243

**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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

**36 Contingent liabilities**

	<u>31 March 2014</u>	<u>31 March 2013</u>
Claims against the Group not acknowledged as debts		
a) Excise / Cenvat related matters	128,191,582	44,195,835
b) Sales tax related matters	17,382,361	11,344,380
c) Income tax related matters	14,575,600	-
	<u>160,149,543</u>	<u>55,540,215</u>

**37 Derivative instruments and foreign currency exposures**

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

Particulars	Foreign Currency	31 March 2014		31 March 2013	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	425,752	25,587,585	686,447	37,274,074
	EURO	943,184	77,710,816	1,063,269	72,806,382
	SGD	30,102	1,436,385	19,749	865,386
	GBP	3,750	372,036	3,750	311,850
Advances	USD	3,714	223,230	20,093	1,091,074
	EURO	23,640	1,947,747	8,390	574,463
Payables	USD	1,188,562	71,432,320	1,158,682	62,916,455
	EURO	592,673	48,831,473	56,481	3,879,659
	GBP	24,849	2,465,258	53,397	4,352,353
Bank balance	USD	1,816	109,141	586	31,820
	SGD	4,226,704	201,686,455	598,160	26,210,256
	EURO	821	67,627	821	56,380
Secured loans	USD	-	-	240,236	13,044,815
	EURO	-	-	437,088	29,927,393
Buyer's credit	USD	36,494	3,013,547	1,332,659	72,360,442

**38 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 2014.

Goodwill on consolidation as at 31 March 2014 stood at Rs. 3440.40 lakhs (previous year: Rs. 3272.77 lakhs). Significant acquisitions over the years which resulted in goodwill were Amex Irons Private Limited, HHV Solar Technologies Limited, BS Powetech Solutions Private Limited and Swelect Green Energy Solutions Private Limited and the details of the same are given below:

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

- a. The Company acquired 100% equity share stake in Amex Irons Private Limited for a consideration of Rs. 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 455.04 lakhs was recognised as goodwill.
- b. The Company acquired 49% equity share stake in HHV Solar Technologies Limited for a consideration of Rs. 2186.03 lakhs on 10 January 2013. The purchase consideration paid along with the net liability taken over amounting to Rs. 2667.71 lakhs was recognised as goodwill.
- c. The Company's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 76% equity share stake in BS Powertech Solutions Private Limited for a consideration of Rs. 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 150.02 lakhs was recognised as goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of Rs. 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Company. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 167.07 lakhs is recognised as goodwill.
- d. The Company acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of Rs. 70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 0.56 lakhs is recognised as goodwill.

**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 2014 stood at Rs. 151.46 lakhs (Previous year Rs.165.49 lakhs). The details of which is provided below:

- a. The Company acquired 92% equity share stake in Amex Alloys Private Limited for a consideration of Rs.421.71 lakhs on 05 December 2010. The excess net asset value over the purchase consideration to the extent of Rs. 165.49 lakhs was recognized as capital reserve. The balance 8% equity share stake was acquired on 08 July 2013 for a consideration of Rs. 119.47 lakhs. Consequently, Amex Alloys Private Limited became a 100% subsidiary of the Company. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 14.03 lakhs is adjusted with the capital reserve.

**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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

**39 Information relating to Subsidiaries**

Information required pursuant to General Circular No. 2/2011 No: 5/12/2007-CL-III dated February 08, 2011 issued by Ministry of Corporate Affairs.

Sl no.	Name of the Subsidiary	Country	Reporting Currency	Exchange Rate	Capital	Reserves	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
1	Swelect Energy Systems Pte. Limited (Formerly 'Numeric Power Systems Pte. Limited, Singapore')	Singapore	USD	60.10	437,290,241	384,014,249	921,130,678	99,823,729	-	223,425,546	(2,318,011)	(70,910)	(2,247,101)	-
2	HHV Solar Technologies Limited (formerly 'HHV Solar Technologies Private Limited')	India	INR	1.00	213,557,290	(208,407,249)	525,928,205	520,778,161	-	714,003,226	(63,280,776)	-	(63,280,776)	-
3	Anex Alloys Private Limited	India	INR	1.00	35,000,000	139,411,579	558,560,396	384,148,817	-	501,983,298	64,154,493	22,188,124	41,966,369	3,750,000
4	Anex Irons Private Limited	India	INR	1.00	45,000,000	(21,732,156)	182,940,135	159,697,296	-	228,990,495	(11,388,238)	(2,223,044)	(9,165,194)	-
5	Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')	India	INR	1.00	24,400,000	(6,337,639)	61,484,635	43,422,274	-	-	(826,767)	-	(826,767)	-
6	BS Powertech Solutions Private Limited	India	INR	1.00	100,000	(6,452,506)	148,601,219	154,953,726	-	20,573,728	(8,387,693)	-	(8,387,693)	-
7	Swelect Green Energy Solutions Private Limited	India	INR	1.00	7,000,000	(2,843,143)	12,418,262	8,261,404	-	89,507	(2,787,072)	-	(2,787,072)	-

**Note:**

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2014.

**SWELECT ENERGY SYSTEMS LIMITED**  
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**Notes to consolidated financial statements for the year ended 31 March 2014**

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

40 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to the current year's classification.

For **S.R. Batliboi & Associates LLP**

ICAI Firm's registration number: 101049W

Chartered Accountants

For and on behalf of the board of directors

per Subramanian Suresh  
Partner  
ICAI Membership no.: 083673

R. Chellappan  
Managing Director

Vasantha Balan  
Director

J. Bhuvaneshwari  
Company Secretary

P. Jagan  
Chief Financial Officer

Place: Chennai  
Date: 29 May 2014

Place: Chennai  
Date: 29 May 2014



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CIN : L93090TN1994PLC028578

**swelect ENERGY SYSTEMS PTE LTD, SINGAPORE.**

**SWELECT ENERGY SYSTEMS LIMITED**

(Formerly known as NUMERIC POWER SYSTEMS LIMITED)

**CIN: L93090TN1994PLC028578**

Registered Office: Numeric House, No.5, Sir P.S.Sivasamy Salai,  
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**NOTICE TO THE NINETEENTH ANNUAL GENERAL MEETING**

The NINETEENTH Annual General Meeting of SWELECT ENERGY SYSTEMS LIMITED will be held on Monday the 28th July 2014 at 11.00 A.M. at Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004 to transact the following business :

**ORDINARY BUSINESS**

**1. To consider and adopt;**

- (a) the audited financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2014, the reports of the 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 financial statement of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statement of the Company for the financial year ended March 31, 2014, the reports of the Auditors, be and are hereby considered and adopted.”

**2. To declare 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.9/- per equity share [i.e. 90% on the paid up equity share capital of Rs.10,10,58,400/- (Rupees Ten Crores Ten Lakhs 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 26th June 2014.”

**3. To appoint a Director in place of Mr. R. Chellappan (DIN-00016958) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.**

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

“RESOLVED THAT Mr. R. Chellappan (DIN-00016958), 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. To appoint a Director in place of Mrs. Jayashree Nachiappan (DIN-03173327), who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers herself for re-appointment.**

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

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

**5. To appoint Auditors and fix their remuneration.**

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

“RESOLVED THAT M/s. S.R. Batliboi & Associates, LLP (Firm registration number : 101049W) having their office at Tidel Park, 6th & 7th Floor - A Block (Module 601,701-702) No.4, Rajiv Gandhi Salai, Taramani, Chennai - 600113, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration and out-of-pocket expenses as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS**

**6. To appoint 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 an Ordinary Resolution.

“RESOLVED THAT pursuant to provisions of section 149 and other applicable provisions of the Companies Act 2013 and the rules made thereunder, Mr. V.C. Raghunath (DIN-00703922) who was appointed as an additional Director of the Company with effect from 11th November 2013 and who holds office until the date of this Annual General meeting in terms of section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of section 196, 197, Schedule V and other applicable provisions if any of the Companies Act 2013, the approval of the Company be and is hereby accorded for the appointment of Mr.V.C. Raghunath, as a whole time director of the Company for a period of 5 years with effect from 28th July 2014 on such terms and conditions as specified below.”

Remuneration by way of Salary, Dearness allowance shall be in the scale of Rs 8,00,000 to 12,00,000 per annum.

In addition, he will be eligible for the following:-

- a) Contribution to Provident Fund
- b) Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- c) Car expenses: Car expenses connected with the operations of the Company will be reimbursed as per the rules of the Company from time to time.
- d) Telephone: Provision of a telephone at residence. personal long distance calls shall be billed by the Company. Mobile phone bill shall be paid by the Company.
- e) Reimbursement of 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.

The above allowances/benefits/ reimbursements would be subject to the applicable Income Tax rules.

RESOLVED FURTHER THAT Mr. R. Chellappan, Managing Director of the Company be and is hereby authorised to take such steps as may be necessary for the purpose of giving effect to the aforesaid resolution.”

**7. To appoint Mr.V.M. Sivasubramaniam as an Independent Director**

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 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder read with Schedule IV to the Companies Act 2013, Mr. V.M. Sivasubramaniam (DIN-00017249), who was appointed as a Director liable to retire by rotation and whose terms expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for 5(Five) consecutive years for a term up to 31st March 2019 whose period of office shall not be liable to retire by rotation.”



#### **8. To appoint Mr. N. Natarajan as an Independent Director**

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 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder read with Schedule IV to the Companies Act 2013, Mr. N. Natarajan (DIN-00017368), who was appointed as a Director liable to retire by rotation and whose terms expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an independent Director of the Company to hold office for 5(Five) consecutive years for a term up to 31st March 2019 whose period of office shall not be liable to retire by rotation.”

#### **9. Amendment to Articles of Association**

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

“RESOLVED THAT pursuant to section 14 and all other applicable provisions of the Companies Act 2013 and the rules made thereunder, the consent of the Company be and is hereby accorded to include the following text in Article No 84 of the Articles of Association of the Company.”

“The Managing Director of the Company can hold the position of Chairperson of the Company at the same time.”

#### **10. Determination of remuneration to Cost Auditor**

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

“RESOLVED THAT pursuant to section 148 and all other applicable provisions of the Companies Act 2013 and the Companies (Audit and Auditors) Rules 2014 (including any statutory modifications or re-enactment for the time being in force) the Cost Auditor, appointed by the Board of Directors of the Company, to conduct the audit of the Cost records of the Company for the financial year ending March 31, 2015 be paid the remuneration of Rs 1,25,000/- (Rupees One lakh Twenty five thousand only), besides reimbursement of travelling and out of pocket expenses that may be incurred by him from time to time in connection with the Audit.

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**

Chennai  
29th May 2014

R. Chellappan  
Managing Director

**NOTES:**

1. 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.
2. 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 members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. 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.
4. 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.
5. The Register of Members and the Share Transfer Books will remain closed from 27th June 2014 to 1st July 2014 both days inclusive, for determining the name of members eligible for payment of dividend on equity shares.
6. The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be credited / deposited between 2nd August 2014 and 10th August 2014 to those members whose names appear on the Company's Register of Members on 26.06.2014.
7. Members whose shareholding is in the electronic mode are requested to inform change of address notifications and updates of saving bank account details to their respective Depository participant(s). Members are encouraged to utilize the Electronic Clearing system (ECS) for receiving dividends.
8. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will as per section 124 of the Companies Act 2013 (section 205A of the erstwhile Companies Act 1956) be transferred to the Investors Education and Protection Fund.
9. The related Explanatory statement pursuant to Sec 102(2) of the Companies Act 2013, setting out all the material fact concerning item Nos 6 to 10 is annexed herewith.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. Pursuant to section 108 of the Companies Act, 2013, read with the relevant rules of the Act the Company is required to provide members the facility to cast their vote by electronic means, The detailed instructions for e-voting is annexed to this Notice.

**Annexure to Notice**

Explanatory statement required in pursuance of Section 102(2) of the Companies Act 2013.

**Item No 6**

Mr.V.C. Raghunath, Son of Mr. R. Chellappan, was appointed as an additional Director at the Board meeting of the Company held on 11.11.2013. The Board recommends his appointment as whole time director of the Company for a period of 5 (Five) years and who shall be liable to retire by rotation. A notice has been received from a member proposing his candidature.

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

No Directors, Key Managerial Personnel or their relatives, except Mr. V.C. Raghunath and Mr. R. Chellappan, Managing Director, is interested or concerned in the resolution.

#### **Item No 7**

Mr.V.M. Sivasubramaniam is a Non- Executive (Independent) Director of the Company. He joined the Board of Directors on 20.10.2003. In terms of section 149 and other applicable provisions of the Companies Act 2013, Mr. V.M. Sivasubramaniam being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years who is not liable to retire by rotation.

The Company has received a notice in writing from a member proposing his candidature for the office of Independent Director. The Company also received a declaration from Mr.V.M. Sivasubramaniam to the effect that he meets the criteria of Independence as provided in subsection (6) of section 149 of the Companies Act 2013.

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

No Directors, Key Managerial Personnel or their relatives, except Mr. V.M. Sivasubramaniam to whom the resolution relates is interested or concerned in the resolution.

#### **Item No 8**

Mr.N.Natarajan is a Non- Executive (Independent) Director of the Company. He joined the Board of Directors on 11.06.2005. In terms of section 149 and other applicable provisions of the Companies Act 2013, Mr. N.Natarajan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for a term of five years who is not liable to retire by rotation.

The Company has received a notice in writing from a member proposing his candidature for the office of Independent Director. The Company also received a declaration from Mr.N.Natarajan to the effect that he meets the criteria of Independence as provided in subsection (6) of section 149 of the Companies Act 2013.

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

No Directors, Key Managerial Personnel or their relatives, except Mr. N. Natarajan to whom the resolution relates is interested or concerned in the resolution.

#### **Item No 9**

As per section 203 of the Companies Act 2013, an individual shall not be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive officer of the Company at the same time after the date of commencement of the Act unless..

- a) the Articles of such Company provide otherwise or
- b) the Company does not carry multiple businesses.

The Board accordingly recommends the resolution as set out in Item No. 9 to facilitate the Managing Director to act as Chairperson as well.

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

#### **Item No 10**

At the meeting held on 29.5.2014, the Board of Directors of the Company have appointed Mr. R. Ravichandran as Cost auditor for the financial year 2014-2015 on the recommendation of the Audit Committee. As per section 148 of the Companies Act, 2013 read with rule 14 of the Companies (Audit and Auditors) Rules 2014, remuneration to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, shall be ratified by the Members. The Audit Committee recommended the remuneration of Rs 1.25 Lakhs besides the expenses incurred by the Cost Auditor in connection with the Audit.

The Board accordingly approved and recommends the resolution as set out in Item No. 10 of the Notice for ratification of the members.

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

**ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.**

**Brief profile of the Directors seeking appointment / re-appointments**

**1. Profile of Mr. R. Chellappan**

AGE & DOB	61 years, 8th May 1953
EDUCATIONAL QUALIFICATION	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) for the last over 19 years
EXPERIENCE	8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore
	5 Years with Ashok Leyland Ltd, Chennai
CREDENTIALS	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
	Bonafide member of MAIT – Manufacturers’ Associate for Information Technology
	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 UNDER HIS LEADERSHIP	Started the business (in 1984) with a team of just six members, and then built 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)
	SD’s No.1 off Grid / Roof Top Solar PV power solution provider of the year 2013
	A++ SD’s star green rating
	Winner of the largest numbers of roof top installation in the country in 2012-13

Companies (other than SWELECT Energy Systems Limited) in which Mr. R. Chellappan holds directorship and committee membership

Directorship in other Companies.

Sr. No.	Name of the Company	Position held
1	HHV Solar Technologies Limited	Managing Director
2	Amex Alloys Private Limited	Director
3	Amex Irons Private Limited	Director
4	SWELECT Solar Energy Private Limited	Director
5	BS Powertech Solutions Private Limited	Director
6	SWELECT Green Energy Solutions Private Limited	Director
7	SWELECT Energy Systems Pte. Limited, Singapore	Director
8	SWELECT Electronics Private Limited	Director
9	SWELECT Technologies Private Limited	Director
10	SWELECT Infrastructure Services Private Limited	Director
11	SWELECT-Sunpac Power Protection Private Limited	Director
12	SWELECT Power Systems Private Limited	Director
13	Gem Sugars Limited	Director
14	Novateur Electrical & Digital Solutions Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 47,47,054 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se:

Mr. R. Chellappan is the father of Mr. V.C. Raghunath who holds Directorship in the Company.

## 2. Profile of Mrs. Jayashree Nachiappan

Mrs. Jayashree Nachiappan is 47 years of age and is a non-executive Director of the Company. She holds an Engineering degree in Printing Technology from College of Engineering, Guindy affiliated to Anna University, Chennai and runs her own Offset printing press for the past 20 years.

Directorship in other Companies:

S.No.	Name of the Company	Position held
1	Swelect Solar Energy Private Limited	Director
2	Swelect Infrastructure services Private Limited	Director
3	Swelect Green Energy Solutions Private Limited	Director
4	BS Powertech Solutions Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 100 shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

## 3. Profile of Mr.V.C. Raghunath

Mr.V.C. Raghunath is 33 years of age and is an Electrical Engineer and also holds a degree in Master of Science. He joined in Numeric Power Systems Limited (Now Swelect Energy Systems Limited) in 2006. He contributes to the development of marketing strategy of the Company and guiding the sales team in achieving their targets. He played a significant role in various solar projects including the 15 MW Vellakoil project in Karur district. He has handled various solar roof top projects and other projects all over India.

Companies (other than SWELECT Energy Systems Limited) in which Mr. V.C. Raghunath holds directorship and committee membership:

Directorship in other Companies:

S No	Name of the Company	Position held
1	Amex Alloys Private Limited	Director
2	Amex Irons Private Limited	Director
3	BS Powertech Solutions Private Limited	Director
4	SWELECT Technologies private Limited	Director
5	SWELECT Energy Systems Pte. Limited, Singapore	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 38,800 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se:

Mr. V.C. Raghunath is the Son of Mr. R. Chellappan who is the Managing Director of the Company.

#### 4. Profile of Mr.V.M. Sivasubramaniam

Mr. V.M. Sivasubramaniam is 78 years of age and had a distinguished career in Income Tax Department. He introduced public relations based work management systems and computerization, restructured the work and methods in the Investigation Wing in Bombay and introduced various schemes for welfare of staff and ensuring social justice for employees of weaker sections. He taught Physical and Organic Chemistry in Vivekananda College and Bio Chemistry and Bio Physics in Medical College Madurai. He joined IRS and worked in various capacities in Kerala, Bombay, Maharashtra, Gujarat, Calcutta and Chennai for 34 years. Retd as Chief Commissioner of Income Tax, Tamil Nadu, he was trained as an INVR Reserve Officer in the Indian Navy, took part in Indo-Pak war of 1971, and has won war service medals and retired as Lt. Commander (Executive Br.)

#### Educational and Professional Qualification

Graduate	B.Sc (Chemistry)	St. Joseph's College/Madras Univ	Tiruchirappalli Tamil Nadu
Post Graduate	M.A (Science)	Presidency College/Madras Univ	Chennai TN
-do-	B.L.	TNB Law College	Patna Bihar
-do-	AICWA	ICWA	Calcutta
-do-	Dip in Comp Mgt	Jamnalal Bajaj Institute /Bombay Univ	Bombay
-do-	Dip in Managerial Actg	Jamnalal Bajaj Institute/ Bombay Univ	Bombay
-do-	NCST Certificate in Software Technology	National Centre for Software Technology/TIFR	Bombay

Companies (other than SWELECT Energy Systems Limited) in which Mr. V.M. Sivasubramaniam holds directorship and committee membership

Directorship in other Companies:

S No	Name of the Company	Position held
1	Amex Alloys Private Limited	Director

Chairperson of Board Committees of other Companies: None

Member of Board Committees of other Companies: None

Shareholding in the company:

- i) Own : 200 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

## 5. Profile of Mr. N. Natarajan

Mr. N. Natarajan (74 years of age) completed his Engineering degree from IIT Kharagpur in 1961 and commenced his career as a Class I Engineer in the Central Engineering Service. He progressively rose to very senior positions involving technical, financial, strategic, general management and teaching skills. His distinguished career spanned across several organizations such as the Central Government, Government of Mauritius, RBI, ANZ Grindlays Bank and Loyola Institute of Business Administration.

Mr. Natarajan has held positions as Superintending Engineer in CPWD, Advisor to the Board of Mauritius Housing Corporation, Housing Advisor to the Government of Mauritius, DVO in Income Tax Department, General Manager and Chief Engineer in RBI, Director of Projects, South Asia Region in ANZ Grindlays Bank and Professor and founder Head of Management Development Centre in LIBA. He has also carried out long and short term assignments on behalf of CFTC, World Bank, UN and USAID. He was a Guest Faculty in IIM (A) for several years and Director of SRM Educational Group for a short period. Currently he is a part time Faculty at LIBA, Consultant to Pithavadian and Partners, Architects and Project Managers, and a Professional Arbitrator.

### Educational and Professional Qualification

Graduate	B.Tech (Hons)	IIT	Kharagpur
Post Graduate	PDGIM	FMS	Delhi
Post Graduate	MBA	FMS	Delhi
Post Graduate	FIE	Institution of Engineers	Calcutta
Post Graduate	FloV	Institution of Valuers	Delhi
Post Graduate	FIITArb	Indian Institute Of Technical Arbitrators	Chennai
Post Graduate	MICE	Institution of Civil Engineers	London
Post Graduate	MCIHT	Chartered Institute of Highways and Transportation	London
Post Graduate	C.Eng	Council of Engineers	UK and EU
Post Graduate	PMP	Project management Institute	USA
Post Graduate	Black Belt in Six Sigma	Madras Management Association	Chennai

Companies (other than SWELECT Energy Systems Limited) in which Mr. N. Natarajan holds directorship and committee membership:-

Directorship in other Companies:

S No	Name of the Company	Position held
1	HHV Solar Technologies Limited	Chairman

Chairperson and Member of Board Committees of other Companies:

S No	Name of the Company	Name of Committee and Position held
1	HHV Solar Technologies Limited	Audit Committee, Chairman

Shareholding in the company:

- i) Own : 25 equity shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

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

Chennai  
29th May 2014

R. Chellappan  
Managing Director

## Electronic voting (e-voting)

Pursuant to provisions of section 108 of the Companies Act 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 19th Annual General meeting of the Company to be held on Monday the 28th July 2014 at 11:00 am. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The Annual Report of the Company for the year ended 31.03.2014 together with the Notice, Proxy Form and attendance slip, is being sent through Registered post to all shareholders as on the cut-off date (record date) of 26th June 2014.

The voting period begins on 21st July 2014 at 9:00 am and ends on 23rd July 2014 at 6:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

### EVSN (Electronic Voting Sequence Number) is 140606001

Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then 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](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in 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)	
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.	

\*Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

# 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.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) 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.
- (xvii) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**The voting period begins on 21st July 2014 at 9:00 am and ends on 23rd July 2014 at 6:00 pm . During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 26th June 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

**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 <https://www.evotingindia.co.in> under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

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

Chennai  
29th May 2014

R. Chellappan  
Managing Director

### **General Instructions**

- a) Mr.P. Eswaramoorthy, Practicing Company Secretary (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- c) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on June 26, 2014.
- d) The Results shall be declared on or after the AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.swelectes.com](http://www.swelectes.com) and on the website of CDSL within two days of the passing of the resolutions at the 19th Annual General Meeting of the Company to be held on July 28, 2014, and communicated to BSE Ltd., and National Stock Exchange of India Limited.

By Order of the Board

For **SWELECT ENERGY SYSTEMS LIMITED**

Chennai  
29th May 2014

R. Chellappan  
Managing Director

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**

(Formerly known as NUMERIC POWER SYSTEMS LIMITED)

**CIN: L93090TN1994PLC028578**

Registered Office: Numeric 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

Name of the member(s):

Registered address

E-mail Id:

Folio No. / Client ID:

DP ID:

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

1. Name: .....

Address: .....  
.....  
.....

Email Id: .....

Signature: \_\_\_\_\_, or failing him

2. Name: .....

Address: .....  
.....  
.....

Email Id: .....

Signature: \_\_\_\_\_, or failing him

3. Name: .....

Address: .....

.....

Email Id: .....

Signature: \_\_\_\_\_

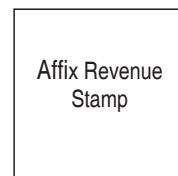
as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 19th Annual General Meeting of the Company, to be held on Monday the 28th July 2014, at 11:00 a.m. at Savera Hotel, No. 146, Dr.Radhakrishnan Salai, Mylapore, Chennai – 600 004, India and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution Number	Resolution	Vote (Optional see Note 2) (Please mention no. of shares)		
		For	Against	Abstain
Ordinary business				
1	To consider and adopt the Nineteenth Annual Report of the Directors, the 'Standalone and Consolidated" Audited Balance Sheet as at 31st March 2014, Profit and Loss Account for the year ended 31st March 2014 and the Auditors' Report thereon.			
2	To declare Dividend			
3	To appoint a Director in place of Mr. R. Chellappan (DIN-00016958) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.			
4	To appoint a Director in place of Mrs. Jayashree Nachiappan (DIN- 03173327), who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers herself for re-appointment.			
5	To appoint Auditors and fix their remuneration			
Special business				
6	Appointment of Mr. V.C. Raghunath as a whole time Director for the period of five Years			
7	Appointment of Mr.V.M.Sivasubramaniam as Independent Director for the period of five years on non-rotational basis			
8	Appointment of Mr.N.Natarajan as Independent Director for the period of five years on non-rotational basis			
9	Amendment to the Articles of Association of the Company			
10	Fixation of remuneration of Cost Auditor			

Signed this ..... day of ..... 2014.

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**

(Formerly known as NUMERIC POWER SYSTEMS LIMITED)

**CIN: L93090TN1994PLC028578**

Registered Office: Numeric House, No.5, Sir P.S.SivasamySalai, 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/DPID/CLIENT ID :

<b>ELECTRONIC VOTING PARTICULARS</b>		
<b>EVSN [E-voting Sequence Number]</b>	<b>User ID</b>	<b>Password / PIN</b>
140606001	Enter your Folio No. / DPID / CLID	Please enter the PAN and Date of Birth or Bank Account No:



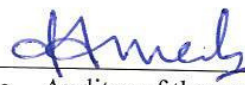


I/We hereby certify that I/We, am/are registered Member/ Proxy for the registered Member of the Company and hereby record my /our presence at the 19th Annual General Meeting of the Company on Monday the 28th July 2014 at 11:00 a.m. at Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004 or at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

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

Note: Members/ Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the Meeting.

**FORM A**

**Covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company: CIN:	SWELECT ENERGY SYSTEMS LIMITED L93090PLC1994028578
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified / <del>Matter of Emphasis</del>
4.	Frequency of observation	Not applicable
5.	<p>To be signed by-</p> <p> • CEO/Managing Director</p> <p> • CFO</p> <p> • Auditor of the company</p> <p> • Audit Committee Chairman</p> 	

Place: Chennai  
Date: 3.7.2014