

August 18, 2017

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

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

Scrip Code: 532051

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Submission of Annual Report 2016-2017.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report for the financial year 2016-17 as approved by the Shareholders of the Company at the 22nd Annual General Meeting held on 11.8.2017.

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

Thanking you,

Yours faithfully,
For SWELECT ENERGY SYSTEMS LIMITED



R. Sathishkumar
Company Secretary & Compliance Officer

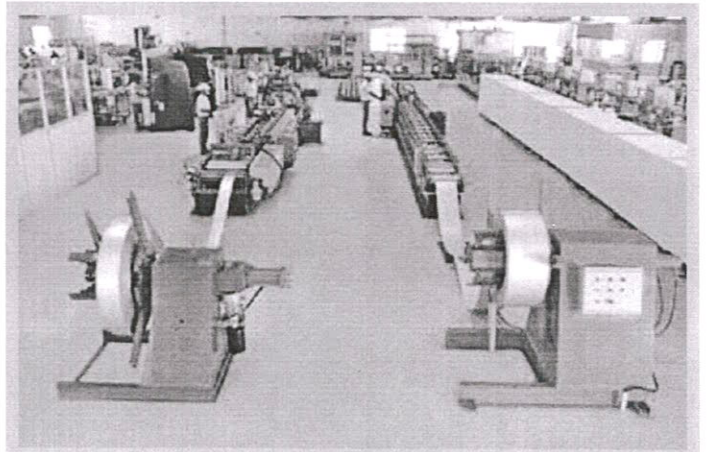
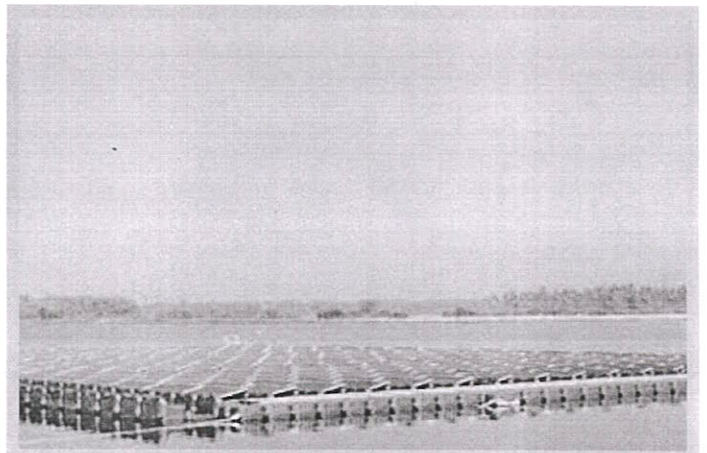
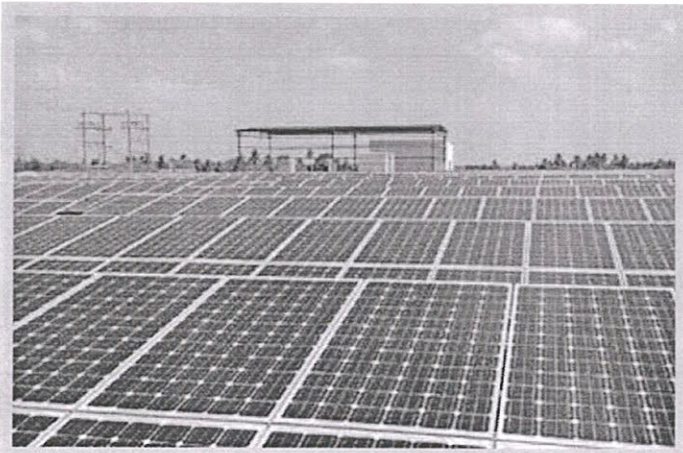


Encl.: as above

CERTIFIED TRUE COPY

For SWELECT ENERGY SYSTEMS LIMITED


R. SATHISHKUMAR
Company Secretary



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22nd ANNUAL REPORT 2016-17

For SWELECT ENERGY SYSTEMS LIMITED


R. SATHISHKUMAR
Company Secretary

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

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

MANAGING DIRECTOR

Mr. R. CHELLAPPAN
(DIN:00016958)

JOINT MANAGING DIRECTOR

Mr. A. BALAN
(DIN:00017091)

WHOLE TIME DIRECTORS

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

Mrs. V. C. MIRUNALINI
(DIN:07860175)
(w.e.f. 28.06.2017)

DIRECTORS

Mr. N. NATARAJAN
(DIN: 00017368)

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

Mr. S. ANNADURAI
(DIN: 00137561)
(w.e.f. 28.06.2017)

Mrs. JAYASHREE NACHIAPPAN
(DIN: 03173327)

CHIEF FINANCIAL OFFICER

Mr. P. JAGAN

COMPANY SECRETARY

Mr. R. SATHISHKUMAR

BANKERS

STATE BANK OF INDIA

THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED

HDFC BANK LIMITED

BARCLAYS BANK PLC

DBS BANK

YES BANK

BNP PARIBAS

ICICI BANK

REGISTERED OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT (RTA)

M/s. CAMEO CORPORATE SERVICES LTD
Subramanian Building,
No. 1, Club House Road,
Anna Salai, Chennai - 600002
Ph: +91 44 28460390
E-mail: investor@cameoindia.com

AUDITORS

STATUTORY AUDITORS

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

INTERNAL AUDITOR

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

SECRETARIAL AUDITOR

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

COST AUDITOR

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

PLANT LOCATIONS

S. No.	Details of Plant	Location
1	Manufacturing facility & Research and Development	58/3(14D, D/1) Salem Main Road, Veerappampalayam PO, Idappadi - 637105, Salem District.
2	PV Modules Manufacturing Plant	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspeth, Nelamangala Taluk, Bengaluru – 562111.
3	1.1 MW Solar Plant	SF. No. 166 &169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107.
4	0.5 MW Wind Mill Power Unit-3 Nos	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District
5	10 MW Solar Plant	Kolakudi Village, Thottiyam Taluk, Musiri, Trichy.
Plant Locations of Wholly owned Subsidiaries		
6	Amex Alloys Private Limited - Manufacturing of Iron, Alloy and Investment Casting	SF. No. 289/2, Kunnathur Pudur (PO), Sathy Road, Coimbatore - 641107
7	Amex Alloys Private Limited - 2 MW Solar Plant	SF. No. 890/A, 891/A and 891/B Monjanur Village, Aravakurichi Taluk, Karur District
8	NOEL Media & Advertising Private Limited - 1 MW Solar Plant	SF. No. 191/15, 191/7, 191/18, 191/29, 191/20, 191/22, 191/25, 191/26, 191/27, 191/28, 191/30 Thachanendal Village, Illayankudi Taluk, Sivagangai District, Tamil Nadu.
9	SWELECT Green Energy Solutions Private Limited - 12 MW Solar Plant	(SF. No. 889, 890A, 887, 892, 891A & 891B); (SF. No. 929/A(P) & 929/B1(P)) Monjanur Village, Aravakurichi Taluk, Karur District
10	K J Solar Systems Private Limited - 2 MW Solar Plant	SF. No. 594/A, 598, 786 & 787 Komarapalayam Village, Dharapuram Taluk, Tiruppur District

BOARD'S REPORT

Our Valued Shareholders

Your directors have pleasure in presenting the Twenty Second Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March 2017.

FINANCIAL HIGHLIGHTS

(Rs. in Lakhs)

S.No.	Particulars	Standalone		Consolidated	
		For the year ended 31/03/2017	For the year ended 31/03/2016	For the year ended 31/03/2017	For the year ended 31/03/2016
1	Revenue from operations	17006.97	16315.86	24686.17	28194.95
2	Other income	2696.41	2042.90	714.66	313.69
3	Finance income	1919.44	1296.22	2875.73	2832.86
4	Total Income from Operations	21622.82	19654.98	28276.56	31341.50
5	Total Expenditure (Excluding Finance cost, Depreciation & Amortization)	16138.10	15406.43	22283.96	25872.95
6	Profit Before Finance cost, Depreciation & Amortization and Tax	5484.72	4248.55	5992.60	5468.55
7	Finance Cost	529.55	960.96	959.15	1200.28
8	Depreciation and Amortization	1114.44	1251.04	1946.00	1704.13
9	Exceptional item #	0.00	81.67	0.00	30.00
10	Profit Before Tax	3840.73	2118.22	3087.45	2594.14
11	Income Tax Expense	902.88	917.15	924.39	938.62
12	Net Profit / (Loss) for the year	2937.85	1201.07	2163.06	1655.52
13	Other Comprehensive income for the year, net of tax	-	1.84	(215.32)	523.37
14	Total comprehensive income for the year, net of tax	2937.85	1202.91	1947.74	2178.89
15	Transfer to General Reserve	0.00	222.57	0.00	222.57
16	Interim Dividend	0.00	303.18	0.00	303.18
17	Proposed Final Dividend	404.24	101.06	404.24	101.06
18	Tax on proposed Dividend	82.76	20.69	82.76	20.69
19	Equity Share Capital	1010.58	1010.58	1010.58	1010.58
20	Other equity (Reserves & Surplus)	64490.59	61674.49	69012.39	67192.08
21	EPS (Rs.)	29.07	11.88	21.40	16.38

Refer to Note No.41 of standalone financial statements

MAJOR LINE OF BUSINESS:

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

SWELECT, with a strong back drop of 30 years of Power electronics and Power Systems experience, is well positioned in the Renewable Energy space with over 60 MW of Solar Photovoltaic EPC experience. With a commanding and deep vertically integrated supply line management to cater to its customers, with business agility and with superior technical know-how, your company is fully geared to tackle the challenges of the industry.

GENERAL REVIEW OF THE BUSINESS OF THE COMPANY:

During the year, your Company achieved a growth of 4.23% over the previous financial year in Revenue from operations (Standalone). The Profit After Tax (PAT) for the current year is Rs.2937.85 lakhs.

DIVIDEND

The Board of Directors have recommended a Dividend of Rs.4/- per equity share [@ 40% on the equity share capital of Rs.10,10,58,400/- (Rupees Ten Crores Ten Lakhs Fifty Eight Thousand Four Hundred Only)], for the year ended 31st March 2017, subject to the approval of the shareholders at the ensuing Annual General Meeting of the Company. The money outflow for the Company would be Rs. 404.24 Lakhs towards dividend and Rs.82.76 Lakhs towards dividend distribution tax.

SHARE CAPITAL

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On March 31, 2017, it stood at Rs.10,10,58,400/- divided into 1,01,05,840 equity shares of Rs.10/- each. However, consequent to the amalgamation of HHV Solar Technologies Limited with the Company, the existing Authorised Share Capital of the Company has been altered as Rs.47,00,00,000/- comprising 4,70,00,000 Equity Shares of Rs.10/- each, vide Postal Ballot resolution dated 29 March 2017.

TRANSFER TO GENERAL RESERVE

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

HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the consolidated financial statements of the Company, which form part of this Annual Report. Further, a statement containing the salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 is given in the consolidated financial statements. The statement also provides the details of performance and financial position of each of the subsidiaries. The Company does not have any investment in associate and joint venture companies during the period under report.

DEPOSITS

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

CHANGE IN DIRECTORS OR KEY MANAGERIAL PERSONNEL

- **Mr. V. C. Raghunath** (DIN:00703922), Whole Time Director, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
- At the meeting held on 28.06.2017, the Board, on the recommendation of the Nomination and Remuneration Committee, appointed **Mrs. V. C. Mirunalini** (DIN:07860175) as a Whole Time Director of the Company for a term of five years from 28th June 2017 to 27th June 2022, subject to the approval of shareholders at the ensuing Annual General Meeting.
- At the meeting held on 28.06.2017, the Board, on the recommendation of the Nomination and Remuneration Committee, appointed **Mr. S. Annadurai** (DIN: 00137561) as an additional director of the Company with effect from 28.06.2017, who holds office up to the date of ensuing Annual General Meeting.

Mr. S. Annadurai has fulfilled the conditions as specified in Section 149(6) of the Companies Act, 2013 and is eligible to be appointed as an Independent Director of the Company for a term of five years from 28th June 2017 to 27th June 2022, subject to the approval of shareholders at the ensuing Annual General Meeting.

The Profile of Mr. V.C. Raghunath, Mrs. V. C. Mirunalini and Mr. S. Annadurai, is given separately in the notice of AGM.

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

NUMBER OF BOARD MEETINGS

During the Financial Year 2016-17, Six meetings of the Board of Directors of the company were held. The details are provided in the Corporate Governance Report that forms part of this Annual Report.

DISCLOSURE ON COMPOSITION OF AUDIT COMMITTEE AND ITS RECOMMENDATION

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

DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

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

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and constituted an Internal Complaints Committee (ICC) to redress the complaints received regarding sexual harassment. All employees (Permanent, contractual, temporary, trainees) are covered under this policy.

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-2017

No. of complaints received during the year	:	Nil
No. of complaints disposed off during the year	:	Nil

CODE OF CONDUCT AND PREVENTION OF INSIDER TRADING

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

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

Code of conduct of Board of Directors and Senior Management Personnel are available in Company's website <http://www.swelectes.com/investor.html>.

STATUTORY AUDITORS

Section 139 of the Companies Act, 2013 prescribes the maximum term for which Statutory Auditors may be appointed. The term of the existing Statutory Auditors, M/s S.R. Batliboi & Associates LLP, is due to end at the conclusion of the ensuing Annual General Meeting (AGM). Hence, in compliance with the provisions of the Companies Act, 2013, it is proposed to appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Chennai (Firm Registration No.117366W/W - 100018) as the new Statutory Auditors of the Company to hold office for a term of five years from the conclusion of the ensuing AGM.

STATUTORY AUDITORS REPORT

There are no qualifications or observations or remarks made by the Statutory Auditors in their report for the year 2016-2017.

SECRETARIAL AUDIT REPORT

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

COST AUDIT

The Board, on the recommendation of the Audit Committee, has appointed Mr. R. Ravichandran, Cost Accountant, as Cost Auditor of the Company for the financial year ending March 31, 2018. The Board also considered and approved the remuneration recommended by the Audit Committee. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules 2014, the remuneration of the Cost Auditor has to be ratified by the members. Accordingly, necessary resolution is proposed at the ensuing AGM for ratification.

MANAGEMENT DISCUSSION AND ANALYSIS

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

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

The Conservation of energy, technology absorption and foreign exchange earnings and outgo forms part of the Board's report and is given in Annexure - 2.

EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return, in format MGT-9, for the Financial Year 2016-17 is given in Annexure -3.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

CORPORATE SOCIAL RESPONSIBILITY

The Company undertakes “Corporate Social Responsibility” (CSR) initiatives directly to the public in improving the quality of life. During the year 2016-17, the Company has undertaken many initiatives through a policy framework for expanding some of the present initiatives and undertaking newer CSR initiatives in the year to come.

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

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/transactions entered by the Company during the financial year with Related Parties were in the ordinary course of business and on an arm’s length basis. During the year, the Company has not entered into any contracts/arrangements/transactions with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

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

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

SIGNIFICANT AND MATERIAL ORDERS

During the year there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company’s operations in future.

ANNUAL BOARD EVALUATION AND FAMILIARIZING PROGRAMME

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

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

Further, during the year the Independent Directors of the Company met on March 31, 2017 to review the performance of the Non-Executive directors, Chairman of the Company and performance of the Board as a whole.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year 31st March 2017 and the date of the report 28th June 2017.

DISCLOSURE OF ACCOUNTING TREATMENT

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

INDIAN ACCOUNTING STANDARDS (Ind AS)

In compliance with the Ministry of Corporate Affairs (MCA) Notification dated 16th February 2016, announcing the Companies (Indian Accounting Standards) Rules, 2015 (‘Ind AS’), the Company has prepared its standalone and consolidated financial statements adopting Ind AS with effect from 1st April 2016 (with transition date of 1st April 2015). The impact of transition has been accounted for in opening reserves and the comparative figures for the previous year have been restated accordingly.

CORPORATE GOVERNANCE CERTIFICATE

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

DECLARATION BY INDEPENDENT DIRECTORS

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

POLICY ON NOMINATION AND REMUNERATION AND PERFORMANCE EVALUATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The Board, based on the recommendation of the Nomination and Remuneration Committee, has formulated a policy on remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The policy covers the appointment, including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The Nomination and Remuneration Policy is given in Annexure - 5.

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Chennai
June 28, 2017

Sd/-
R. CHELLAPPAN
Managing Director

Sd/-
A.BALAN
Joint Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS

KEY HIGHLIGHTS

I Solar PV Modules Manufacturing

SWELECT is proud to announce that it has successfully amalgamated HHV Solar Technologies Ltd into its fold. In this process, SWELECT has achieved higher cost efficiencies and thereby increasing the value proposition to its end customers in terms of better warranty and total cost of ownership. Post GST implementation this will be tested for its sustainability.

SWELECT's latest addition of roll forming machines in its Salem Plant, has enhanced its ability to offer state of the art Module Mounting Systems (MMS) with an output of 10 MW per month. This expansion and capacity addition has given SWELECT a unique advantage of near total backward integration in the manufacturing of BoS (Balance of System). This gives SWELECT an edge on the price competitiveness, timely delivery and most importantly highest quality complying to international standards.

With the amalgamation of HHV ST into SWELECT and the expansion of the Salem Plant gives SWELECT distinct status as one of the very few companies in India to have total backward integration in the manufacturing process. This has given SWELECT greater market visibility as an OEM firmly committed to its client in being a reliable green energy partner for the life of the SPV Power Plant.

HHV ST Solar Modules have a strong brand recall for providing world class SPV modules following highest manufacturing quality standards in the international market. HHV ST modules are already being exported to several countries across the globe.

HHV ST has recently taken stringent supply line management and quality control initiatives to achieve higher cost efficiencies.

HHV ST is proud to announce that it has recently supplied its high efficiency SPV modules for India's 1st Solar Ferry.

II Solar Power Generation & System Integration (new additions)

1. SWELECT is proud to announce that it has successfully designed, manufactured, installed and commissioned India's Largest Floating Solar power plant for NTPC. This plant is located in Kayankulam, Kerala on the back waters.
2. SWELECT has recently designed, manufactured, installed and commissioned a 3.5 MW Solar Power plant for a major and leading Dairy products company in Tamil Nadu.
3. 1 MW SPV roof top installation was designed, manufactured, installed and commissioned on one of Chennai's largest commercial rooftop for a major IT Park.
4. 2 MW Single SPV rooftop power plant is going to be designed, manufactured, installed and commissioned for Integral Coach Factory in Chennai.
5. 150 Kw SPV Car Port was recently designed, manufactured, installed and commissioned for Chennai Metro Rail.
6. 10 MW SPV Power Plant in Kunigal, Karnataka is under design and is expected to start construction very soon.

Business development in new markets

SWELECT is actively looking at new market opportunities and project leads outside India. Also SWELECT is taking up IPP and RESCO Projects in roof top and Utility scale projects more aggressively. Given the market dynamics and the free fall in feed in tariff rates, SWELECT is taking a cautious approach.

III Iron & Steel Foundry Products

AMEX Irons Pvt. Ltd. has merged into AMEX Alloys Pvt. Ltd. AMEX has, in its fold, the following capabilities to supply High Quality castings to Oil & Gas, Transportation, Pharmaceuticals, Infrastructure, Flow Control etc.:

- Design, Manufacturing, Machining & Export of a wide range of Steel Castings (using sand)
- Design, Manufacturing, Machining & Export of a wide range of Iron Castings (using sand)
- Design, Manufacturing, Machining & Export of a wide range of Investment Castings – using lost Wax process and advanced Machinery

thus making **AMEX Brand as India's first Foundry Group offering all the above under one roof and a One-Stop-Solution Foundry.** In the recent times many new designs have been successfully completed and passed customer validation from Europe. Also AMEX Foundries runs more than 85% of the Power demand from Renewable Energy Sources and this is yet another special status.

Awards / Credentials

- Softdisk's (SD's) No.1 Off grid PV power solution provider of the Year 2016
- Softdisk's (SD's) No.2 SPCU Manufacturer of the Year 2016
- Softdisk's (SD's) Grid sharing Solar PV power solution provider of the Year 2016
- Softdisk's (SD's) No.3 Solar PV Panel Manufacturer of the year (HHV ST Modules) 2016
- Softdisk's (SD's) Award 2016 for having completed largest number of Rooftop installations in the Country.

OPPORTUNITIES AND THREATS

Indian Solar industry has seen more than 100% growth compared to the previous year. With Grid parity achieved and increased adoption of Solar Power, Indian Solar space is poised for quantum leap in capacity addition. Innovative deployment of Solar, combined with huge push from the government in adoption of Solar, has catalysed the industry into one of the fastest growing industry segment in India.

SWELECT being a technology agnostic company, is having multiple revenue streams opening up in the Solar Photovoltaic space in terms of Product sale, Projects and Power Sale.

Indian Solar market is also consolidating and recently many large scale Solar Projects (more than 100 MW range) came with an unpredictable Power cost offers at Rs.2.44 / KWh. In addition, entry of cheap Chinese Solar modules also pose a threat to the Indian Solar Modules manufacturers. Grid availability and power evacuation infrastructure issues are also creating hurdles for faster adoption of solar power. Mainly the dropping Solar tariff is a threat when we aim for large scale Power Plants.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE (STANDALONE)

The Business of the Company falls under a single primary segment i.e., "Solar and other related activities" for the purpose of IND AS 108. Hence the statement of segment-wise or product-wise performance is not provided.

OUTLOOK

With the Central and State Governments promoting Renewable Energy and increased awareness for sustainable energy, the future outlook for the renewable industry is looking very positive.

SWELECT has taken new initiatives to achieve higher cost efficiencies by furthering its backward integration. The recent addition of machinery for Module Mounting Racks adds synergy to the existing Solar Module Manufacturing activity. This has opened up new product offering which will enhance the company product portfolio and also strengthens its core manufacturing prowess.

SWELECT, with its strong focus on quality, long term business visibility and excellent brand recall in the market, is well positioned to become a pioneer in the renewable energy market.

RISKS AND CONCERNS

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

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

RISK MANAGEMENT COMMITTEE

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined by the management.

The Internal Auditors of the Company reports to the Audit Committee of the Board and to the Managing Director. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board. Based on the report of internal auditors, the Audit Committee undertakes corrective action in the respective areas and thereby strengthens the controls.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Financial Performance (Standalone)

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

(Rs. In Lakhs)

S.No	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	Sales / Income from Operations	11,084.71	5,240.30	4,887.50	16315.86	17006.97
2.	Other Income	4,729.31	2,936.00	2,478.58	3339.12	4615.85
3.	Net Sales and Other Income	15,814.02	8,176.30	7,366.08	19654.98	21622.82
4.	Employee Cost	2,006.00	597.69	665.75	1112.23	1151.30
5.	Excise Duty	534.88	158.17	54.49	61.34	44.97
6.	Other Operating Expenditure	9,131.72	4,363.61	4,216.20	14232.86	14941.83
7.	Profit before Depreciation, finance cost & Tax	4,141.42	3,056.83	2,429.64	4248.55	5484.72
8.	Finance cost	148.29	116.09	1,059.90	960.96	529.55
9.	Depreciation and amortisation expense	458.03	446.23	871.71	1251.04	1114.44
10.	Profit before tax (before exceptional item)	3535.10	2494.51	498.03	2036.55	3840.73
11.	Exceptional item	61,511.77 *	-	(203.12) #	81.67 #	-
12.	Profit before tax (after exceptional item)	65,046.87	2,494.51	294.91	2118.22	3840.73
13.	Profit after tax	51,079.64	2,494.51	132.94	1201.07	2937.85
14.	EPS (Rs.)	29.40	24.68	3.33	11.08	29.07

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

Refer to Note No.41 of standalone financial statements.

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

Human Resources

Employees are vital and most valuable assets. The Company has a favourable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believes in nurturing leaders from within us, as far as possible and provide opportunities for growth across all levels. These continual initiatives should help the company maintain the No.1 position in specific market verticals (Rooftop segment). The total staff strength of the Company as on 31.3.2017 is 264.

Welfare / Social Activities

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

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

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Chennai
June 28, 2017

Sd/-
R. CHELLAPPAN
Managing Director

Sd/-
A.BALAN
Joint Managing Director

REPORT ON CORPORATE GOVERNANCE

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

1) COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2) BOARD OF DIRECTORS

i) Composition and Category of Directors

The Board of Directors consists of both Executive and Non-Executive directors.

Executive Director	:	3
Non-Executive Director	:	4

Name	Category	Attendance Particulars			No. of Directorship in other companies		Committee Membership in other companies	Committee Chairmanship in other companies
		No. of Board Meetings held	No. of Board Meetings attended	Attendance at last Annual General Meeting	Private Limited Company	Public Limited Company		
Mr. V.M. Sivasubramaniam	Chairman Independent Non-Executive	6	5	Yes	1	-	-	-
Mr. R. Chellappan	Promoter Managing Director	6	6	Yes	9	1	-	-
Mr.A. Balan	Promoter Joint Managing Director	6	6	Yes	5	-	-	-
Mr. N. Natarajan	Independent Non-Executive	6	5	Yes	-	-	-	-
Mrs. Jayashree Nachiappan	Promoter Non-Executive	6	5	Yes	3	-	-	-
Mr. V.C. Raghunath	Promoter Whole Time Director	6	5	Yes	4	-	-	-
Mr. G. S. Samuel	Independent Non-Executive	6	6	Yes	1	1	1	-

ii) Details of Board Meetings:

Number of Board meetings held during the Financial Year 2016-2017: 6

Date of Meetings					
11-04-2016	27-05-2016	28-07-2016	07-09-2016	05-12-2016	10-02-2017

iii) Disclosure of relationships between Directors inter-se:

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

iv) Number of shares and convertible instruments held by non- executive directors as on 31.03.2017

Name of the Director	Category	Number of Equity shares	Convertible Instruments
Mr. V.M. Sivasubramaniam	Chairman – Non Executive - Independent	200	Nil
Mr.N. Natarajan	Director - Non Executive - Independent	25	Nil
Mrs. Jayashree Nachiappan	Director – Non- Executive	100	Nil
Mr.G.S.Samuel	Director – Non Executive - Independent	10	Nil

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

3) AUDIT COMMITTEE

i) Brief description of terms of reference:

Financials

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

Internal controls and risk management

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

Compliance and other related aspects

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

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

The Audit Committee comprises of 3 Directors as mentioned below:

Name of the Member and Chairperson	Category	No. of Meetings held	Attendance	Date of Meetings held
Mr. V.M. Sivasubramaniam Chairperson	Independent Non - Executive	4	4	26.05.2016
Mr. N. Natarajan Member	Independent Non - Executive	4	4	03.09.2016 03.12.2016
Mrs. Jayashree Nachiappan Member	Non - Executive	4	4	08.02.2017

4) NOMINATION AND REMUNERATION COMMITTEE

i) Brief description of terms of reference:

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

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

The Nomination and Remuneration Committee comprises of 3 Directors as mentioned below

Name of the Member and Chairperson	Category	No. of Meetings held	Attendance	Date of Meetings held
Mr. N. Natarajan Chairperson	Independent Non - Executive	1	1	26.05.2016
Mr. V.M. Sivasubramaniam Member	Independent Non - Executive	1	1	
Mrs. Jayashree Nachiappan Member	Non - Executive	1	1	

iii) Performance evaluation criteria for independent directors

General Criteria:

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

Specific Criteria:

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

5) REMUNERATION OF DIRECTORS

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

ii) Criteria of making payments to non-executive directors:

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

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

Commission to Independent Directors:

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

iii) a) Details of remuneration paid during the year 2016-2017:

Non-Executive Director:

(Rupees in Lakhs)

Name	Sitting fees	Commission	Total
Mr. V.M. Sivasubramaniam	0.90	5.00	5.90
Mr. N. Natarajan	0.70	5.00	5.70
Mrs. Jayashree Nachiappan	0.90	-	0.90
Mr.G. S. Samuel	0.60	-	0.60
Total	3.10	10.00	13.10

Apart from the above sitting fees and commission no other remuneration was paid to Non-Executive Directors.

Executive Directors:

(Rupees in Lakhs)

Name	Commission	Salary	Contribution to PF	Perquisites	Bonus	Pension	Other Benefits*	Total
Mr. R. Chellappan	17.11	24.15	-	5.01	-	-	-	46.27
Mr.A.Balan	4.28	21.00	-	4.75	-	-	-	30.03
Mr.V.C.Raghunath	-	8.24	0.56	0.80	0.08	-	0.05	9.73
Total	21.39	53.39	0.56	10.56	0.08	-	0.05	86.03

*Annual incentive

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

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

b) Service contracts, notice period, severance fees:

Name	Designation	Executive/Non-Executive	Date of Appointment
Mr.R.Chellappan	Managing Director	Executive	1st May 2015
Mr.A.Balan	Joint Managing Director	Executive	3rd October 2015
Mr.V.C.Raghunath	Whole time Director	Executive	28th July 2014
Mr.V.M.Sivasubramaniam	Independent Director	Non-Executive	28th July 2014
Mr. N.Natarajan	Independent Director	Non-Executive	28th July 2014
Mr. G.S.Samuel	Independent Director	Non-Executive	28th July 2016
Mrs. Jayashree Nachiappan	Director	Non-Executive	13th August 2012

The tenure of office of the Executive Directors is for a period of five years from their date of current appointment. The notice period will be as per Company's policy and there is no separate provision for payment of severance fees. Independent

directors, are not liable to retire by rotation as per the provisions of the Companies Act, 2013. The terms and conditions of appointment of independent directors are available in the Company's website www.swelectes.com.

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

6) STAKEHOLDERS' GRIEVANCE COMMITTEE

The composition of the Committee is as follows:-

Name	Category	No. of Meetings held	Attendance	Date of Meetings held
Mr. V.M. Sivasubramaniam, Chairperson	Independent Non-Executive	4	4	26.05.2016
Mrs. Jayashree Nachiappan, Member	Non-Executive	4	4	03.09.2016 03.12.2016
Mr. R.Sathishkumar Member	Company Secretary & Compliance officer	4	4	08.02.2017

Details of shareholders Complaints during the year 2016-2017 are as follows:

Number of Shareholders' complaints received so far	Number not solved to the satisfaction of shareholders	Number of pending complaints
1	Nil	Nil

7) GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2013-14	Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	28.07.2014	11.00 A.M
2014-15	Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	29.07.2015	3.30 P.M
2015-16	Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai - 600 004	28.07.2016	3.30 P.M

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

At the Annual General Meeting held on July 28, 2014, a special resolution was passed for amending the Articles of Association of the Company.

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

The following special resolutions were passed last year through Postal Ballot and Remote E-voting.

Date of Postal Ballot Notice: 10.02.2017 Voting period: 28.02.2017 to 29.03.2017

Date of declaration of result: 30.03.2017 Date of approval: 29.03.2017

Subject matter of the resolution	No. of votes polled	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
Alteration of Capital Clause of the Memorandum of Association of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Madras	68,38,386	66,80,794	99.9967%	223	0.0033%
Alteration of Main Objects Clause of the Memorandum of Association of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Madras	68,38,386	66,80,794	99.9967%	223	0.0033%
Alteration of Articles of Association of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Madras	68,38,386	66,80,232	99.9883%	785	0.0117%

Subject matter of the resolution	No. of votes polled	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
Reclassification of Authorised Share Capital of the Company and amend the Memorandum of Association of the Company to effect the above change	68,38,386	66,79,508	99.9774%	1509	0.0226%
Adoption of new Articles of Association of the Company in conformity with the Companies Act, 2013	68,38,386	66,79,508	99.9774%	1509	0.0226%

Note : No. of Invalid Votes : 1,57,369

iv) Person who conducted the postal ballot exercise:

M/s. P. Eswaramoorthy and Company, Company Secretaries, Coimbatore

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

vi) Procedure for postal ballot: Not applicable

8) MEANS OF COMMUNICATION

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

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

The Company's website www.swelectes.com contains a separate dedicated section 'Investors' wherein all data related to quarterly financial results, shareholding pattern, Board of directors, Code of conduct for all Board members and senior management of the company, Compliance Report on Corporate Governance, Annual Report and other mandatory information required under listing regulations are available.

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.

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

Email of the Compliance Officer of the Company : company.secy@swelectes.com

Telephone Number : 044-24993266

Fax Number : 044-24995179

E-mail ID for the purpose of registering complaints by investors : cg.ird@swelectes.com

9) GENERAL SHAREHOLDERS' INFORMATION

- i) **Annual General Meeting** : TWENTY SECOND ANNUAL GENERAL MEETING
- ii) **Day, Date and time** : Friday the 11th August 2017 at 3.30 P.M.
- iii) **Venue** : Savera Hotel, 'Samavesh Hall', No.146,
Dr. Radhakrishnan Road, Mylapore,
Chennai-600 004.
- iv) **Financial year** : 01.04.2016 to 31.03.2017
- v) **Date of Book closure** : From Saturday 5th August 2017 To Friday 11th August 2017
[Both days inclusive]
- vi) **Dividend Payment Date** : Between 17th August 2017 and 24th August 2017.

vii) The Company's equity shares are listed on the following Stock Exchanges:

BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai - 400 001. Stock Code: 532051.	National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051. Stock Code: SWELECTES
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viii) Details of Annual Listing Fees paid for the year 2017-18:

Name of Stock Exchange	Date of Payment
BSE Limited	12.04.2017
National Stock Exchange of India Limited	12.04.2017

ix) Market Price Data: High, Low during each month in the last financial year 01.04.2016 to 31.03.2017.

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

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
Apr-16	483.80	378.00	484.00	372.50
May-16	450.00	401.30	448.00	400.50
Jun-16	425.00	378.05	427.40	378.00
Jul-16	425.00	390.10	429.00	390.00
Aug-16	407.75	365.55	410.00	366.30
Sep-16	408.40	320.10	408.40	311.30
Oct-16	375.00	335.00	369.00	333.30
Nov-16	360.00	295.00	361.00	275.50
Dec-16	373.70	306.20	374.50	311.15
Jan-17	388.50	317.65	386.00	320.95
Feb-17	382.00	336.05	382.00	323.30
Mar-17	388.00	328.80	354.00	330.00

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

Date	BSE Limited		National Stock Exchange of India Limited	
	Company's Market Price (Close) per share Rs.	Sensex points (Close)	Company's Market Price (Close) per share Rs.	Nifty points (Close)
29-Apr-16	409.90	25606.62	405.85	7849.80
31-May-16	405.80	26667.96	408.20	8160.10
30-Jun-16	411.15	26999.72	415.05	8287.75
29-Jul-16	396.15	28051.86	397.35	8638.50
31-Aug-16	367.20	28452.17	367.65	8786.20
30-Sep-16	337.85	27865.96	342.30	8611.15
30-Oct-16	356.40	27930.21	357.65	8625.70
30-Nov-16	326.45	26652.81	327.75	8224.50
30-Dec-16	318.00	26626.46	317.45	8185.80
31-Jan-17	385.40	27655.96	382.15	8561.30
28-Feb-17	340.90	28743.32	341.55	8879.60
31-Mar-17	341.80	29620.50	342.30	9173.75

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

xii) Registrar to an issue and share transfer agents:

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

xiii) Share transfer system:

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

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

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

xiv) Other Committees of Board:

a) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises of the following Members

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

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

The Committee met on 25th May 2017 and reviewed the amount spent on CSR during the year 2016-2017. The details of CSR activities are given in the Annexure - 4.

b) Risk Management Committee

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

The Risk management Committee comprises of the following members:

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

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

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

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

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

c) Forex Management Committee

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

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

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

d) Investment Committee

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

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

The Committee met on 12th April 2016 and 13th June 2016

e) Borrowing Committee

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

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

The Committee met on 26th December 2016 and 17th January 2017.

xv) Distribution of Shareholding as on 31.03.2017

Shareholding of Nominal Value Rs.	Shareholders		Share Amount	
	Number	% of total	Rs.	% of total
10-5000	9,904	91.48	82,63,290	8.18
5001-10000	525	4.85	39,15,270	3.87
10001-20000	209	1.93	32,17,710	3.18
20001-30000	51	0.47	12,89,460	1.27
30001-40000	24	0.22	8,77,180	0.87
40001-50000	14	0.13	6,43,430	0.64
50001-100000	41	0.38	29,58,330	2.93
100001- and above	59	0.54	7,98,93,730	79.06
Total	10,827	100.00	10,10,58,400	100.00

xvi) Dematerialization of shares and liquidity:

The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai to provide facility of trading shares in dematerialized form. International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE409B01013. As on March 31, 2017, 1,00,25,551 equity shares of the company, constituting 99.2% were in dematerialized form and the shareholders have the option to trade the securities in the market electronically.

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

xviii) Commodity Price Risk

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

xix) Foreign Exchange Risk:

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

xx) Hedging activities:

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

xxi) Plant Locations:

Sl. No.	Details of Plant	Location
1	Manufacturing facility & Research and Development	58/3(14D, D/1) Salem Main Road, Veerappampalayam PO, Idappadi - 637105, Salem District.
2	PV Modules Manufacturing Plant	No.31 to 34 & 37, KIADB Industrial Area, Phase-1, Dabaspet, Nelamangala Taluk, Bengaluru – 562111.
3	1.1 MW Solar Plant	SF. No. 166 & 169, Sembagoundan Pudur, No. 51, Kuppepalayam Village, Coimbatore - 641107.
4	0.5 MW Wind Mill Power Unit-3 Nos	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District
5	10 MW Solar Plant	Kolakudi Village, Thottiyam Taluk, Musiri, Trichy.
Plant Locations of Wholly owned Subsidiaries		
6	Amex Alloys Private Limited - Manufacturing of Iron, Alloy and Investment Casting	SF. No. 289/2, Kunnathur Pudur (PO), Sathy Road, Coimbatore - 641107
7	Amex Alloys Private Limited - 2 MW Solar Plant	SF. No. 890/A, 891/A and 891/B Monjanur Village, Aravakurichi Taluk, Karur District
8	NOEL Media & Advertising Private Limited - 1 MW Solar Plant	SF. No. 191/15, 191/7, 191/18, 191/29, 191/20, 191/22, 191/25, 191/26, 191/27, 191/28, 191/30 Thachanendal Village, Illayankudi Taluk, Sivagangai District, Tamil Nadu.
9	SWELECT Green Energy Solutions Private Limited - 12 MW Solar Plant	(SF. No. 889, 890A, 887, 892, 891A & 891B); (SF. No. 929/A(P) & 929/B1(P)) Monjanur Village, Aravakurichi Taluk, Karur District
10	K J Solar Systems Private Limited - 2 MW Solar Plant	SF. No. 594/A, 598, 786 & 787 Komarapalayam Village, Dharapuram Taluk, Tirupur District

xxii) Address for correspondence:

SWELECT ENERGY SYSTEMS LIMITED

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

Tel: 044 - 24993266, Fax: 044 - 24995179, Email: info@swelectes.com, website: www.swelectes.com.

10) OTHER DISCLOSURES

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

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

Vigil Mechanism/Whistle Blower Policy:

The Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Audit Committee looks into the complaints, if any, raised by the complainant and provides reports to the Board.

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

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

11) SEPARATE MEETING OF INDEPENDENT DIRECTORS.

The Independent Directors had a separate meeting on 31.03.2017 to review the performance and evaluation of the Board.

12) DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS:

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

13) ADOPTION OF THE NON-MANDATORY REQUIREMENTS

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

i) Separate posts of chairperson and chief executive officer

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

ii) Reporting of Internal Auditor

The Internal auditor is reporting to the Audit Committee and Managing Director.

14) Policy for determining 'material' subsidiaries is disclosed in the following weblink of Company's website:

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

15) The policy on dealing with related party transactions has been disclosed on the Company's website under the following web link: <http://www.swelectes.com/pdf/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf>

16) Compliance with the requirement of Corporate Governance Report

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

17) Certificate from Chief Executive Officer (CEO) / Chief Financial Officer (CFO)

The CEO/CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on May 25, 2017, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

18) UNCLAIMED DIVIDEND

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

In terms of the IEPF Rules, the Company has transferred unpaid / unclaimed dividend for the financial year 2008-09 to the IEPF and uploaded the information in respect of unclaimed dividends as on the date of the last AGM i.e. July 28, 2016, on the website of IEPF viz. www.iepf.gov.in and under the "Investors" section on the website of the Company.

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

The Company has sent out individual communication to 40 shareholders whose dividend remains unclaimed for seven consecutive years, and published an advertisement in newspapers, inviting such shareholders to claim their dividend.

The Members who have not claimed their dividend so far for the financial year ended 2009-2010 or any subsequent financial years are requested to lodge their claims with the Company.

For and on behalf of the Board of Directors

Chennai
28th June 2017

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

DECLARATION – CODE OF CONDUCT

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

Chennai
28th June 2017

Sd/-
R.Chellappan
Managing Director

CORPORATE GOVERNANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by SWELECT Energy Systems Limited, for the year ended on 31st March 2017, as stipulated in the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

Place: Chennai
Date: 28.06.2017

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

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

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

Date: 22.05.2017

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

- A We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2017 and to the best of our knowledge and belief, we hereby certify that:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2016 – March 2017 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of internal controls were noted.
- D. We have indicated to the auditors and the Audit Committee that:
- 1 There are no significant changes in internal control over financial reporting during the year.
 - 2 All significant changes in accounting policies during the year, if any and the same have been disclosed in the notes to the financial statements..
 - 3 There have been no instances of fraud.

Sd/-
R. CHELLAPPAN
Managing Director

Sd/-
P.JAGAN
Chief Financial Officer

ANNEXURES TO THE BOARD'S REPORT

ANNEXURE - 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
SWELECT ENERGY SYSTEMS LIMITED
"SWELECT House",
No.5, Sir P.S. Sivasamy Salai,
Mylapore, Chennai-600004.

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **March 31, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

I have also examined compliance with the applicable Standards/Regulations of the following:

- I. Secretarial standards on the meetings of the board of directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India (ICSI).
- II. Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s SWELECT Energy Systems Limited ("the Company") for the financial year ended on March 31, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings is not applicable for the year under review. Further the provisions of the FEMA to the extent of Foreign Direct Investment/Overseas Direct Investment have been complied with.

- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- VI. The other laws as may be applicable specifically to the company in our opinion
- (a) Electricity Act;
 - (b) National Tariff Act Policy
 - (c) Essential Commodities Act, 1955

I have also examined compliance with the applicable provisions of Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

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

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

Sd/-

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

Place: Chennai
Date: 28.06.2017

ANNEXURE-2

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

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

(A) Conservation of energy-

(i) The steps taken or impact on conservation of energy;

SWELECT strives to reduce the carbon footprint and the overall energy utilization in all its area of operations through the below initiatives:

- a. Make every rooftop a solar rooftop
- b. Change most of the lighting utilities to LED and energy efficient lighting system
- c. Green / energy efficient IT systems
- d. Operational efficiency at factories

(ii) The steps taken by the company for utilizing alternate sources of energy;

- a. 100% of SWELECT's own rooftops have been utilized for solar installation
- b. 80% of the rented premises have also been fitted with solar roofs
- c. Both the module manufacturing factory (HHV Solar Technologies) and BoS factory (U3S) utilize at least 50% of their power from renewable energy
- d. Amex Alloys Group (Alloys, Irons and Investment casting foundries) utilizes Renewable Power from solar & WEG plants through energy wheeling scheme thus lot of cost saving plus ensuring un-interrupted productivity. AMEX is the first foundry group in India that runs with >85% of its power needs from Renewable Sources (Solar & Wind)

(iii) The capital investment on energy conservation equipments;

- a. Energy efficient IT systems and lighting systems
- b. Addition of Solar Power sources to provide Auxiliary Power supply to the MW scale plants to conserve Energy

(B) Technology absorption-

(i) the efforts made towards technology absorption;

- a. On the Power conversion front, extensive research was carried out on the grid interactive and grid feed-in inverters to improve their efficiencies and interaction with the utility to ensure the stability of the grid
- b. On the Solar PV Module division, new type of cell technology, called PERC (Passivated Emitter Rear Contact) have been evaluated and introduced in the product line
- c. In the Solar System segment, a detailed study is being carried out to evaluate the Energy Storage System (ESS) on > 100 KW systems
- d. Solar floating power plant technology has also been explored in the past year
- e. Cold roll forming machine for the module mounting structure (MMS) manufacturing has been introduced in the fabrication plant

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;

- a. Power conversion technology improvement has led to better cost reduction in the solution offered to the customer and the freedom to customize as per our requirement
- b. The PERC cell technology has helped in improving the throughput of the plant, the overall cost reduction of production and better market presence
- c. The cold roll forming machine for MMS has increased the throughput substantially and this helps in manufacturing and material cost reduction, faster turnaround time for the projects and reduced dependency on OEM MMS, thereby making SWELECT a fully backward integrated for its entire Solar BoS System.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- (a) The details of technology imported;
 - 1. Efficiency improvement of Grid tie inverter
 - 2. PERC cell technology for the solar PV modules
 - 3. ESS for the bigger solar power plants
 - 4. Cold Roll Forming machine for the MMS manufacturing
 - (b) The year of import: Between 2015 - 2017
 - (c) Whether the technology been fully absorbed;
 - 1. The grid tie inverter has been absorbed to an extent of 30%
 - 2. The PERC cell technology will be absorbed this year
 - 3. The ESS technology will be absorbed this year
 - 4. The cold roll forming machine for MMS manufacturing has been absorbed completely 100%
 - (d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
 - 1. The grid tie inverter, the certification for Indian standards is under process and once completed will be absorbed fully
 - 2. For the PERC cell absorption, a new measurement system is required which will be purchased this year
 - 3. ESS technology will be evaluated and then absorbed
- (iv) The expenditure incurred on Research and Development during the year is Rs.50 lakhs and previous year it was Rs.58 lakhs.

(C) Foreign exchange earnings and Outgo-

The foreign exchange outgo and earnings of the Company for the period under review were Rs.7521.20 Lakhs and Rs.52.02 Lakhs respectively.

Chennai
28th June 2017

For and on behalf of the Board of Directors

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

ANNEXURE-3
Form No. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
Sale of product: Manufactured and Traded goods (Solar Modules, Mounting structures, Transformers and Inverters)	2790	84.76

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

Sl. No	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1	AMEX ALLOYS PRIVATE LIMITED SF No.289/2,Kunnathur Pudur (Po), Sathy Road, Coimbatore, Tamil Nadu-641107	U27310TZ2003PTC010905	Subsidiary Company	100%	Section 2(87)
2	SWELECT GREEN ENERGY SOLUTIONS (P) LTD 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31100TN2010PTC078425	Subsidiary Company	100%	Section 2(87)
3	SWELECT SOLAR ENERGY PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31104TN2008PTC068923	Subsidiary Company	100%	Section 2(87)
4	SWELECT POWER SYSTEMS PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U31103TN2012PTC084184	Subsidiary Company	100%	Section 2(87)

Sl. No	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
5	NOEL MEDIA & ADVERTISING PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U40300TN2006PTC061718	Step down Subsidiary	100% held by SWELECT Solar Energy Private Limited	Section 2(87)
6	K J SOLAR SYSTEMS PRIVATE LIMITED 'SWELECT HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004	U29307TN2014PTC113480	Step down Subsidiary	100% held by SWELECT Solar Energy Private Limited	Section 2(87)
7	SWELECT ENERGY SYSTEMS PTE. LIMITED 2 Kallang Pudding Road, 02-12 Mactech Building, Singapore-349307	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. Singapore	Subsidiary Company	100%	Section 2(87)
8	SWELECT Inc 2773 B, Hartland Rd, Falls Church VA 22043	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. U.S.A.	Subsidiary Company	100%	Section 2(87)
9	SWELECT ENERGY SYSTEMS LLC 2773 B, Hartland Rd, Falls Church VA 22043,	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. U.S.A.	Step down Subsidiary	80% held by SWELECT Inc	Section 2(87)
10	SWELECT ENERGY SYSTEMS (ASIA PACIFIC) PTE. LIMITED 2 Kallang Pudding Road, 02-12 Mactech Building, Singapore-349307	NOT APPLICABLE (COMPANY REGISTERED OUTSIDE INDIA) ie. Singapore	Step down Subsidiary	51% held by SWELECT Energy Systems Pte. Limited	Section 2(87)

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

I. Category – Wise Shareholding

FACE VALUE: RS.10/- EACH

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING OF PROMOTER AND PROMOTER GROUP										
1.	INDIAN									
a.	INDIVIDUALS/HINDU UNDIVIDED FAMILY	5699992	0	5699992	56.4029	5787318	0	5787318	57.2670	0.8641
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	BODIES CORPORATE	30	0	30	0.0002	30	0	30	0.0002	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
SUB - TOTAL (A)(1)		5700022	0	5700022	56.4032	5787348	0	5787348	57.2673	0.8641

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	FOREIGN									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	801770	0	801770	7.9337	687985	0	687985	6.8077	-1.1259
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (A)(2)	801770	0	801770	7.9337	687985	0	687985	6.8077	-1.1259
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	6501792	0	6501792	64.3369	6475333	0	6475333	64.0751	-0.2618
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	157232	0	157232	1.5558	157232	0	157232	1.5558	0.0000
b.	FINANCIAL INSTITUTIONS/ BANKS	7800	0	7800	0.0771	16942	0	16942	0.1676	0.0904
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	0	0	0	0.0000	0	0	0	0.0000	0.0000
f.	FOREIGN INSTITUTIONAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER	0	0	0	0.0000	0	0	0	0.0000	0.0000
	SUB - TOTAL (B)(1)	165032	0	165032	1.6330	174174	0	174174	1.7234	0.0904
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	199019	700	199719	1.9762	158898	700	159598	1.5792	-0.3970
b.	INDIVIDUALS									
i	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	1654069	86154	1740223	17.2199	1687332	79589	1766921	17.4841	0.2641
ii	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	1152036	0	1152036	11.3997	1102882	0	1102882	10.9133	-0.4863
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
i	CLEARING MEMBERS	4013	0	4013	0.0397	105338	0	105338	1.0423	1.0026
ii	DIRECTORS AND THEIR RELATIVES	225	0	225	0.0022	235	0	235	0.0023	0.0000
iii	HINDU UNDIVIDED FAMILIES	89123	1	89124	0.8819	110040	0	110040	1.0888	0.2069
iv	NON RESIDENT INDIANS	136075	0	136075	1.3464	93718	0	93718	0.9273	-0.4191
v	TRUSTS	117601	0	117601	1.1636	117601	0	117601	1.1636	0.0000
	SUB - TOTAL (B)(2)	3352161	86855	3439016	34.0299	3376044	80289	3456333	34.2013	0.1713
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	3517193	86855	3604048	35.6630	3550218	80289	3630507	35.9248	0.2618

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
TOTAL (A)+(B)		10018985	86855	10105840	100.0000	10025551	80289	10105840	100.0000	0.0000
C. SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED										
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
TOTAL CUSTODIAN (C)		0	0	0	0.0000	0	0	0	0.0000	0.0000
GRAND TOTAL (A)+(B)+(C)		10018985	86855	10105840	100.0000	10025551	80289	10105840	100.0000	0.0000

ii) Shareholding of promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	CHELLAPPAN.R	4747054	46.9733	0.0000	4815954	47.6551	0.0000	0.6817
2	BALAN A	308094	3.0486	0.0000	308094	3.0486	0.0000	0.0000
3	SARAH V RAJASEKHAR	228200	2.2581	0.0000	189912	1.8792	0.0000	-0.3788
4	NACHIAPPAN K.V.	110232	1.0907	0.0000	110232	1.0907	0.0000	0.0000
5	R. VEERAMANI	100000	0.9895	0.0000	100000	0.9895	0.0000	0.0000
6	BHAGYALAKSHMI SUNDARAM	93900	0.9291	0.0000	93900	0.9291	0.0000	0.0000
7	M K BALASUBRAMANIAN	85000	0.8410	0.0000	0	0.0000	0.0000	-0.8410
8	GUNASUNDARI C	82086	0.8122	0.0000	82086	0.8122	0.0000	0.0000
9	CHANDRA PARAMASIVAM	80008	0.7917	0.0000	80008	0.7917	0.0000	0.0000
10	JOHN J DHYANCHAND	68900	0.6817	0.0000	0	0.0000	0.0000	-0.6817
11	SHARFUDHEEN A K SHEIK JT1 : IQBAL SHEIK	47400	0.4690	0.0000	47400	0.4690	0.0000	0.0000
12	VATTUR S RAJENDRAN	47100	0.4660	0.0000	47100	0.4660	0.0000	0.0000
13	KASI K GOUNDAN	46800	0.4630	0.0000	46800	0.4630	0.0000	0.0000
14	MIRUNALINI V C	41962	0.4152	0.0000	41962	0.4152	0.0000	0.0000
15	MIKE K MANICKAM	40600	0.4017	0.0000	40600	0.4017	0.0000	0.0000
16	RICHARD J DHYANCHAND	38900	0.3849	0.0000	38900	0.3849	0.0000	0.0000
17	RAGHUNATH V C	38800	0.3839	0.0000	38800	0.3839	0.0000	0.0000
18	ALFRED VIDYA SAGAR	34938	0.3457	0.0000	28341	0.2804	0.0000	-0.0652
19	GEETHA SIVANANDAM	30000	0.2968	0.0000	30000	0.2968	0.0000	0.0000
20	THANGAMANI	29600	0.2928	0.0000	29600	0.2928	0.0000	0.0000
21	SARASWATHI GOUNDAN	27900	0.2760	0.0000	27900	0.2760	0.0000	0.0000
22	K P CHANDRASEKARAN	22350	0.2211	0.0000	800	0.0079	0.0000	-0.2132
23	MARY BHARATALAKSHMI SAGAR	21332	0.2110	0.0000	21332	0.2110	0.0000	0.0000
24	CHITRA SIVANANDAM	20000	0.1979	0.0000	20000	0.1979	0.0000	0.0000
25	KARTHIK BALASUBRAMANIAN	18600	0.1840	0.0000	18600	0.1840	0.0000	0.0000
26	MALAR BALASUBRAMANIAN	18600	0.1840	0.0000	18600	0.1840	0.0000	0.0000
27	SUMATHI BALASUBRAMANIAN	18600	0.1840	0.0000	18600	0.1840	0.0000	0.0000
28	ARTHANARI GOUNDER	12600	0.1246	0.0000	12600	0.1246	0.0000	0.0000
29	AARTHI BALAN	12200	0.1207	0.0000	12200	0.1207	0.0000	0.0000
30	PREETHA BALAN	12000	0.1187	0.0000	12000	0.1187	0.0000	0.0000
31	RISHII NANDHAN K N	10000	0.0989	0.0000	10000	0.0989	0.0000	0.0000
32	VASANTHA B	7056	0.0698	0.0000	7056	0.0698	0.0000	0.0000
33	G.RAMASUBRAMANIAN	850	0.0084	0.0000	850	0.0084	0.0000	0.0000
34	B G GIRI	290	0.0028	0.0000	101350	1.0028	0.0000	1.0000
35	K P SHANMUGA SUNDARAM JT1 : S PADMAVATHI	126	0.0012	0.0000	126	0.0012	0.0000	0.0000
36	JAYASHREE NACHIAPPAN	100	0.0009	0.0000	100	0.0009	0.0000	0.0000
37	SWELECT ELECTRONICS PRIVATE LIMITED	30	0.0002	0.0000	30	0.0002	0.0000	0.0000
38	K P SHANMUGA SUNDARAM	0	0.0000	0.0000	23500	0.2325	0.0000	0.2325

iii. Changes in promoters' Shareholding

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares shares of the company	% of total shares of the company	No of shares shares of the company	% of total shares of the company
1	CHELLAPPAN.R				
	At the beginning of the year 01-Apr-2016	4747054	46.9733	4747054	46.9733
	Purchase 11-Nov-2016	68900	0.6817	4815954	47.6551
	At the end of the Year 31-Mar-2017	4815954	47.6551	4815954	47.6551
2	SARAH V RAJASEKHAR				
	At the beginning of the year 01-Apr-2016	228200	2.2581	228200	2.2581
	Sale 12-Aug-2016	-25000	-0.2473	203200	2.0107
	Sale 17-Feb-2017	-25000	-0.2473	178200	1.7633
	Purchase 31-Mar-2017	11712	0.1158	189912	1.8792
	At the end of the Year 31-Mar-2017	189912	1.8792	189912	1.8792
3	M K BALASUBRAMANIAN				
	At the beginning of the year 01-Apr-2016	85000	0.8410	85000	0.8410
	Sale 23-Dec-2016	-85000	-0.8410	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
4	JOHN J DHYANCHAND				
	At the beginning of the year 01-Apr-2016	68900	0.6817	68900	0.6817
	Sale 28-Oct-2016	-68900	-0.6817	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
5	ALFRED VIDYA SAGAR				
	At the beginning of the year 01-Apr-2016	34938	0.3457	34938	0.3457
	Sale 08-Apr-2016	-2000	-0.0197	32938	0.3259
	Sale 01-Jul-2016	-2000	-0.0197	30938	0.3061
	Sale 08-Jul-2016	-500	-0.0049	30438	0.3011
	Sale 15-Jul-2016	-500	-0.0049	29938	0.2962
	Sale 21-Jul-2016	-3000	-0.0296	26938	0.2665
	Purchase 29-Jul-2016	1403	0.0138	28341	0.2804
	At the end of the Year 31-Mar-2017	28341	0.2804	28341	0.2804
	6	K P CHANDRASEKARAN			
At the beginning of the year 01-Apr-2016		22350	0.2211	22350	0.2211
Purchase 08-Apr-2016		150	0.0014	22500	0.2226
Purchase 29-Apr-2016		250	0.0024	22750	0.2251
Purchase 06-May-2016		50	0.0004	22800	0.2256
Purchase 10-Jun-2016		350	0.0034	23150	0.2290
Sale 17-Jun-2016		-100	-0.0009	23050	0.2280
Purchase 24-Jun-2016		100	0.0009	23150	0.2290
Purchase 30-Jun-2016		50	0.0004	23200	0.2295
Purchase 08-Jul-2016		100	0.0009	23300	0.2305
Purchase 29-Jul-2016		1300	0.0128	24600	0.2434
Sale 05-Aug-2016		-100	-0.0009	24500	0.2424
Sale 19-Aug-2016		-100	-0.0009	24400	0.2414
Sale 26-Aug-2016		-23500	-0.2325	900	0.0089
Sale 21-Oct-2016		-100	-0.0009	800	0.0079
At the end of the Year 31-Mar-2017		800	0.0079	800	0.0079
7	B G GIRI				
	At the beginning of the year 01-Apr-2016	290	0.0028	290	0.0028
	Purchase 23-Dec-2016	85000	0.8410	85290	0.8439
	Purchase 30-Dec-2016	16060	0.1589	101350	1.0028
	At the end of the Year 31-Mar-2017	101350	1.0028	101350	1.0028
8	K P SHANMUGA SUNDARAM				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 26-Aug-2016	23500	0.2325	23500	0.2325
	At the end of the Year 31-Mar-2017	23500	0.2325	23500	0.2325

Note: There is no change in the Shareholding of other promoters, as mentioned in point (ii) table.

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

Sl No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares shares of the company	% of total shares of the company	No of shares shares of the company	% of total shares of the company
1	HITESH SATISHCHANDRA DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2016	289815	2.8677	289815	2.8677
	Purchase 12-Aug-2016	500	0.0049	290315	2.8727
	At the end of the Year 31-Mar-2017	290315	2.8727	290315	2.8727
2	HDFC TRUSTEE COMPANY LIMITED - HDFC INFRASTRUCTURE FUND				
	At the beginning of the year 01-Apr-2016	157232	1.5558	157232	1.5558
	At the end of the Year 31-Mar-2017	157232	1.5558	157232	1.5558
3	K.SATISH				
	At the beginning of the year 01-Apr-2016	120201	1.1894	120201	1.1894
	At the end of the Year 31-Mar-2017	120201	1.1894	120201	1.1894
4	V C RAGHUNATH (Holding on behalf of SWEES EMPLOYEES WELFARE TRUST)				
	At the beginning of the year 01-Apr-2016	117600	1.1636	117600	1.1636
	At the end of the Year 31-Mar-2017	117600	1.1636	117600	1.1636
5	ANIL KUMAR GOEL				
	At the beginning of the year 01-Apr-2016	102000	1.0093	102000	1.0093
	At the end of the Year 31-Mar-2017	102000	1.0093	102000	1.0093
6	SATISHCHANDRA SHANTILAL DOSHI JT1 : BHANU SATISHCHANDRA DOSHI				
	At the beginning of the year 01-Apr-2016	101771	1.0070	101771	1.0070
	At the end of the Year 31-Mar-2017	101771	1.0070	101771	1.0070
7	BHANU SATISHCHANDRA DOSHI JT1 : SATISHCHANDRA SHANTILAL DOSHI				
	At the beginning of the year 01-Apr-2016	79360	0.7852	79360	0.7852
	Sale 31-Mar-2017	-79360	-0.7852	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
8	RAMACHANDRAN R				
	At the beginning of the year 01-Apr-2016	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2017	62400	0.6174	62400	0.6174
9	ESWARA GOUNDAN N				
	At the beginning of the year 01-Apr-2016	62400	0.6174	62400	0.6174
	At the end of the Year 31-Mar-2017	62400	0.6174	62400	0.6174
10	SURENDRA KUMAR SIROHIYA JT1 : SARLA SIROHIYA				
	At the beginning of the year 01-Apr-2016	33015	0.3266	33015	0.3266
	Purchase 03-Jun-2016	42	0.0004	33057	0.3271
	Purchase 10-Jun-2016	1443	0.0142	34500	0.3413
	Purchase 17-Jun-2016	100	0.0009	34600	0.3423
	Purchase 24-Jun-2016	343	0.0033	34943	0.3457
	Purchase 30-Jun-2016	257	0.0025	35200	0.3483
	Purchase 02-Sep-2016	200	0.0019	35400	0.3502
	Purchase 30-Sep-2016	300	0.0029	35700	0.3532
	Purchase 07-Oct-2016	300	0.0029	36000	0.3562
	Purchase 04-Nov-2016	100	0.0009	36100	0.3572
	Purchase 18-Nov-2016	211	0.0020	36311	0.3593
	Purchase 25-Nov-2016	650	0.0064	36961	0.3657
	Purchase 23-Dec-2016	498	0.0049	37459	0.3706
	Purchase 30-Dec-2016	541	0.0053	38000	0.3760
	At the end of the Year 31-Mar-2017	38000	0.3760	38000	0.3760
	NEW TOP 10 AS ON (31-Mar-2017)				
11	AMBIT CAPITAL PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 17-Mar-2017	190	0.0018	190	0.0018
	Sale 24-Mar-2017	-190	-0.0018	0	0.0000
	Purchase 31-Mar-2017	96710	0.9569	96710	0.9569
	At the end of the Year 31-Mar-2017	96710	0.9569	96710	0.9569

v. Shareholding of Directors and Key Managerial Personnel:

SI No	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares shares of the company	% of total shares of the company	No of shares shares of the company	% of total shares of the company
Directors					
1	CHELLAPPAN.R				
	At the beginning of the year 01-Apr-2016	4747054	46.9733	4747054	46.9733
	Purchase 11-Nov-2016	68900	0.6817	4815954	47.6551
	At the end of the Year 31-Mar-2017	4815954	47.6551	4815954	47.6551
2	RAGHUNATH V C				
	At the beginning of the year 01-Apr-2016	38800	0.3839	38800	0.3839
	At the end of the Year 31-Mar-2017	38800	0.3839	38800	0.3839
3	VILLIPALAYAM MARIMUTHU SIVASUBRAMANIAM JT1 : KUPPANNAN SUSEELA				
	At the beginning of the year 01-Apr-2016	200	0.0019	200	0.0019
	At the end of the Year 31-Mar-2017	200	0.0019	200	0.0019
4	JAYASHREE NACHIAPPAN				
	At the beginning of the year 01-Apr-2016	100	0.0009	100	0.0009
	At the end of the Year 31-Mar-2017	100	0.0009	100	0.0009
5	NARAYANASWAMI NATARAJAN				
	At the beginning of the year 01-Apr-2016	25	0.0002	25	0.0002
	At the end of the Year 31-Mar-2017	25	0.0002	25	0.0002
6	A. BALAN				
	At the beginning of the year 01-Apr-2016	308094	3.0486	308094	3.0486
	At the end of the Year 31-Mar-2017	308094	3.0486	308094	3.0486
7	G. S. SAMUEL				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 13-May-2016	10	0.0001	10	0.0001
	At the end of the Year 31-Mar-2017	10	0.0001	10	0.0001
Chief Financial Officer					
8	P JAGAN				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000
Company Secretary					
9	R. SATHISHKUMAR				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	At the end of the Year 31-Mar-2017	0	0.0000	0	0.0000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,894.04	0.00	0.00	5,894.04
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued	21.07	0.00	0.00	21.07
Total (i+ii+iii)	5,915.11	0.00	0.00	5,915.11
Change in Indebtedness during the financial year				
• Addition	2,607.45	0.00	0.00	2,607.45
• Reduction	1,990.43	0.00	0.00	1,990.43
Net Change	617.02	0.00	0.00	617.02
Indebtedness at the end of the financial year				
i) Principal Amount	6,521.38	0.00	0.00	6,521.38
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued and due	10.75	0.00	0.00	10.75
Total (i+ii+iii)	6,532.13	0.00	0.00	6,532.13

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of MD / WTD / Manager			Total amount
		R. Chellappan	A. Balan	V. C. Raghunath	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.15	21.00	8.93	54.08
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.01	4.75	0.80	10.56
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit *	17.11	4.28	-	21.39
	- others, specify...				
5	Others, please specify	-	-	-	-
	TOTAL (A)	46.27	30.03	9.73	86.03
	Ceiling as per the Act				171.14

* @ 1% of the Net profits of the Company to Mr. R. Chellappan

* @ 0.25% of the Net profits of the Company to Mr. A. Balan but not exceeding Rs.10 Lakh per annum

B. Remuneration to Other directors:

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of Directors			Total amount
		V.M. Sivasubramaniam	N. Natarajan	G.S.Samuel	
1	Independent Directors				
	Fee for attending board / committee meetings	0.90	0.70	0.60	2.20
	Commission	5.00	5.00	-	10.00
	Others, please specify	-	-	-	-
	Total (1)	5.90	5.70	0.60	12.20
2	Other Non-Executive Directors				
	Fee for attending board /committee meetings	0.90			0.90
	Commission	-			
	Others, please specify	-			
	Total (2)	0.90	-	-	0.90
	Total (B)=(1+2)	6.80	5.70	0.60	13.10
	Total (A+B)				99.13
	Less: Sitting Fees				3.10
	Total Managerial Remuneration				96.03
	Overall Ceiling as per the Act				188.26

C. Remuneration to Key Managerial Personnel :

(Rs. In Lakhs)

Sl. No	Particulars of Remuneration	Name of Key Managerial Personnel		Total amount
		R .Sathishkumar Company Secretary	P. Jagan Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6.44	24.84	31.28
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

Sl. No	Particulars of Remuneration	Name of Key Managerial Personnel		Total amount
		R. Sathishkumar Company Secretary	P. Jagan Chief Financial Officer	
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
TOTAL		6.44	24.84	31.28

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES :

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

For and on behalf of the Board of Directors

Sd/-
R.CHELLAPPAN
Managing Director

Sd/-
A. BALAN
Joint Managing Director

Chennai
28th June 2017

ANNEXURE-4

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

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

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

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

Financial Year	2013-14	2014-15	2015-16
Profit as per section 198 of Companies Act,2013	2588.88	567.34	3205.93
Average Profit for 3 years			2120.72
2% on the above			42.41

The amount arrived for the CSR activities was Rs.42.41Lakhs for the financial year 2016-2017.

The following amount towards the CSR activities were spent during the year; (Rs. In Lakhs)

S. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) The specify state and district where projects or Programs was undertaken	Amount outlay (Budget) Project or Programs wise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on Projects or Programs (2) Overheads	Cumulative Expenditure up to the reporting Period	Amount Spent direct or through Implementing Agency
1	Borewell at Moonjanur Panchayat, Vellakoil	Water and sanitation	Other area where the company's plant is located Vellakoil Tirupur district Tamilnadu	0.30	0.30	0.30	Direct
2	Blue Cross, Chennai	Animal Welfare	Chennai district, Tamilnadu Local area	6.50	6.50	6.50	Direct
3	Foundation for sustainable development (International Justice Mission) Chennai	Skill development and Livelihood	Local area Chennai district, Tamilnadu	6.50	6.50	6.50	International Justice Mission, Chennai
4	Montessori Project, Chennai	Education	Local area Mylapore, Chennai district Tamilnadu	4.71	4.71	4.71	Sri Ramcharan Charitable trust, Chennai
5	Durga alarm, Bengaluru	Women Welfare	Other area where the company's plant is located Bengaluru, Karnataka	2.75	2.75	2.75	Direct
Total				20.39	20.39	20.39	

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

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

The Committee met on 25th May 2017 and reviewed the amount spent on CSR during the year.

Sd/-
R. CHELLAPPAN
Member-CSR Committee

Sd/-
N. NATARAJAN
Chairperson-CSR Committee

Policy on Corporate Social Responsibility

Preamble

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

Objective

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

Guiding Principles

The Corporate Social Responsibility Committee shall,—

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

Role of the Committee:

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

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

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

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

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

Our CSR activities includes

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

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

Conclusion

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

ANNEXURE-5

POLICY ON NOMINATION AND REMUNERATION COMMITTEE (NRC)

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

PREAMBLE

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

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

OBJECTIVE

The key objectives of the Committee would be:

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

DEFINITIONS

“Board” means Board of Directors of the Company.

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

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

“Key Managerial Personnel” (KMP) means

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

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

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

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

INTERPRETATION

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

GUIDING PRINCIPLES

The Policy ensures that

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.

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

ROLE OF THE COMMITTEE

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

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

MEMBERSHIP

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

CHAIRMAN

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

FREQUENCY OF MEETINGS

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

COMMITTEE MEMBERS' INTERESTS

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

VOTING

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

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

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

TERM / TENURE:

Independent Director:

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

Evaluation:

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

Removal:

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

Retirement:

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

PROVISIONS RELATING TO REMUNERATION OF KMP AND SENIOR MANAGEMENT

General:

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

Fixed pay:

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

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

Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

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

2. Sitting Fees:

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

3. Commission:

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

MINUTES OF COMMITTEE MEETING

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

DEVIATIONS FROM THIS POLICY

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

Annexure- 6

Particulars of Employees pursuant to Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (appointment and remuneration of managerial personnel) amendment rules, 2016.

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	1. Mr. R. Chellappan	:	20:1
	2. Mr.A.Balan	:	13:1
	3. Mr. V.C. Raghunath	:	4:1
	4. Mr. V.M. Sivasubramaniam	:	2:1
	5. Mr. N. Natarajan	:	2:1
	6. Mr.G.S.Samuel		No remuneration was paid for the financial year 2016-2017
	7. Mrs. Jayashree Nachiappan		
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	1. Mr. R. Chellappan,MD	:	-24.64%
	2. Mr.A.Balan,JMD	:	Not comparable*
	3. Mr. V.C. Raghunath,WTD	:	11.27%
	4. Mr.P.Jagan, CFO	:	5.89%
	5. Mr.R.Sathishkumar,CS	:	Not comparable**
			*Appointed with effect from 03.10.2015
			**Appointed with effect from 01.04.2016
(iii) the percentage increase in the median remuneration of employees in the financial year;	25.68%		
(iv) the number of permanent employees on the rolls of company;	264		
(v) average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	<p>Percentage increase in the managerial remuneration: 5.43%</p> <p>Average percentage increase already made in the salaries of employees other than the managerial personnel : 72.89% *</p> <p>* Increase in the total no. of employees from 172 (as on 31.3.2016) to 264 (as on 31.3.2017)</p>		
(vi) affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration is as per the remuneration policy of the Company.		

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

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

d) Top ten employees in terms of remuneration drawn during the financial year 2016-2017

S. No.	Employee Name & Designation	Remuneration received (Rs. in lakhs)	Nature of employment, whether contractual or otherwise	Qualifications and experience of the employee	Date of commencement of employment	Age	The last employment held by such employee before joining the company	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2)	Whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager
1	R Chellappan Managing Director	46.27	Regular	B.E (EEE), 45 Years	12/09/1994	64	Worked in Ashok Leyland Limited as a Senior Executive until March 1984 & founded Numeric Engineers in Nov 1984. Numeric Engineers became Public Company in 1994 as Numeric Power Systems Limited and changed its name as SWELECT Energy Systems Limited.	47.655	V.C.Raghunath, Whole Time Director
2	A Balan Joint Managing Director	30.03	Regular	B.E (EEE), 46 Years	03/10/2015	64	Novateur Electrical & Digital Systems Private Limited	3.048	No
3	P Jagan Chief Financial Officer	26.00	Regular	B.Sc, FCA 21 Years	08/03/2013	51	Goodearth Maritime Limited	Nil	No
4	HR Vasuki Chief Operating Officer	22.44	Regular	M.Sc, 22 Years & 8 months	05/08/2008	47	GE Thermometrics India Private Limited	Nil	No
5	S Nataraj Assistant Vice President (Renewable Energy Projects)	20.88	Regular	M.Tech (Chemical Engg) 10 Years & 8 months	22/12/2014	35	Ernst & Young, Chartered Accountants	Nil	No
6	Arindam Sarker Chief Technical Officer	19.59	Regular	Ph.D, 19 Years	01/04/2008	43	Hind High Vacuum Co. (Pvt.) Ltd.	Nil	No
7	Prakash Das Assistant Vice President (Projects)	14.44	Regular	B.E, PGDASD, ME, 13 Years & 5 months	01/11/2011	40	Leonics Company Limited	Nil	No
8	V Venkatesh Vice President- Operational and Special Projects	12.75	Regular	B.E, 26 Years & 4 months	25/12/2014	47	Novateur Electrical & Digital Systems Private Limited	0.003	No
9	L Mohana Rao Assistant General Manager - Accounts and Finance	12.06	Regular	M.Com, MBA, 24 Years & 7 months	11/02/2008	47	HHV Solar Technologies Private limited	Nil	No
10	G Yuvaraj Senior Manager- Maintenance and Information Technology	11.06	Regular	MA, Dip.in Electronics & Mechatronics & Computer Science, 19 Years	17/04/2012	38	HHV Solar Technologies Private limited	Nil	No

INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Energy Systems Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Swelect Energy Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 42 to these standalone Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 25, 2017

Annexure 1 referred to in our report of even date

Re: SWELECT ENERGY SYSTEMS LIMITED ('the Company')

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

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
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
The Central Tax (Assam), Rules 1957	Non submission of F-Forms & C-Forms to the Department	1,376,701	2011-2012 & 2012-2013	Asst. Commissioner, Appeals.
The Central Sales tax Act, 1956 (Haryana)	Ex-parte order	2,159,861	2010-2011	Joint Excise & Taxation Commissioner, Appeals Haryana
TN VAT Act **	Differential tax payment	19,217,174	2012-2013	Madras High Court
TN VAT Act	Penalty u/s 27(4)(i)	62,571	2012-2013	Madras High Court
TN VAT Act	Penalty u/s 27(3) (c)	27,879,905	2012-2013	Madras High Court
Service tax Act #	Differential tax and Interest	292,336	2011-2012	CESTAT
Central Excise Act ##	Demand of duty against denial of cenvat credit	216,119	2009-2013	Commissioner of Central Excise

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Central Excise Act ##	Levy of CVD and SAD on imports	61,211,974	2009-2015	2009 - 2012 –The Excise Appellate Tribunal 2012-2013 –Commissioner of Central Excise 2013-2015 – The Excise Appellate Tribunal
Direct Taxes @	Disallowances of items	116,565,540	2009-2010 / 2012-2013 and 2013-2014	CIT Appeals

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

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

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

@ Excludes amounts paid under protest amounting to Rs. 14,075,600

Excludes amount paid under protest amounting to Rs. 6,481,124

- viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 25, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWELECT ENERGY SYSTEMS LIMITED

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

We have audited the internal financial controls over financial reporting of Swelect Energy Systems Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 25, 2017

SWELECT ENERGY SYSTEMS LIMITED

Balance Sheet as at 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	6,895.92	7,206.91	14,281.90
Capital work-in-progress		0.25	0.25	0.73
Investment property	4	2,082.45	2,182.88	2,283.30
Intangible assets	5	5,638.10	5,848.96	1,539.47
Investment in Subsidiaries	6	6,657.93	6,656.93	6,388.08
Financial assets				
Loans	7(c)	546.94	661.02	152.98
Other financial assets	7(d)	37.63	4.95	113.57
Investments	7(a)	6,830.35	6,830.35	655.00
Income Tax Asset (Net)		-	107.19	1,116.34
Other Non-current assets	8	111.76	128.14	1,101.04
Total Non-current assets		28,801.33	29,627.58	27,632.41
Current assets				
Inventories	9	4,770.99	3,265.23	2,352.85
Financial Assets				
Investments	7(b)	25,131.04	25,043.22	26,900.83
Loans	7(c)	7,934.13	5,580.67	3,550.96
Trade receivables	10	5,849.08	4,493.53	5,159.59
Cash and cash equivalents	11	2,882.44	1,613.75	5,101.22
Other bank balances	7(d)	4,520.52	5,172.35	7,834.97
Other financial assets	7(e)	183.33	210.46	345.54
Other Current assets	12	423.06	367.04	342.68
Total Current assets		51,694.59	45,746.25	51,588.64
Total Assets		80,495.92	75,373.83	79,221.05

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	13	1,010.58	1,010.58	1,010.58
Other Equity	14	64,490.59	61,674.49	61,188.89
Total Equity		65,501.17	62,685.07	62,199.47
Non-current liabilities				
Financial Liabilities				
Borrowings	16(a)	1,955.53	3,655.44	8,972.51
Deferred tax liabilities (net)	18	-	-	762.88
Provisions	19	418.53	298.32	212.11
		2,374.06	3,953.76	9,947.50
Current liabilities				
Financial Liabilities				
Borrowings	16(b)	3,989.30	1,370.07	931.36
Trade payables	20	7,176.76	5,927.04	3,412.25
Other financial liabilities	17	789.74	1,074.37	2,501.01
Other current liabilities	21	263.18	223.38	165.36
Provisions	19	401.71	140.14	64.10
		12,620.69	8,735.00	7,074.08
Total Liabilities		14,994.75	12,688.76	17,021.58
Total Equity and Liabilities		80,495.92	75,373.83	79,221.05
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-
per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 25 May 2017

For and on behalf of the board of directors

Sd/-
R. Chellappan
Managing Director
DIN:00016958

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

Sd/-
R. Sathishkumar
Company Secretary

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

Place: Chennai
Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Statement of profit and loss for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	Notes	31 March 2017	31 March 2016
INCOME			
Revenue from operations	22	17,006.97	16,315.86
Other income	23	2,696.41	2,042.90
Finance income	24	1,919.44	1,296.22
Total income		21,622.82	19,654.98
EXPENSES			
Cost of raw materials and components consumed	25	10,001.08	11,628.76
Purchase of traded goods		2,767.98	649.20
Decrease/(increase) in inventories of work-in-progress, traded goods and finished goods	26	(566.87)	(836.12)
Excise duty on sale of goods		44.97	61.34
Employee benefits expense	27	1,151.30	1,112.23
Depreciation and amortisation expense	29	1,114.44	1,251.04
Other expenses	28	2,739.64	2,791.02
Finance costs	30	529.55	960.96
Total expenses		17,782.09	17,618.43
Profit before tax and exceptional items		3,840.73	2,036.55
Add : Exceptional items	41	-	81.67
Profit before tax		3,840.73	2,118.22
Current tax		902.88	2,122.98
Deferred Tax (credit) / charge		-	(1,205.83)
Income tax expense	32	902.88	917.15
Profit for the year		2,937.85	1,201.07

	Notes	31 March 2017	31 March 2016
Other comprehensive income (OCI)			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		-	2.81
Income tax effect		-	(0.97)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	1.84
Other comprehensive income for the year, net of tax		-	1.84
Total comprehensive income for the year, net of tax attributable to:		2,937.85	1,202.91
Earnings per share			
Basic and Diluted, computed on the basis of profit from operations attributable to equity holders (Face value of Rs.10/- each (March 2016 - Rs.10/-)	31	29.07	11.88
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-
per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 25 May 2017

For and on behalf of the board of directors

Sd/-
R. Chellappan
Managing Director
DIN:00016958

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

Sd/-
R. Sathishkumar
Company Secretary

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

Place: Chennai
Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	3,840.73	2,118.22
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/amortisation	1,114.44	1,251.04
Gain / (loss) on investments carried at fair value through Profit and Loss	(2,156.63)	(1,105.93)
Profit on sale of tangible assets	-	(81.67)
Unrealised foreign exchange (gain) / loss, net	(31.46)	34.92
Net gain from the sale of current investment	(127.52)	(824.05)
Dividend income - mutual fund	(0.46)	(37.51)
Provision for bad and doubtful debts and Bad debts written off	131.26	41.28
Liabilities no longer required, written back	(36.04)	(15.78)
Interest expense	493.06	898.12
Interest income	(1,919.44)	(1,296.22)
Operating profit before working capital changes	1,307.94	982.42
Movement in working capital :		
(Increase) /Decrease in trade receivables	(1,455.35)	589.86
(Increase) in current and non-current assets	(2,279.02)	(1,589.21)
(Increase) in inventories	(1,505.76)	(912.38)
Increase in trade payables, other current and long term liabilities	1,325.56	2,588.59
Increase in provisions	140.96	162.25
Working Capital changes - Pursuant to BTA (Refer Note 41)	-	1,362.67
Cash flow generated from / (used in) operations	(2,465.67)	3,184.20
Taxes paid, net	(554.87)	(670.97)
Net cash flow (used in) /generated from operating activities (A)	(3,020.54)	2,513.23
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure	(534.63)	(6,587.41)
Redemption / (Investment) in current investments	2,196.33	3,787.59
Investment in subsidiaries	(1.00)	(668.85)
Proceeds from investment in subsidiaries	-	125.00
Redemption in bank deposits (having original maturity of more than three months)	609.15	2,771.24
Interest received	1,956.57	1,431.30
Dividend received on mutual fund	0.46	37.51
Net cash flow generated from investing activities (B)	4,226.88	896.38

	31 March 2017	31 March 2016
C. Cash flow from financing activities:		
Proceeds / (Repayment) of short-term borrowings	11.78	631.30
Repayment from long-term borrowings	(1,929.91)	(5,750.90)
Interest paid	(503.38)	(915.61)
Dividend paid	(101.06)	(555.83)
Dividend tax paid	(20.69)	(113.15)
Net cash flow (used in) financing activities (C)	(2,543.26)	(6,704.19)
Net decrease / (increase) in cash and cash equivalents (A + B + C)	(1,336.92)	(3,294.58)
Cash and cash equivalents at the beginning of the year	974.80	4,269.38
Closing cash and cash equivalents	(362.12)	974.80

	31 March 2017	31 March 2016
Cash and Cash equivalents (Refer Note 11a)	(362.12)	974.80
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-
per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 25 May 2017

For and on behalf of the board of directors

Sd/-
R. Chellappan
Managing Director
DIN:00016958

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

Sd/-
R. Sathishkumar
Company Secretary

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

Place: Chennai
Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

a. Equity Share Capital
For the year ended March 31, 2017

Balance as at April 1, 2016	Changes in Equity Share Capital during the year (refer note 13)	Balance as at March 31, 2017
1,010.58	--	1,010.58

For the year ended March 31, 2016

Balance as at April 1, 2015	Changes in Equity Share Capital during the year (refer note 13)	Balance as at March 31, 2016
1,010.58	--	1,010.58

b. Other Equity
For the year ended March 31, 2017

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities premium Reserve	Retained earnings	General Reserve	
As at 1 April 2016	152.64	4,796.48	38,623.23	18,102.14	61,674.49
Profit for the period	-	-	2,937.85	-	2,937.85
Other comprehensive income	-	-	-	-	-
Total comprehensive income	152.64	4,796.48	41,561.08	18,102.14	64,612.34
Proposed Dividend for the year 2015-16	-	-	(101.06)	-	(101.06)
Dividend Distribution Tax for the year 2015-16	-	-	(20.69)	-	(20.69)
At 31 March 2017	152.64	4,796.48	41,439.33	18,102.14	64,490.59

For the year ended March 31, 2016

Particulars	Reserves & Surplus				Total Other Equity
	Capital Reserve	Securities premium Reserve	Retained earnings	General Reserve	
As at 1 April 2015	152.64	4,796.48	38,360.20	17,879.57	61,188.89
Profit for the period	-	-	1,201.07	-	1,201.07
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	1.84	-	1.84
Total comprehensive income	152.64	4,796.48	39,563.11	17,879.57	62,391.80
Transfer to general reserve	-	-	(222.57)	222.57	-
Adjustment Merger of Wholly owned subsidiary (Refer Note 43)	-	-	(48.33)	-	(48.33)
Proposed Dividend for the year 2014-15	-	-	(252.65)	-	(252.65)
Dividend Distribution Tax for the year 2014-15	-	-	(51.43)	-	(51.43)
Interim Equity Dividend for the year 2015-16	-	-	(303.18)	-	(303.18)
Dividend Distribution Tax for the year 2015-16	-	-	(61.72)	-	(61.72)
At 31 March 2016	152.64	4,796.48	38,623.23	18,102.14	61,674.49

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 Registration number 101049W/E300004

Chartered Accountants

Sd/-

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

Sd/-

R. Chellappan

Managing Director

DIN:00016958

Sd/-

R. Sathishkumar

Company Secretary

Place: Chennai

Date: 25 May 2017

Sd/-

A.Balan

Joint Managing Director

DIN:00017091

Sd/-

P.Jagan

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

1. Corporate information

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

During the year the company received approval of scheme of Amalgamation from the Hon'ble High Court of Madras for merger of one of its subsidiary, HHV Solar Technologies Limited ("HHV") with the Company with the appointed date of 1st April 2015. HHV was primarily engaged in the manufacturing and supply of off-grid solar photovoltaic modules based on crystalline silicon technology (c-Si). Details about the merger is explained in Note 43 to the financial statements.

The financial statements were authorized for issue in accordance with a resolution of the directors on May 25, 2017.

2. Significant accounting policies:

2.1. Basis of preparation:

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These standalone financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind AS. Refer to note 48 for information on how the Company adopted Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The standalone financial statements are presented in INR and all values are rounded to the nearest lacs(INR 00,000), except when otherwise indicated

2.2. Summary of significant accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

b. Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Fixed Assets, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract.

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

However, sales tax/value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of power

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

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

Income from Sale of Renewable Energy Certificates

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

Income from service

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

Interest income

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. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the

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expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance 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.

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

d. Service Concession Arrangement

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

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

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the granter for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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

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

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

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

e. 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.
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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.

f. Taxes

Current income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Company does not have convincing evidence that it will pay normal income tax during the specified period.

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

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

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

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

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g. Employee Benefits

Defined Contribution Plan

Provident Fund

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

Employee State Insurance

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

Defined Benefit Plan

Gratuity

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

Long Term Compensated Absences

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

Short Term Employee Benefits

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

h. Foreign Currency Transactions and Translations:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

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

Treatment of Exchange Differences

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

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

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

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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. Earnings Per Share

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

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

j. Property, Plant and Equipment and intangible fixed assets

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

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

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.

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.

The Company identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

k. Depreciation and amortisation:

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

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

l. Useful lives/depreciation rates

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

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

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

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

m. 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.

n. Investment Properties

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

Investment property represents property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013. These are based on the Company's estimate of their useful lives taking into consideration technical factors.

Though the Company measures investment property using cost basis measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by an independent valuer.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

o. 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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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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.

q. Provisions and Contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

r. 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.

s. Financial instruments:

(i) Financial Assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
 - (a) the Company has transferred substantially all the risks and rewards of the asset, or
 - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in subsidiaries and associates, joint venture at cost.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

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The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of

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the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t. Fair value measurement

The Company measures specific financial instruments of certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes the accounting policy for fair value. Other fair value related disclosures are given in relevant notes.

u. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand including cheques on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

v. Cash dividend

The Company recognizes a liability to make cash, when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends paid/payable are recognised in the year in which the related dividends are approved by the Shareholders or Board of Directors as appropriate.

w. Cash flow statement

Cash flows are presented using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company is segregated based on the available information.

x. Business combinations :

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

Business combinations involving entities under the common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Any consideration in excess of the net worth of the acquire company is adjusted against the reserves of the acquiring company.

y. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

z. Segment Reporting

The Executive Management Committee monitors the operating results of its business as a single primary segment "Solar related services" for the purpose of making decisions about resource allocation and performance assessment.

The business of the Company falls under a single primary segment i.e 'Solar and related services' for the purpose of Ind AS 108.

SWELECT ENERGY SYSTEMS LIMITED
Notes to Standalone financial statements for the year ended 31 March 2017
(All amounts are in INR Lakhs, except for share data or as otherwise stated)

3. Property, Plant and Equipment

Particulars	Land	Buildings	Plant and machinery	Office & Electrical equipment	Computers	Furniture and Fittings	Vehicles	Leasehold improvements	Total
Cost									
At 1 April 2015	1,108.83	240.00	12,513.53	174.83	17.98	173.97	48.18	4.58	14,281.90
Additions	-	59.96	1,373.75	53.69	13.20	40.30	1.00	-	1,541.90
Deletions/Adjustment	-	(19.15)	(8,328.94)	(0.13)	(2.13)	-	-	-	(8,350.35)
At 31 March 2016	1,108.83	280.81	5,558.34	228.39	29.05	214.27	49.18	4.58	7,473.45
Additions	-	-	332.67	15.85	6.84	48.32	39.56	-	443.24
Deletions	-	-	-	-	-	-	-	-	-
At 31 March 2017	1,108.83	280.81	5,891.01	244.24	35.89	262.59	88.74	4.58	7,916.69
Depreciation									
At 1 April 2015	-	-	-	-	-	-	-	-	-
Charge for the year	-	11.79	821.10	44.67	14.89	44.61	13.98	3.18	954.22
Deletions/Adjustment	-	(0.78)	(685.38)	(0.02)	(1.50)	-	-	-	(687.68)
At 31 March 2016	-	11.01	135.72	44.65	13.39	44.61	13.98	3.18	266.54
Charge for the year	-	13.26	620.35	48.43	12.32	46.07	13.80	-	754.23
Deletions	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	24.27	756.07	93.08	25.71	90.68	27.78	3.18	1,020.77
Net Block									
At 31 March 2015	1,108.83	240.00	12,513.53	174.83	17.98	173.97	48.18	4.58	14,281.90
At 31 March 2016	1,108.83	269.80	5,422.62	183.74	15.66	169.66	35.20	1.40	7,206.91
At 31 March 2017	1,108.83	256.54	5,134.94	151.16	10.18	171.91	60.96	1.40	6,895.92

For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

4 Investment property

Particulars	31 March 2017	31 March 2016	01 April 2015
Cost	2,283.30	2,283.30	2,283.30
Additions during the year	-	-	-
Deletion during the year	-	-	-
Closing balance	2,283.30	2,283.30	2,283.30
Depreciation			
Opening balance	100.42	-	-
Depreciation during the year	100.43	100.42	-
On Deletions / Adjustments during the year	-	-	-
Closing balance	200.85	100.42	-
Net Block	2,082.45	2,182.88	2,283.30

For investment property existing as on 1st April 2015, i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying amount as deemed cost.

Information regarding income and expenditure of Investment property

	31 March 2017	31 March 2016
Rental income derived from investment properties	441.37	492.91
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	4.07	3.89
Profit arising from investment properties before depreciation and indirect expenses	437.30	489.02
Less – Depreciation	100.43	100.42
Profit arising from investment properties before indirect expenses	336.87	388.60

Description of valuation techniques used and key inputs to valuation on investment properties:

As at 31 March 2017 and 31 March 2016, the fair value of the property is Rs. 19,913 lakhs and Rs. 21,141 lakhs respectively. The valuation is based on fair value assessment. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements. Fair Value Hierarchy disclosures for investment properties have been provided in Note 44.

Under the Discounted cashflow method, fair value is estimated using assumptions regarding the fair market value of the property. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by:

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

5 Intangible assets

Particulars	Computer software	Certification Process	Service Concession Arrangement *	Total
Cost				
At 1 April 2015	18.50	13.30	1,507.67	1,539.47
Additions	9.11	31.72	4,465.06	4,505.89
Disposals /Adjustment	-	-	-	-
At 31 March 2016	27.61	45.02	5,972.73	6,045.36
Additions	-	48.92	-	48.92
Disposals /Adjustment	-	-	-	-
At 31 March 2017	27.61	93.94	5,972.73	6,094.28
Amortisation				
At 1 April 2015	-	-	-	-
Charge for the year	7.30	10.70	178.40	196.40
Disposals / Adjustment	-	-	-	-
At 31 March 2016	7.30	10.70	178.40	196.40
Charge for the year	-	17.56	242.22	259.78
Disposals / Adjustment	-	-	-	-
At 31 March 2017	7.30	28.26	420.62	456.18
Net block				
At 31 March 2017	20.31	65.68	5,552.11	5,638.10
At 31 March 2016	20.31	34.32	5,794.33	5,848.96
At 1 April 2015	18.50	13.30	1,507.67	1,539.47

Certification process refers to cost incurred to obtain IEC 61215 certification from TUV Germany and UL Certification from Intertek,USA. TUV,Germany certifications are valid till 2021.

For Intangible assets as on 1 April 2015 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost.

* The Company (operator) has entered into a 25 year PPA with TANGEDCO (Grantor), until December 2042. The Company has assessed the PPA as an arrangement which would need to be accounted under the principles of Appendix A of Ind-AS 11 as the following conditions are met:

The grantor (TANGEDCO) controls or regulates what services the operator (Company) must provide with the infrastructure (Power plant), to whom it must provide them, and at what price; and the grantor controls through ownership, beneficial entitlement or otherwise significant residual interest in the infrastructure at the end of the term of the arrangement.

Infrastructure within the scope of Appendix A of Ind-AS 11 is not recognized as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the infrastructure to the operator.

Consideration for the construction services received or receivable by the operator is recognised at its fair value. The consideration may be rights to:

- (a) a financial asset, or
- (b) an intangible asset.

The Company recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements.

The PPA is for a tenure of 25 years, which represents the significant useful life of the infrastructure (Power Plant). Consequently, the Company has an Intangible right to receive cash through the tenure of the PPA and the same has been recognized as an intangible asset. The Intangible asset is amortized over a period of 25 years.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

6 Investment in Subsidiaries

	31 March 2017	31 March 2016	01 April 2015
Investments at cost in Subsidiaries			
Unquoted Equity Shares / Warrants			
(31 March 2017 : 4,44,000; 31 March 2016 : 4,44,000; 01 April 2015 : 2,44,000) Equity Shares of Swelect Solar Energy Private Limited, Rs. 100/- each fully paid	444.00	444.00	244.00
(31 March 2017 : 1,22,32,500; 31 March 2016 : 1,22,32,500; 01 April 2015 : 1,22,32,500) equity shares of Swelect Energy Systems Pte. Limited, Singapore Dollar 1/- each fully paid	4,372.90	4,372.90	4,372.90
(31 March 2017 : 65,00,000; 31 March 2016 : 65,00,000; 01 April 2015 : 65,00,000) equity shares of Amex Alloys Private Limited, Rs.10/- each fully paid	1,636.18	1,636.18	1,636.18
(31 March 2017 : 1,35,000; 31 March 2016 : 1,35,000; 01 April 2015 : 1,35,000) equity shares of Swelect Green Energy Solutions Private Limited, Rs.100/- each fully paid	135.00	135.00	135.00
(31 March 2017: 10,000; 31 March 2016 : 10,000; 01 April 2015 : Nil) equity warrants of SWELECT Inc ,USA, USD 10/- each fully paid	68.85	68.85	-
(31 March 2017: 1,000; 31 March 2016 - Nil; 31 March 2015 - Nil) equity shares of Swelect Power Systems Private Limited, Rs. 100/- each fully paid	1.00	-	-
	6,657.93	6,656.93	6,388.08
Aggregate book value of unquoted investments	6,657.93	6,656.93	6,388.08
Non Current	6,657.93	6,656.93	6,388.08
7. Financial Assets			
7(a) Non-current investments			
Unquoted Investment in equity shares at fair value through statement of profit and loss			
3,00,000 (31 March 2016 : 3,00,000; 01 April 2015 : 3,00,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	30.00	30.00	30.00
3,520 (31 March 2016 : 3,520; 01 April 2015 : Nil) equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35	-
Unquoted Investments in debt instruments of subsidiaries carried at amortized cost			
Nil (31 March 2016 : Nil; 01 April 2015 : 1,25,000) 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, Rs.100/- each fully paid	-	-	125.00
63,00,000 (31 March 2016 : 63,00,000; 01 April 2015 : Nil) of 10% Cumulative optionally convertible debentures of Swelect Green Energy Solutions Private Limited , Rs.100/- each fully paid (Refer Note 41)	6,300.00	6,300.00	-
Investment in tax free bonds (unquoted) carried at amortized cost			
50,000 (31 March 2016 : 50,000; 01 April 2015 : 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited*	500.00	500.00	500.00
	6,830.35	6,830.35	655.00

* Investment in tax free bonds are non-derivative financial assets which generate an effective interest income at 8.5% for the Company.

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Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
7(b) Current investments			
Investments at fair value through profit or loss (FVTPL)			
Quoted Mutual funds			
2,00,00,000 (31 March 2016 : 2,00,00,000; 01 April 2015 : 2,00,00,000) units of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series*	2,573.48	2,401.30	2,215.24
Nil (31 March 2016 : Nil; 01 April 2015 : 50,00,000) units of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan*	-	-	545.14
Nil (31 March 2016 : Nil; 01 April 2015 : 202) units of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan	-	-	2.03
Nil (31 March 2016 : Nil; 01 April 2015 : 91,319) units of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	-	-	96.56
Nil (31 March 2016 : Nil; 01 April 2015 : 1,20,00,000) units of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan	-	-	1,311.85
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan*	-	-	2,301.47
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan*	-	-	2,307.35
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan*	-	-	2,294.02
Nil (31 March 2016 : Nil; 01 April 2015 : 82,01,872) units of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular growth plan*	-	-	918.18
Nil (31 March 2016 : Nil; 01 April 2015 : 30,00,000) units of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan*	-	-	3,297.24
Nil (31 March 2016 : Nil; 01 April 2015 : 50,00,000) units of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	-	-	545.04
Nil (31 March 2016 : Nil; 01 April 2015 : 2,20,00,000) units of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan*	-	-	2,215.24
Nil (31 March 2016 : Nil; 01 April 2015 : 2,50,00,000) units of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	-	-	2,795.98
Nil (31 March 2016 : Nil; 01 April 2015 : 5,94,612.31) units of Rs.100/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment	-	-	596.38
Nil (31 March 2016 : 4,64,502.74; 01 April 2015 : Nil) units of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Growth- Regular Plan	-	1,358.01	-
Nil (31 March 2016 : Nil; 01 April 2015 : 9,79,078.07) units of Rs.100/- each fully paid up ICICI Prudential Liquid -Regular Plan - Daily Dividend	-	-	979.70
Nil (31 March 2016 : Nil; 01 April 2015 : 1,95,912.08) units of Rs.1000/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend	-	-	1,960.53

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Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
Nil (31 March 2016 : Nil; 01 April 2015 : 2,50,138.76) units of Rs.1000/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend	-	-	2,513.88
Nil (31 March 2016 : 4,605,081.71; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HDFC Cash Management Fund - Treasury Advantage - Regular - Growth	-	1,458.82	-
1,921,876.42 (31 March 2016 : 1,921,876.42; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Treasury Optimizer - Regular - Growth **	4,001.10	3,626.16	-
5,965,315.95 (31 March 2016 : 5,965,315.95; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up JP Morgan India Banking & PSU Debt Fund - Regular - Growth*	806.55	750.29	-
Nil (31 March 2016 : 61,621.05; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HDFC Liquid Fund - Growth	-	1,839.11	-
Nil (31 March 2016 : 121,918.24; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HSBC Cash Fund -Growth	-	1,838.90	-
9,817,676.82 (31 March 2016 : 9,817,676.82; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HSBC Income Fund -STP Growth*	2,641.77	2,300.00	-
13,525,932.84 (31 March 2016 : 13,525,932.84; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Growth*	2,696.87	2,457.22	-
Nil (31 March 2016 : 18,031.89; 01 April 2015 : Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund - Institutional Plan - Direct - Growth	-	306.03	-
17,339,638.21 (31 March 2016 : 17,339,638.21; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Growth	3,334.62	3,039.29	-
2,01,63,916.17 (31 March 2016 : 2,01,63,916.17; 01 April 2015 : Nil) units of Rs.10/- each fully paid up UTI Short term income Fund - Institutional - Growth*	4,020.38	3,663.09	-
316,157 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up ICICI Prudential flexible regular plan	984.32	-	-
779,864 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up Birla Sunlife Saving Fund	2,485.05	-	-
4,604,002 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up HDFC Cash Management Fund Treasury Advantage	1,581.90	-	-
LIC Endowment Plus	5.00	5.00	5.00
	25,131.04	25,043.22	26,900.83
Aggregate book value of Quoted investments	21,680.35	23,722.06	25,174.26
Aggregate market value of Quoted investments	25,131.04	25,043.22	26,900.83
Aggregate value of unquoted investments	6,830.35	6,830.35	655.00
Current	25,131.04	25,043.22	26,900.83
Non Current	6,830.35	6,830.35	655.00

Note:

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

** Investment marked have been pledged partly as collateral security with a bank for availment of term loan for one of the Subsidiaries of the Company (Refer Note 16).

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
Financial assets carried at Amortised cost			
7(c) Loans (Secured considered good unless otherwise stated) carried at amortised cost			
Loans to related party*	7,841.25	5,408.55	3,502.51
Loans to employees	2.95	5.11	11.91
Other Financial Assets**	636.87	828.03	189.52
Total Loans	8,481.07	6,241.69	3,703.94
Current	7,934.13	5,580.67	3,550.96
Non-Current	546.94	661.02	152.98
* Loans to related parties are non-derivative financial assets repayable on demand which generate an interest income at 10% for the Company.			
** Other financial assets are non-derivative financial assets which generate an effective interest income at 8.5%-8.95% for the Company.			
7(d) Bank balances (Carried at amortised cost)			
Deposits with original maturity more than 3 months and less than 12 months #	4,520.52	5,172.35	7,834.97
Deposits with original maturity more than 12 months #	37.63	4.95	113.57
	4,558.15	5,177.30	7,948.54
Current	4,520.52	5,172.35	7,834.97
Non-Current	37.63	4.95	113.57
# The balance on deposit accounts bears an average interest rate of 7.5% and have been pledged as collateral securities with banks for availing overdraft and working capital facilities for the Company. (Refer Note 16)..			
7(e) Other financial assets (Secured considered good unless otherwise stated) carried at amortised cost			
Interest accrued but not due on margin money accounts	20.99	12.80	4.05
Earnest money deposit	62.00	52.00	52.00
Interest accrued on fixed deposits	100.34	145.66	289.49
	183.33	210.46	345.54
Current	183.33	210.46	345.54
8 Other Non-current Assets			
Unsecured, considered good:			
Capital advances	-	3.17	902.34
Balances with government authorities	94.10	98.34	86.53
Prepaid expenses	17.66	-	84.43
Others	-	26.63	27.74
Unsecured, considered doubtful:			
Balances with government authorities	280.44	280.44	338.78
Provision for doubtful advance	(280.44)	(280.44)	(338.78)
Total Other Non-current Assets	111.76	128.14	1,101.04

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
9 Inventories			
Raw materials and components	2,433.50	1,457.91	1,421.31
Work-in-progress	94.78	175.98	106.63
Finished goods	1,780.25	1,358.28	489.05
Traded goods	436.72	240.63	313.08
Stores and spares	25.74	32.43	22.78
Total Inventories	4,770.99	3,265.23	2,352.85

Finished goods and traded goods are valued at lower of cost and net realisable value.

10 Trade receivables

	31 March 2017	31 March 2016	01 April 2015
Trade receivables	4,741.45	2,638.97	3,900.41
Receivables from Related parties (Note 36)	1,107.63	1,854.56	1,259.18
Total Trade receivables	5,849.08	4,493.53	5,159.59

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 36.

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days.

11 Cash and cash equivalents

	31 March 2017	31 March 2016	01 April 2015
Balances with banks:			
On current accounts	280.88	255.75	200.35
On unpaid dividend accounts	30.28	32.12	32.42
Deposits with original maturity less than 3 months *	2,568.53	1,323.20	4,865.29
Cash on hand	2.75	2.68	3.16
Total Cash and cash equivalents	2,882.44	1,613.75	5,101.22

Note:

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

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

	31 March 2017	31 March 2016	01 April 2015
Balances with banks:			
On current accounts	280.88	255.75	200.35
Deposits with original maturity less than 3 months	2,568.53	1,323.20	4,865.29
Cash on hand	2.75	2.68	3.16
	2,852.16	1,581.63	5,068.80
Less – Bank overdraft (Refer Note 16 b)	(3,214.28)	(606.83)	(799.42)
	(362.12)	974.80	4,269.38

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
12 Other Current assets			
Unsecured and considered good:			
Other receivables	11.76	43.57	11.08
Balances with government authorities	266.02	179.35	125.83
Supplier advances	117.33	83.50	178.47
Prepaid expenses	27.95	38.00	27.30
Capital advance	-	22.62	-
Unsecured and considered doubtful:			
Balances with government authorities	31.59	31.59	31.59
Provision for doubtful advance	(31.59)	(31.59)	(31.59)
Total Other Current assets	423.06	367.04	342.68

13 Equity Share capital

Authorised Share Capital	Equity Shares of Rs 10/- each	
	No	Rs. Lakhs
At April 1, 2015	20,000,000	2,000.00
Increase/(Decrease) during the year	-	-
At March 31, 2016	20,000,000	2,000.00
Increase/(Decrease) during the year	-	-
At March 31, 2017**	47,000,000	4,700.00
Equity Shares of Rs. 10/- each issued, subscribed & fully paid up	No	Rs. Lakhs
At April 1, 2015	10,105,840	1,010.58
Issue of Equity Share Capital	-	-
At March 31, 2016	10,105,840	1,010.58
Issue of Equity Share Capital	-	-
At March 31, 2017	10,105,840	1,010.58

** Pursuant to the amalgamation of HHV Solar Technologies Limited (a wholly owned subsidiary) with the Company (Refer Note 43), the existing Authorised Share Capital of the Company has been altered as Rs.47,00,00,000/- comprising 4,70,00,000 Equity Shares of Rs.10/- each, vide Postal Ballot resolution dated 29 March 2017.

a. Terms/rights attached to equity shares

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

During the year ended 31 March 2017, the amount of per share dividend proposed by the board of directors (in their meeting held on May 25, 2017) as distributions to equity shareholders for final dividend was Rs. 4/- (Refer to note 15 for further details).

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.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

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

	31 March 2017		31 March 2016		01 April 2015	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10/- each fully paid						
R. Chellappan, Managing Director	4,815,954	47.66%	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.

14 Other Equity

Securities Premium Reserve – Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium Reserve”. The Company may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Company can use this reserve for buy-back of shares.

General Reserve - General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the statement of profit and loss. The Company can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

	31 March 2017	31 March 2016	01 April 2015
Capital reserve	152.64	152.64	152.64
Securities premium account	4,796.48	4,796.48	4,796.48
General Reserve	18,102.14	18,102.14	17,879.57
Retained earnings	41,439.33	38,623.23	38,360.20
Total	64,490.59	61,674.49	61,188.89

15 Distribution made and proposed

	31 March 2017	31 March 2016
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2016 : INR 1 per share (March 31, 2015: INR 2.5 per share)	101.06	252.65
Dividend Distribution tax on final Dividend	20.69	51.43
Interim dividend for the year ended on March 31, 2017: INR Nil per share (March 31, 2016: INR 3 per share)	-	303.18
Dividend Distribution tax on Interim Dividend	-	61.72
Proposed dividends on Equity shares:		
Proposed Dividend for year the ended on March 31, 2017 INR 4 per share	404.24	-
Dividend Distribution tax on Proposed Dividend	82.76	-

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2017.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

16(a) Borrowings

Financial Liabilities carried at amortized cost (Non-current)

	31 March 2017	31 March 2016	01 April 2015
Term loan from Banks	1,824.97	3,572.47	8,911.30
Rental deposits	130.56	82.97	61.21
	1,955.53	3,655.44	8,972.51
The above amount includes			
Secured borrowings	1,824.97	3,572.47	8,911.30
Unsecured borrowings	130.56	82.97	61.21

16(b) Borrowings

Financial Liabilities carried at amortized cost (Current)

	31 March 2017	31 March 2016	01 April 2015
Bank overdrafts	3,214.28	606.83	799.42
External Commercial Borrowing (ECB)	734.64	737.24	-
Rental deposits	40.38	26.00	131.94
Total Current Borrowings	3,989.30	1,370.07	931.36
Aggregate Secured loans	3,948.92	1,344.07	799.42
Aggregate Unsecured loans	40.38	26.00	131.94

16(c)	Loans as on March 31, 2017	Amount in lakhs	Effective Interest Rate	Currency	Repayable	Security
	Bank overdrafts	3,214.28	7.75%-8.35%	INR	Repayable on demand	Fixed Deposits and mutual funds
	Term loan -1	40.00	8.30%	INR	Repayable in May 2017	Mutual funds
	Term loan -2	710.00	8.30%	INR	Repayable in quarterly instalments of Rs.88.75 lacs, ending March 2019	Mutual funds
	Term loan -3	357.50	8.30%	INR	Repayable in quarterly instalments of Rs.44.69 lacs, ending March 2019	Mutual funds
	Term loan -4	521.25	8.30%	INR	Repayable in quarterly instalments of Rs.43.44 lacs, ending March 2020	Mutual funds
	Term loan -5	943.72	8.00%	INR	For a period of 3 years with bullet repayment terms	Mutual funds
	ECB-1	34.04	2.36%	USD	Repayable within 360 days	Fixed Deposits
	ECB-2	700.60	1.29%	USD and EUR	Repayable within 180 days	Fixed Deposits
	Total	6,521.39				

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

17 Other Financial Liabilities

	31 March 2017	31 March 2016	01 April 2015
Other financial liabilities carried at amortised cost			
Current maturities of long-term debt (Refer Note 16(c))	747.50	977.50	1,446.25
Unpaid dividend	30.28	32.12	32.42
Interest accrued	10.75	21.07	38.56
Capital creditors	1.21	43.68	583.78
Liability towards acquisition of preference shares of a subsidiary (Refer Note 43)	-	-	400.00
Total other financial liabilities carried at amortized cost	789.74	1,074.37	2,501.01
Total current	789.74	1,074.37	2,501.01

18 Deferred tax liabilities (net)

	31 March 2017	31 March 2016	01 April 2015
Deferred tax liability			
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	920.49	957.46	2,798.88
Gross deferred tax liability	920.49	957.46	2,798.88
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(12.32)	(15.47)	(62.37)
Carry forward business loss and unabsorbed depreciation	(908.17)	(941.99)	(1,531.07)
MAT Credit Entitlement	-	-	(442.56)
Gross deferred tax asset	(920.49)	(957.46)	(2,036.00)
Total Deferred tax liabilities (net)	-	-	762.88

19 Provisions

	31 March 2017	31 March 2016	01 April 2015
Current provisions			
Provision for warranties	113.39	79.87	25.56
Provision for gratuity (refer note 33)	6.99	8.24	0.92
Provision for leave benefits	40.51	52.03	37.62
Provision for Income tax, net of advance tax	240.82	-	-
Total (A)	401.71	140.14	64.10
Non Current provisions			
Provision for warranties	362.08	245.54	162.98
Provision for gratuity (refer note 33)	38.42	33.39	25.32
Provision for leave benefits	18.03	19.39	23.81
Total (B)	418.53	298.32	212.11
Total (A)+(B)	820.24	438.46	276.21

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
Provision for warranties			
At the beginning of the year	325.41	188.54	133.17
Arising during the year	151.51	136.87	55.37
Utilized during the year	(1.45)	-	-
At the end of the year	475.47	325.41	188.54
Non-current portion	362.08	245.54	162.98
Current portion	113.39	79.87	25.56

20 Trade payables

	31 March 2017	31 March 2016	01 April 2015
Trade payables	2,003.47	2,510.50	2,586.87
Trade payables to related parties	5,173.29	3,416.54	825.38
(Refer note below regarding dues to micro, small and medium enterprises)*			
	7,176.76	5,927.04	3,412.25

***Note:**

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

21 Other current liabilities

	31 March 2017	31 March 2016	01 April 2015
Deferred service income	-	2.13	2.13
Advance from customers	191.86	165.35	75.53
Statutory dues payable	71.32	55.90	87.70
	263.18	223.38	165.36

22 Revenue from operations

	31 March 2017	31 March 2016
Revenue from operations		
Sale of products(including excise duty)		
Manufactured goods	10,999.66	6,467.18
Traded goods	3,414.73	1,232.13
Sale of services	645.40	424.72
Sale of power	1,488.53	1,967.82
Revenue from service concession agreements (Refer Note 5)	-	5,722.74
Other operating revenue		
Scrap sales	17.28	8.36
Rental Income	441.37	492.91
Revenue from operations	17,006.97	16,315.86

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

23 Other income

	31 March 2017	31 March 2016
Exchange differences (net)	356.71	-
Gain on sale of investments (net)	127.52	824.05
Gain / (loss) on investments carried at fair value through Profit and Loss	2,156.63	1,105.93
Dividend income on investments - carried at fair value through Profit and Loss	0.46	37.51
Dividend income from investment in Subsidiary	-	25.00
Liabilities no longer required, written back	36.04	15.78
Other non-operating income	19.05	34.63
	2,696.41	2,042.90

24 Finance income

	31 March 2017	31 March 2016
Interest income on financial assets carried at amortised cost	1,919.44	1,296.22
	1,919.44	1,296.22

25 Cost of raw material and components consumed

	31 March 2017	31 March 2016
Inventories at the beginning of the year	1,457.91	1,421.31
Add: Purchases	10,976.67	6,509.06
Add: Cost incurred towards service concession agreement (Refer Note 5)	-	5,156.30
	12,434.58	13,086.67
Less: inventories at the end of the year	2,433.50	1,457.91
Cost of raw material and components consumed	10,001.08	11,628.76

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

	31 March 2017	31 March 2016
Inventories at the end of the year		
Traded goods	493.83	210.62
Work-in-progress	37.67	175.98
Finished goods	1,780.25	1,358.28
	2,311.75	1,744.88
Inventories at the beginning of the year		
Traded goods	210.62	313.08
Work-in-progress	175.98	106.63
Finished goods	1,358.28	489.05
	1,744.88	908.76
	(566.87)	(836.12)

27 Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	983.59	956.09
Contribution to provident and other funds	57.13	55.34
Gratuity expense (refer note 33)	21.93	30.12
Staff welfare expenses	88.65	70.68
	1,151.30	1,112.23

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

28 Other expenses

	31 March 2017	31 March 2016
Sub-contracting and processing expenses	835.53	991.22
Consumption of stores and spares	55.97	106.89
Service and maintenance charges	5.45	6.46
Power and fuel	169.96	147.60
Wheeling charges	19.02	63.03
Freight and forwarding charges	79.70	58.55
Rent (Refer note 35)	163.66	189.71
Rates and taxes	127.61	70.49
Insurance	32.01	33.97
Repairs and maintenance		
- Plant & machinery	71.48	88.81
- Buildings	35.07	47.07
- Others	79.29	58.89
Corporate social responsibility	20.39	17.00
Sales promotion	38.66	48.31
Advertisement	52.87	10.32
Travelling and conveyance	150.22	138.81
Communication costs	38.79	40.23
Printing and stationery	17.81	21.78
Exchange differences (net)	-	96.66
Legal and professional fees	162.24	155.99
Payment to auditor (Refer details below)	44.03	40.01
Liquidated damages	54.99	48.00
Provision for bad and doubtful debts	15.52	25.00
Bad debts/advances written off	115.74	16.28
Provision for warranties (net of reversals)	151.51	136.87
Miscellaneous expenses	202.11	133.07
	2,739.64	2,791.02
Payment to auditor		
As auditor:		
Audit fee	28.00	22.00
Limited review	9.00	9.00
Internal financial control reporting	4.00	7.50
Reimbursement of expenses *	3.03	1.51
	44.03	40.01

The above fee is exclusive of Service tax

* Includes service tax

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
A. Corporate social responsibility		
(i) Gross amount required to be spent by the Company during the year	42.41	43.52
(ii) Amount spent during the year	20.39	17.00

In pursuance of Section 135 of the Companies Act, 2013, the Company has spent on various activities as enumerated in the CSR Policy of the Company and covers water and sanitation, Animal welfare, Skill development and livelihood, Education and Women welfare.

29 Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of tangible assets	854.66	1,054.64
Amortisation of intangible assets	259.78	196.40
	1,114.44	1,251.04

30 Finance costs

	31 March 2017	31 March 2016
Interest on debts and borrowings	493.06	898.12
Bank and other charges	36.49	62.84
	529.55	960.96

31 Earnings price per share (EPS)

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

	31 March 2017	31 March 2016
Profit attributable to equity holders of the company (a)	2,937.85	1,201.07
Weighted average number of Equity shares for basic and diluted EPS (b)	101.06	101.06
Basic and Diluted Earnings per share (a/b)	29.07	11.88

32 Income Tax

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Statement of Profit or Loss:

Particulars	31 March 2017	31 March 2016
Current income tax:		
Current income tax charge	902.88	2,122.98
Deferred tax:		
Relating to origination and reversal of temporary differences	-	(1,205.83)
Total	902.88	917.15

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

Particulars	31 March 2017	31 March 2016
Accounting Profit before income tax	3,840.73	2,118.22
At India's statutory income tax rate of 34.608% (2016: 34.608%), Minimum Alternate Tax Rate 21.34% **	21.34%	34.608%
Derived Tax Charge for the year	819.61	733.07
Adjustments:		
Tax impact on account of one fifth of the amount credited to the opening reserves as at March 31, 2016 pursuant to transition to IND AS	83.27	-
Tax impact Impact on account of Business combination adjustments pursuant to IND AS 103	-	363.93
Tax impact arising on account of set off of available losses	-	(179.92)
Net derived tax charge	902.88	917.08
Income tax expense reported in the statement of Profit & Loss	902.88	917.15

** During the current year, the company is required to pay tax as per the provision of Minimum Alternate tax under the provisions of Section 115JB, hence the effective rate of tax has been considered as 21.34%.

33 Defined Contribution Plan

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

	31 March 2017	31 March 2016
Employer's Contribution to Provident Fund	57.13	55.34

Defined Benefits Plan

Gratuity Plan (funded)

Reconciliation of opening and closing balances of obligation	31 March 2017	31 March 2016
Defined Benefit obligation as at the beginning of the year	101.74	70.32
Current Service Cost	20.09	16.44
Interest Cost	7.82	15.43
Actuarial loss	-	2.81
Benefits paid	(4.16)	(3.26)

Reconciliation of opening and closing balances of fair value of plan assets

	31 March 2017	31 March 2016
Fair value of plan assets as at the beginning of the year	60.11	44.08
Expected return on plan assets	5.98	1.75
Actuarial gain	-	-
Employer contribution	18.87	14.82
Benefits paid	(4.88)	(0.54)
Fair value of plan assets as at the end of the year	80.08	60.11

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
Expected return on plan assets	5.98	1.75
Actuarial gain on plan assets	-	-

Reconciliation of fair value of assets and obligations

	31 March 2017	31 March 2016
Fair value of plan assets	80.08	60.11
Present value of obligations	125.49	101.74
Difference	45.41	41.63

Recognized in profit or loss:

	31 March 2017	31 March 2016
Current Service Cost	20.09	16.44
Expected return on plan assets	(5.98)	(1.75)
Interest Cost	7.82	15.43

Recognized in other comprehensive income:

Actuarial loss / (gain)	-	2.81
Net Cost	21.93	32.93

34 The major categories of plan assets of the fair value of the total plan assets are as follows:

	Gratuity plan		
	31 March 2017	31 March 2016	01 April 2015
Investments details:			
Funds with LIC	80.08	60.11	45.66
Total	80.08	60.11	45.66

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

Discount rate:	7.34%	8.00%	8.00%
Future salary increases:	5.00%	5.00%	5.00%
Expected Return on Plan Assets:	8.00%	8.00%	8.00%
Employee turnover:	5.00%	5.00%	5.00%
Contribution Expected to be paid during the next year	19.82	19.82	19.82

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Assumptions - Sensitivity Level	31 March 2017			
	Sensitivity Level		Impact on defined benefit obligation	
	1% increase	1% decrease	Amount	Amount
Discount rate:	8.34%	6.34%	121.45	129.18
Future salary increases:	6.00%	4.00%	128.43	122.98
Expected Return on Plan Assets:	9.00%	7.00%	124.24	126.75
Employee turnover:	6.00%	4.00%	120.92	128.45
	31 March 2016			
Discount rate:	9.00%	7.00%	98.46	104.73
Future salary increases:	6.00%	4.00%	104.12	99.71
Expected Return on Plan Assets:	9.00%	7.00%	100.72	102.76
Employee turnover:	6.00%	4.00%	98.03	104.14

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.28 years (31 March 2016: 18.25 years).

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

35 Commitments and Contingencies

Leases

Operating leases: Company as lessee

	31 March 2017	31 March 2016	01 April 2015
Lease payments for the year	163.66	189.71	205.85
Future minimum rentals payable under operating leases are as follows:			
Not later than one year	95.14	0.01	4.86
Later than one year but not later than five years	198.64	0.06	-
Later than five years	0.26	0.27	-
	294.04	0.34	4.86
Operating leases: Company as lessor			
Lease rent received for the year	441.37	492.91	600.46
Future minimum lease rental receivable under operating lease are as follows:			
Not later than one year	288.78	104.55	268.87
Later than one year but not later than five years	1,011.04	-	135.23
Later than five years	46.29	-	-
	1,346.11	104.55	404.10

36 Related party transactions

Subsidiaries

Swelect Energy Systems Pte. Limited., Singapore

SWELECT Inc , USA

SWELECT Energy Systems LLC , USA

Swelect Solar Energy Private Limited

Amex Alloys Private Limited

Noel Media & Advertising Private Limited

Swelect Green Energy Solutions Private Limited

K J Solar Systems Private Limited (w.e.f 11th February 2016)

Swelect Power Systems Private Limited (w.e.f 11th April 2016)

Key Management Personnel

Mr. R. Chellappan - Managing Director

Mr. A. Balan - Joint Managing Director (w.e.f 3rd October 2015)

Mr. V. C. Raghunath

Mrs. J. Bhuvaneswari - Company Secretary (up to 31st March 2016)

Mr. R. Sathishkumar - Company Secretary

Mr. P. Jagan - Chief Financial Officer

Mr. V.M. Sivasubramaniam, Independent Director

Mr. N. Natarajan, Independent Director

Mr. G. S. Samuel, Independent Director (w.e.f 3rd October 2015)

Relatives of Key Management Personnel

Mrs. Gunasundari Chellappan

Mrs. V. C. Mirunalini

Ms. Aarthi Balan

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Arken Solutions Private Limited

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016, 2015 : Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

36 Related party transactions

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Sale of goods										
-- Amex Alloys Private Limited	118.67	782.35	3.61	0.14	-	-	27.36	-	149.64	782.49
-- Noel Media & Advertising Private Limited	0.46	-	-	-	-	-	-	-	0.46	-
-- Swelect Green Energy Solutions Private Limited	0.05	-	-	-	-	-	-	-	0.05	-
-- K J Solar Systems Private Limited	118.16	777.86	3.61	0.14	-	-	27.36	-	118.16	777.86
-- Mr. R. Chellappan	-	-	-	-	-	-	-	-	3.61	0.14
-- Arken Solutions Private Limited	-	-	-	-	-	-	-	-	27.36	-
Purchases of traded goods										
-- Swelect Energy Systems Pte. Limited, Singapore	10,183.08	4,727.86	-	-	-	-	-	-	10,183.08	4,727.86
Receipt of services										
-- Arken Solutions Private Limited	-	-	-	-	-	-	115.01	701.34	115.01	701.34
Purchase of capital goods										
-- Swelect Energy Systems Pte. Limited, Singapore	-	511.12	-	-	-	-	-	-	-	511.12
Sale of Power										
-- Amex Alloys Private Limited	193.74	329.46	-	-	-	-	-	-	193.74	329.46
-- K J Solar Systems Private Limited	193.42	329.46	-	-	-	-	-	-	193.42	329.46
-- Swelect Green Energy Solutions Private Limited	0.09	-	-	-	-	-	-	-	0.09	-
Reimbursement of expenses										
-- Amex Alloys Private Limited	43.76	84.93	-	-	-	-	-	-	43.76	84.93
-- Swelect Energy Systems Pte. Limited, Singapore	43.21	78.47	-	-	-	-	-	-	43.21	78.47
Rental Income										
-- Amex Alloys Private Limited	171.13	170.59	-	-	-	-	-	-	171.13	170.59
Interest Income										
-- Amex Alloys Private Limited	591.63	418.44	-	-	-	-	-	-	591.63	418.44
-- Swelect Solar Energy Private Limited	349.91	289.41	-	-	-	-	-	-	349.91	289.41
-- Noel Media & Advertising Private Limited	84.63	42.10	-	-	-	-	-	-	84.63	42.10
-- Swelect Green Energy Solutions Private Limited	62.80	74.93	-	-	-	-	-	-	62.80	74.93
-- K J Solar Systems Private Limited	45.39	11.96	-	-	-	-	-	-	45.39	11.96
-- Swelect Power Systems Private Limited	3.21	0.04	-	-	-	-	-	-	3.21	0.04
-- SWELECT Inc, USA	28.28	-	-	-	-	-	-	-	28.28	-
Interest income on Debenture										
-- Swelect Green Energy Solutions Private Limited	17.41	1.73	-	-	-	-	-	-	17.41	1.73
Slump Exchange of Solar business undertaking										
-- Swelect Green Energy Solutions Private Limited	629.14	1.73	-	-	-	-	-	-	629.14	1.73
Rent expense										
-- Mr. R. Chellappan	-	4.51	1.52	1.98	-	-	-	-	1.52	6.49
-- Swelect Green Energy Solutions Private Limited	-	4.51	1.52	1.98	-	-	-	-	1.52	6.49
Facility management fees										
-- Swelect Green Energy Solutions Private Limited	-	44.40	-	-	-	-	-	-	-	44.40
Remuneration										
-- Mr. R. Chellappan	-	-	117.32	121.19	-	-	-	-	117.32	135.42
-- Mr. A. Balan	-	-	46.28	61.40	-	-	-	-	46.28	61.40
-- Mrs. J. Bhuvaneshwari	-	-	30.03	20.94	-	-	-	-	30.03	20.94
	-	-	-	6.64	-	-	-	-	-	6.64

Particulars	Subsidiaries		Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Remuneration										
-- Mr. R.Sathishkumar	-	-	6.44	-	-	-	-	-	6.44	-
-- Mr. P.Jagan	-	-	24.84	23.46	-	-	-	-	24.84	23.46
-- Mr. V.C.Raghunath	-	-	9.73	8.75	-	-	-	-	9.73	8.75
-- Ms. V.C.Mirunalini	-	-	-	-	7.47	6.64	-	-	7.47	6.64
-- Ms. Aarthi Balan	-	-	-	-	8.00	7.59	-	-	8.00	7.59
Consultancy charges										
-- Ms. Preetha Balan	-	-	-	-	4.88	4.80	-	-	4.88	4.80
-- Ms. Preetha Balan	-	-	-	-	4.88	4.80	-	-	4.88	4.80
Dividend paid										
-- Mr. R.Chellappan	-	-	50.94	280.17	1.48	8.15	-	-	52.42	288.32
-- Mr. A.Balan	-	-	47.47	261.09	-	-	-	-	47.47	261.09
-- Mr. A.Balan	-	-	3.08	16.95	-	-	-	-	3.08	16.95
-- Others	-	-	0.39	2.13	1.48	8.15	-	-	1.87	10.28
Dividend received										
-- Amex Alloys Private Limited- Redeemable Preference Shares	-	-	25.00	-	-	-	-	-	-	25.00
-- Amex Alloys Private Limited- Redeemable Preference Shares	-	-	25.00	-	-	-	-	-	-	25.00
Non-current investments made										
-- Swelect Solar Energy Private Limited - Equity shares	1.00	6,568.85	-	-	-	-	-	-	1.00	6,568.85
-- Swelect Green Energy Solutions Private Limited - 10 % optionally convertible Debentures	-	200.00	-	-	-	-	-	-	-	200.00
-- SWELECT Inc, USA - Equity warrant	-	6,300.00	-	-	-	-	-	-	-	6,300.00
-- Swelect Power Systems Private Limited - Equity shares	1.00	68.85	-	-	-	-	-	-	-	68.85
-- Swelect Power Systems Private Limited - Preference shares	-	125.00	-	-	-	-	-	-	-	125.00
-- Amex Alloys Private Limited - Preference shares	-	125.00	-	-	-	-	-	-	-	125.00
Advances made										
-- Swelect Solar Energy Private Limited	5,072.95	4,310.50	-	-	-	-	-	-	5,072.95	4,310.50
-- Amex Alloys Private Limited	956.17	178.95	-	-	-	-	-	-	956.17	178.95
-- Swelect Green Energy Solutions Private Limited	1,899.60	3,464.72	-	-	-	-	-	-	1,899.60	3,464.72
-- Noel Media & Advertising Private Limited	1,651.79	374.48	-	-	-	-	-	-	1,651.79	374.48
-- K J Solar Systems Private Limited	102.22	111.74	-	-	-	-	-	-	102.22	111.74
-- Swelect Energy Systems Pte. Limited, Singapore	73.78	14.78	-	-	-	-	-	-	73.78	14.78
-- SWELECT Inc, USA	376.30	-	-	-	-	-	-	-	376.30	-
Repayment of advances										
-- Amex Alloys Private Limited	2,640.27	2,634.45	-	-	-	-	-	-	2,640.27	2,634.45
-- Swelect Green Energy Solutions Private Limited	707.76	2,021.40	-	-	-	-	-	-	707.76	2,021.40
-- Noel Media & Advertising Private Limited	779.53	339.59	-	-	-	-	-	-	779.53	339.59
-- K J Solar Systems Private Limited	87.50	181.22	-	-	-	-	-	-	87.50	181.22
-- Swelect Energy Systems Pte. Limited, Singapore	65.38	2.24	-	-	-	-	-	-	65.38	2.24
-- Swelect Solar Energy Private Limited	0.05	-	-	-	-	-	-	-	0.05	-
Maximum Amount outstanding during the year										
-- Amex Alloys Private Limited	7,841.25	5,408.56	-	-	-	-	-	-	7,841.25	5,408.56
-- Swelect Green Energy Solutions Private Limited	5,130.73	3,938.88	-	-	-	-	-	-	5,130.73	3,938.88
-- Noel Media & Advertising Private Limited	1,025.92	153.66	-	-	-	-	-	-	1,025.92	153.66
-- K J Solar Systems Private Limited	584.36	569.64	-	-	-	-	-	-	584.36	569.64
-- Swelect Power Systems Private Limited	20.94	12.54	-	-	-	-	-	-	20.94	12.54
-- SWELECT Inc, USA	376.26	0.01	-	-	-	-	-	-	376.26	0.01
-- Swelect Solar Energy Private Limited	178.92	165.83	-	-	-	-	-	-	178.92	165.83
-- Swelect Solar Energy Private Limited	524.12	568.00	-	-	-	-	-	-	524.12	568.00

36 Related party transactions

Particulars	Subsidiaries			Key Management Personnel			Relatives of Key Management Personnel			Enterprises owned or significantly influenced by Key Management Personnel or their relatives			Total		
	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	1-Apr-15	31-Mar-17	31-Mar-16	30-Jun-15	31-Mar-16	1-Apr-15	
Balance outstanding as at the year end:															
Trade payables	5,119.50	3,381.28	825.38	-	-	-	-	-	-	53.79	35.26	-	5,173.29	3,416.54	825.38
-- Swelect Energy Systems Pte. Limited., Singapore	5,119.50	3,381.28	825.38	-	-	-	-	-	-	-	-	-	5,119.50	3,381.28	825.38
-- Arken Solutions Private Limited	-	-	-	-	-	-	-	-	-	53.79	35.26	-	53.79	35.26	-
Advance received from related parties	10.36	11.32	-	-	-	-	-	-	-	-	-	-	10.36	11.32	-
-- Amex Alloys Private Limited	10.36	11.32	-	-	-	-	-	-	-	-	-	-	10.36	11.32	-
Amounts receivable from related parties															
Trade receivables	1,080.27	1,854.55	1,257.03	-	-	-	-	-	-	27.36	-	2.15	1,107.63	1,854.55	1,259.18
-- Amex Alloys Private Limited	889.40	898.38	1,073.42	-	-	-	-	-	-	-	-	-	889.40	898.38	1,073.42
-- Swelect Energy Systems Pte. Limited., Singapore	2.28	6.48	11.85	-	-	-	-	-	-	-	-	-	2.28	6.48	11.85
-- Noel Media & Advertising Private Limited	66.24	171.76	171.76	-	-	-	-	-	-	-	-	-	66.24	171.76	171.76
-- Swelect Green Energy Solutions Private Limited	0.29	-	-	-	-	-	-	-	-	-	-	-	0.29	-	-
-- K J Solar Systems Private Limited	122.06	777.93	-	-	-	-	-	-	-	-	-	-	122.06	777.93	-
-- Arken Solutions Private Limited	-	-	-	-	-	-	-	-	-	27.36	-	2.15	27.36	-	2.15
Advances	7,841.25	5,408.56	3,642.50	-	-	-	-	-	-	-	-	-	7,841.25	5,408.56	3,642.50
-- Swelect Solar Energy Private Limited	524.12	568.00	389.05	-	-	-	-	-	-	-	-	-	524.12	568.00	389.05
-- Noel Media & Advertising Private Limited	584.36	569.64	639.12	-	-	-	-	-	-	-	-	-	584.36	569.64	639.12
-- Amex Alloys Private Limited	5,130.73	3,938.88	2,495.56	-	-	-	-	-	-	-	-	-	5,130.73	3,938.88	2,495.56
-- K J Solar Systems Private Limited	20.94	12.54	-	-	-	-	-	-	-	-	-	-	20.94	12.54	-
-- Swelect Power Systems Private Limited	376.26	0.01	-	-	-	-	-	-	-	-	-	-	376.26	0.01	-
-- SWELECT Inc, USA	178.92	165.83	-	-	-	-	-	-	-	-	-	-	178.92	165.83	-
-- Swelect Green Energy Solutions Private Limited	1,025.92	153.66	118.77	-	-	-	-	-	-	-	-	-	1,025.92	153.66	118.77

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Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

37 Directors' remuneration

	31 March 2017	31 March 2016
Salaries	64.64	50.78
Commission	21.39	40.31
	86.03	91.09

38 Contingent liabilities

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Company's pending litigations comprise of proceedings pending with tax authorities. The Company has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

	31 March 2017	31 March 2016
Claims against the Company not acknowledged as debts		
a) Cenvat related matters *	5.96	5.96
b) Sales tax related matters **	550.32	550.32
c) Income tax related matters #	1,306.41	1,167.50
d) Excise related matters ##	679.09	671.94
e) Rent claim related	2.51	-
	2,544.29	2,395.72

* Rs. 3.03 lakhs deposited under dispute. (2016 - Rs.3.03 lakhs)

** Rs. 24.69 lakhs deposited under dispute. (2016 -Rs. 24.69 lakhs)

Rs. 140.76 lakhs deposited under dispute. (2016 - Rs. 140.76 lakhs)

Rs. 64.81 lakhs deposited under dispute. (2016 - Rs. 59.82 lakhs)

39 Net dividend remitted in foreign exchange

	31 March 2017	31 March 2016
Final equity dividend		
Period to which it relates	2015-16	2014-15
Number of non-resident shareholders	10	10
Number of equity shares of Rs 10/- each held on which dividend was due	582,800	582,800
Amount remitted	5.83	14.57
Interim equity dividend		
Period to which it relates	-	2015-16
Number of non-resident shareholders	-	10
Number of equity shares of Rs 10/- each held on which dividend was due	-	582,800
Amount remitted	-	17.48

40 Capital and other commitments

a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (31 March 2016: Rs. Nil).

b) Commitments relating to lease arrangements, please refer to note 35.

41 Exceptional Items

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

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

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Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

42 Disclosure related to Specified Bank Note (SBN)

Note below mentioned on the details of the the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016.

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	0.40	0.01	0.41
(+) Permitted receipts	-	6.23	6.23
(-) Permitted payments	-	(5.64)	(5.64)
(-) Amount deposited in Banks	(0.40)	-	(0.40)
Closing cash in hand as on 30th December, 2016	-	0.60	0.60

43 Business combinations under common control

Merger with HHV

The Board of Directors of the Company at its meeting held on 16 December 2015 approved a Scheme of Arrangement (“the Scheme”) enabling the merger of one of its subsidiary, namely HHV Solar Technologies Limited (“HHV”) with the Company, with effect from 1 April 2015 (“Appointed Date”). The Scheme of Arrangement has been approved by SEBI, the shareholders and creditors of the Company and approved by the Madras High Court vide order dated 18 October, 2016. Accordingly, the effect of the above scheme has been given to the standalone results with effect from 1 April, 2015 under the requirement of ‘IND AS 103 Business Combination’.

The Company acquired HHV to consolidate and obtain synergies and lead as an integrated vertical solar provider. HHV was primarily engaged in the manufacturing and supply of off-grid solar photovoltaic modules based on crystalline silicon technology (c-Si).

Accordingly, the accounting treatment has been given as under:

Assets acquired and liabilities assumed:

The values of the identifiable assets and liabilities of HHV as at the date of acquisition were:

Particulars	As at April 1, 2015
Assets	
Non-current assets	
Property, plant and equipment	1,272.52
Intangible assets	13.30
Financial assets	
Loans	70.72
Income Tax Asset (Net)	40.52
Other Non-current assets	70.10
Total Non-current assets	1,467.16
Current assets	
Inventories	1,178.26
Financial assets	
Trade receivables	2,917.00
Cash and cash equivalents	106.29
Other bank balances	92.14
Other financial assets	56.04
Other Current assets	152.47
Total Current assets	4,502.20
Total Assets	5,969.36

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Particulars	As at April 1, 2015
Equity and Liabilities	
Equity	
Other Equity	(2,183.44)
Total Equity	(2,183.44)
Non-Current Liabilities	
Non-current provisions	204.11
Other Liabilities	-
Total Non-current liabilities	204.11
Current liabilities	
Trade payables	3,161.81
Financial Liabilities	
Borrowings	2,172.90
Liability towards acquisition of preference share capital *	400.00
Current provisions	18.59
Other current liabilities	59.80
Total Current liabilities	5,813.10
Total Equity and Liabilities	3,833.77
Total identifiable net assets (A)	2,135.59
Extinguishment of shares held in HHV	4,436.03
Total consideration (B)	4,436.03
Adjustment arising on merger adjusted in retained earnings (B - A)	2,300.44

* During July 2015 the Company had acquired the remaining preference share capital amounting to Rs.400 lakhs for consideration of Rs. 448.33 lakhs. The difference of Rs. 48.33 Lakhs has been adjusted against the Reserves and Surplus for the year ended March 31, 2016. Refer Statement of Changes in Equity.

44 Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy as at March 31, 2017 :

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in units of mutual funds (refer note 7(b))	March 31, 2017	25,131.04	25,131.04	-	-
Assets for which fair values are disclosed:					
Investment Property (refer note 4)	March 31, 2017	19,913.91	-	-	19,913.91

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2016 :

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in units of mutual funds (refer note 7(b))	March 31, 2016	25,043.22	25,043.22	-	-
Assets for which fair values are disclosed:					
Investment Property (refer note 4)	March 31, 2016	21,141.16	-	-	21,141.16

There have been no transfers between Level 1 and Level 2 during the period.

45 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, accompanying disclosures, and disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

Service concession arrangements

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Company. In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

Operating lease commitments – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

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Notes to Standalone financial statements for the year ended 31 March 2017

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Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets (including MAT credit) that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible. Hence no provision is required under the Expected credit loss model.

Warranties

Provision for warranties involves a significant amount of estimation. The provision is based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate is determined based on the Company's past experience of warranty claims (normally over four years) and future expectations. These estimates are revised periodically.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 33.

46 Financial Risk Management Objectives & Policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations. The Company also enters into hedging transactions to cover foreign exchange exposure risk as considered necessary.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite. All foreign currency hedging activities for risk management purposes are carried out a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Audit Committee reviews and agree policies for managing each of these risks which are summarised below:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

The Company considers derivative financial instruments such as foreign exchange forward contracts to manage its exposures to foreign exchange fluctuations.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily US Dollars. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Company may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as per its established risk management policy.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
US Dollars	+5%	(280.50)	(193.07)	(280.50)	(193.07)
	-5%	280.50	193.07	280.50	193.07
Euro	+5%	(12.22)	(13.37)	(12.22)	(13.37)
	-5%	12.22	13.37	12.22	13.37

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

1. Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of March 31, 2017	2,822.28	1,640.88	1,385.92	5,849.08
Trade Receivables as of March 31, 2016	1,576.83	1,549.87	1,366.83	4,493.53

The requirement for impairment is analysed at each reporting date.

2. Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost.

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

Particulars	As of March 31, 2017		
	Less than 1 year	More than 1 year	Total
Borrowings	3,989.30	1,955.53	5,944.83
Trade Payables	7,176.76	-	7,176.76
Other current liabilities	263.18	-	263.18
Other financial liabilities	789.74	-	789.74
Provisions	401.71	418.53	820.24
Total	12,620.69	2,374.06	14,994.75

Particulars	As of March 31, 2016		
	Less than 1 year	More than 1 year	Total
Borrowings	1,370.07	3,655.44	5,025.51
Trade Payables	5,927.04	-	5,927.04
Other current liabilities	223.38	-	223.38
Other financial liabilities	1,074.37	-	1,074.37
Provisions	140.14	298.32	438.46
Total	8,735.00	3,953.76	12,688.76

47 Capital Management

Capital includes equity attributable to the equity holders of the Company and net debt. Primary objective of Company's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Gearing Ratio:

Particulars	31 March 2017	31 March 2016	01 April 2015
Borrowings	5,944.83	5,025.51	9,903.87
Less: Cash and cash equivalents	(2,882.44)	(1,613.75)	(5,101.22)
Net Debt	3,062.39	3,411.76	4,802.65
Equity	65,501.17	62,685.07	62,199.47
Total Capital	65,501.17	62,685.07	62,199.47
Capital and Net Debt	68,563.56	66,096.83	67,002.12
Gearing Ratio	4.47%	5.16%	7.17%

48 First-time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (as amended). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

- Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Company recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.
- Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Property, plant and Equipment, Intangible assets and Investment property as recognised in its Indian GAAP financials as deemed cost at the transition date.

Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from fair value through profit and loss – equity instruments in Non group companies and Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015 (i.e. the date of transition to Ind-AS) and as of 31 March 2016.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS)

Particulars	Notes	Previous Indian GAAP	Adjustment under IND AS 103 (Refer Note 43)	IND AS adjustments	Ind AS amounts
1. Non Current assets					
Property, Plant & Equipment	A,H	15,292.68	1,272.52	(2,283.30)	14,281.90
Capital Work in Progress	H	1,508.40	-	(1,507.67)	0.73
Investment Property	A	-	-	2,283.30	2,283.30
Intangible Assets	H	18.50	13.30	1,507.67	1,539.47
Investment in Subsidiaries		10,824.11	(4,436.03)	-	6,388.08
Financial Assets					
-Loans		82.26	70.72	-	152.98
-Other Financial Assets		113.57	-	-	113.57
-Investments		655.00	-	-	655.00
Income Tax Assets		1,075.82	40.52	-	1,116.34
Other non-current assets		1,030.94	70.10		1,101.04
Total Non Current Assets		30,601.28	(2,968.87)	-	27,632.41
2. Current assets					
Inventories		1,174.59	1,178.26	-	2,352.85
Financial Assets					
-Investments	E	25,174.26	-	1,726.57	26,900.83
-Loans		5,723.86	(2,172.90)	-	3,550.96
-Trade Receivables		2,242.59	2,917.00	-	5,159.59
-Cash & cash Equivalents		4,994.94	106.28	-	5,101.22
-Other bank balance		7,742.83	92.14	-	7,834.97
-Other Financial Assets		289.50	56.04	-	345.54
Other Current Assets		190.21	152.47	-	342.68
Total Current Assets		47,532.78	2,329.29	1,726.57	51,588.64
Total Assets		78,134.06	(639.58)	1,726.57	79,221.05
Equity and liabilities					
1. Equity					
Equity Share Capital		1,010.58	-	-	1,010.58
Other Equity	A - H	63,463.29	(4,483.89)	2,209.49	61,188.89
Total Equity		64,473.87	(4,483.89)	2,209.49	62,199.47
2. Non-Current Liabilities					
Financial Liabilities					
-Borrowings	F	8,972.74	-	(0.23)	8,972.51
Deferred tax liabilities (net)	G	941.49	-	(178.61)	762.88
Long term Provisions		8.00	204.11	-	212.11
Total - Non-current liabilities		9,922.23	204.11	(178.84)	9,947.50
3. Current Liabilities					
Financial Liabilities					
-Borrowings		931.36	-	-	931.36
-Trade Payables		250.44	3,161.81	-	3,412.25
-Other current financial liabilities		2,101.01	400.00	-	2,501.01
Other Current Liabilities		105.56	59.80	-	165.36
Provisions	C	349.59	18.59	(304.08)	64.10
Total - Current liabilities		3,737.96	3,640.20	(304.08)	7,074.08
TOTAL - EQUITY and LIABILITIES		78,134.06	(639.58)	1,726.57	79,221.05

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Reconciliation of equity as at March 31, 2016

Particulars	Notes	Previous Indian GAAP	Adjustment under IND AS 103 (Refer Note 43)	IND AS adjustments	Ind AS amounts
1. Non Current assets					
Property, Plant & Equipment	A,H	13,783.95	2,073.43	(8,650.47)	7,206.91
Capital Work-in-Progress		0.25	-	-	0.25
Investment Property	A	-	-	2,182.88	2,182.88
Intangible Assets	H	20.29	(45.17)	5,873.84	5,848.96
Investment in Subsidiaries		11,541.29	(4,884.36)	-	6,656.93
Financial Assets					
-Loans	F, H	734.17	70.71	(143.86)	661.02
-Other Financial Assets		4.95	-	-	4.95
-Investments		6,830.35	-	-	6,830.35
Income Tax Assets		33.00	74.19	-	107.19
Other non-current assets		40.64	87.50	-	128.14
Total Non Current Assets		32,988.89	(2,623.70)	(737.61)	29,627.58
2. Current assets					
Inventories		1,174.93	2,090.30	-	3,265.23
Financial Assets					-
-Investments	E	23,722.06	-	1,321.16	25,043.22
-Loans		6,962.00	(1,381.33)	-	5,580.67
-Trade Receivables	B	2,193.67	2,450.87	(151.01)	4,493.53
-Cash & cash Equivalents		1,512.80	100.95	-	1,613.75
-Other bank balance		5,040.71	131.64	-	5,172.35
-Other Financial Assets		145.66	64.80	-	210.46
Other Current Assets		331.63	35.41		367.04
Total Current Assets		41,083.46	3,492.64	1,170.15	45,746.25
Total Assets		74,072.35	868.94	432.54	75,373.83
Equity and liabilities					
1. Equity					
Equity Share Capital		1,010.58	-	-	1,010.58
Other Equity	A-H	65,202.43	(5,583.79)	2,055.85	61,674.49
Total Equity		66,213.01	(5,583.79)	2,055.85	62,685.07
2. Non-Current Liabilities					
Financial Liabilities					
-Borrowings	H	4,978.51	-	(1,323.07)	3,655.44
Deferred tax liabilities (net)	G	178.61	-	(178.61)	-
Long term Provisions		74.01	224.31	-	298.32
Total - Non-current liabilities		5,231.13	224.31	(1,501.68)	3,953.76
3. Current Liabilities					
Financial Liabilities					
-Borrowings		632.83	737.24	-	1,370.07
-Trade Payables		594.60	5,332.44	-	5,927.04
-Other current financial liabilities		1,074.37	-	-	1,074.37
Other Current Liabilities		142.50	80.88	-	223.38
Provisions	C	183.91	77.86	(121.63)	140.14
Total - Current liabilities		2,628.21	6,228.42	(121.63)	8,735.00
TOTAL - EQUITY and LIABILITIES		74,072.35	868.94	432.54	75,373.83

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Reconciliation of statement of Profit and Loss for the year 1 April 2016 or 31 March 2016)

Particulars	Notes	Previous Indian GAAP	Adjustment under IND AS 103 (Refer Note 43)	IND AS adjustments	Ind AS amounts
Income					
Revenue from operations	H, I	6,187.57	4,651.74	5,476.55	16,315.86
Other Income	E, F, B	3,808.56	(169.22)	(1,596.44)	2,042.90
Finance Income	F, B	-	-	1,296.22	1,296.22
Total revenue		9,996.13	4,482.52	5,176.33	19,654.98
Expenses					
Cost of raw material and components consumed and Project related cost	H	1,985.73	4,486.74	5,156.29	11,628.76
Purchase of traded goods		649.20	-	-	649.20
(Increase)/ decrease in inventories of Finished goods,work-in-progress and traded goods		(141.24)	(694.88)	-	(836.12)
Excise Duty on sale of goods	I	61.34	-	-	61.34
Employee benefits expense	D	777.48	332.91	1.84	1,112.23
Depreciation and amortization expense	H	1,017.78	248.04	(14.78)	1,251.04
Other expenses	F	1,674.80	1,110.21	6.01	2,791.02
Finance costs		909.89	51.07	-	960.96
Total (II)		6,934.98	5,534.09	5,149.36	17,618.43
Profit/(Loss) before exceptional items and tax		3,061.15	(1,051.57)	26.97	2,036.55
Exceptional items (net)		81.67	-	-	81.67
Profit after Exceptional items before Tax		3,142.82	(1,051.57)	26.97	2,118.22
Income tax expense		917.15	-	-	917.15
Profit for the year		2,225.67	(1,051.57)	26.97	1,201.07
Other Comprehensive Income	D	-	-	1.84	1.84
Total Comprehensive Income		2,225.67	(1,051.57)	28.81	1,202.91

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

A Investment Property

Investment properties are reclassified from Property Plant and Equipment - Buildings as shown in previous Indian GAAP and presented separately.

B Trade Receivables

The Company identifies receivables which shall be recovered beyond a period of twelve months as of the reporting date and has discounted the same to its present value over the estimated tenure of the retention period. The impact of discounting has been adjusted to the retained earnings on transition date and has been recognised as finance income in the statement of profit and loss for the year ended March 31, 2016 on account of unwinding.

C Proposed dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meeting, or paid.

D Defined benefit obligation

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment benefit plan on actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in balance sheet through other comprehensive income.

E Investments

Under IGAAP, investments in liquid mutual funds were carried at cost or net realisable value, whichever is lesser. Under Ind AS, such investments are measured at fair value through profit or loss.

F Loans

The Company has fair valued its security deposits and employee loans as at the transition date.

G Deferred Tax

The various transitional adjustments lead to temporary differences, which the Company has to account for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

H Service Concession Arrangement

Management has determined the applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Company. The accounting for the power purchase arrangements in accordance with Appendix A of Ind AS 11 has impacted Capital work in progress and intangible assets as of April 1, 2015 amounting to Rs. 1,507.67 Lakhs, Revenue from operations and Cost of goods consumed by Rs. 5,476.55 lakhs and Rs. 5,156.29 lakhs respectively for the year ended March 31, 2016, property plant and equipment and Intangible assets as at March 31, 2016 amounting to Rs. 6,467.59 lakhs and Rs. 4,366.17 lakhs respectively and Financial asset amounting to Rs. 143.01 lakhs.

I Excise duty

Excise duty on account of sale of goods have been included in revenue as it is on own account because it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Standalone financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

49 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

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

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004

Chartered Accountants

Sd/-

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

Sd/-

R. Chellappan

Managing Director

DIN:00016958

Sd/-

R. Sathishkumar

Company Secretary

Sd/-

A.Balan

Joint Managing Director

DIN:00017091

Sd/-

P.Jagan

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Energy Systems Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Swelect Energy Systems Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us [and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2017, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information, as noted in the 'Other matter' paragraph:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 37 to the consolidated Ind AS financial statements;
 - The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2017. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiaries incorporated in India during the year ended March 31, 2017.
 - The Holding Company and subsidiaries incorporated in India, have provided requisite disclosures in Note 41 to these consolidated Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group as produced to us by the Management of the Holding Company

Other Matter

We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose Ind AS financial statements include total assets of Rs. 26,104.19 lakhs and net assets of Rs. 9,755.00 lakhs as at March 31, 2017, and total revenues of Rs. 11,206.38 lakhs and net cash outflows of Rs. 110.63 for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 25, 2017

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

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

In conjunction with our audit of the consolidated financial statements of Swelect Energy Systems Limited as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Swelect Energy System Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk

that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

Sd/-

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 25, 2017

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Balance Sheet as at 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
Non-current assets				
Property, Plant and Equipment	3	20,148.20	21,015.97	20,201.12
Capital work-in-progress		300.70	76.51	151.68
Investment property	4	3,117.32	3,252.93	3,304.22
Goodwill	34	789.74	789.32	772.69
Intangible assets	5	8,206.83	8,320.39	2,776.60
Financial assets				
Loans	6(c)	682.77	803.37	400.91
Other financial assets	6(d)	37.63	4.95	113.57
Investments	6(a)	530.35	530.35	530.00
Income Tax Asset (Net)		86.58	202.46	1,169.44
Deferred tax asset (Net)	17	34.16	16.32	-
Other Non-current assets	7	735.67	605.97	979.10
Total Non-current assets		34,669.95	35,618.54	30,399.33
Current assets				
Inventories	8	6,353.40	4,220.80	3,441.84
Financial Assets				
Investments	6(b)	25,131.04	25,043.22	26,900.83
Loans	6(c)	105.44	201.87	20.87
Trade receivables	9	7,200.75	7,038.95	5,524.10
Cash and cash equivalents	10	10,462.44	8,336.07	6,809.75
Other bank balances	6(d)	5,332.14	5,819.30	13,300.39
Other financial assets	6(e)	183.33	248.10	324.89
Other Current assets	11	652.97	584.26	997.02
Total Current assets		55,421.51	51,492.57	57,319.69
Total Assets		90,091.46	87,111.11	87,719.02

	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	1,010.58	1,010.58	1,010.58
Other Equity	13	69,012.39	67,192.08	65,735.60
Total Equity		70,022.97	68,202.66	66,746.18
Non-current liabilities				
Financial Liabilities				
Borrowings	15 (a)	3,600.45	5,145.40	9,535.05
Deferred tax liabilities (net)	17	-	-	738.26
Provisions	18	453.99	327.02	227.00
		4,054.44	5,472.42	10,500.31
Current liabilities				
Financial Liabilities				
Borrowings	15 (a)	6,382.05	6,085.72	3,334.16
Trade payables	19	7,106.31	4,584.58	4,227.79
Other financial liabilities	16	1,681.79	2,235.34	2,594.80
Other current liabilities	20	422.88	354.55	246.32
Provisions	18	421.02	175.84	69.46
		16,014.05	13,436.03	10,472.53
Total Liabilities		20,068.49	18,908.45	20,972.84
Total Equity and Liabilities		90,091.46	87,111.11	87,719.02
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

Sd/-

R. Chellappan
Managing Director
DIN:00016958

Sd/-

A.Balan
Joint Managing Director
DIN:00017091

Sd/-

R. Sathishkumar
Company Secretary

Sd/-

P.Jagan
Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Statement of profit and loss for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	Notes	31 March 2017	31 March 2016
INCOME			
Revenue from operations	21	24,686.17	28,194.95
Other income	22	714.66	313.69
Finance income	23	2,875.73	2,832.86
Total income		28,276.56	31,341.50
EXPENSES			
Cost of raw materials and components consumed	24	3,141.71	10,120.44
Purchase of traded goods		12,692.48	9,171.02
(Increase) / Decrease in inventories of work-in-progress, traded goods and finished goods	25	(1,107.48)	(815.80)
Excise duty on sale of goods		556.38	575.98
Employee benefits expense	26	2,150.51	2,088.22
Depreciation and amortisation expense	28	1,946.00	1,704.13
Other expenses	27	4,850.36	4,733.09
Finance costs	29	959.15	1,200.28
Total expenses		25,189.11	28,777.36
Profit before tax and exceptional items		3,087.45	2,564.14
Add : Exceptional items (Also refer note 40)		-	30.00
Profit before tax		3,087.45	2,594.14
Current tax		924.39	2,144.45
Deferred Tax (credit) / charge		-	(1,205.83)
Income tax expense	31	924.39	938.62
Profit for the year		2,163.06	1,655.52

	Notes	31 March 2017	31 March 2016
Other comprehensive income (OCI)			
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plans		-	2.81
Income tax effect		-	(0.97)
		-	1.84
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(215.32)	521.53
Other comprehensive income for the year, net of tax		(215.32)	523.37
Total comprehensive income for the year, net of tax		1,947.74	2,178.89
Earnings per share			
Basic and Diluted, computed on the basis of profit from operations attributable to equity holders	30	21.40	16.38
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-
per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 25 May 2017

For and on behalf of the board of directors

Sd/-
R. Chellappan
Managing Director
DIN:00016958

Sd/-
R. Sathishkumar
Company Secretary

Place: Chennai
Date: 25 May 2017

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

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Cash flow statement for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	3,087.45	2,564.14
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/amortisation	1,946.00	1,704.13
Gain / (loss) on investments carried at fair value through Profit and Loss	(2,156.63)	(1,105.93)
Unrealised foreign exchange (gain) / loss, net	(30.46)	58.92
Net gain from the sale of current investment	(127.52)	(824.05)
Dividend income - mutual fund	(0.46)	(37.51)
Provision for bad and doubtful debts and Bad debts written off	131.26	58.64
Liabilities no longer required, written back	(38.71)	(15.78)
Interest expense	829.61	1,065.46
Interest income	(591.58)	(902.88)
Operating profit before working capital changes	3,048.96	2,565.14
Movement in working capital :		
(Increase) in trade receivables	(262.60)	(1,632.41)
Decrease in current and non-current assets	18.62	202.43
(Increase) in inventories	(2,132.60)	(778.96)
Increase in trade payables, other current and long term liabilities	2,628.77	480.80
Increase in provisions	147.72	170.70
Cash flow generated from operations	3,448.87	1,007.70
Taxes paid, net	(584.08)	(657.88)
Net cash flow generated from operating activities (A)	2,864.79	349.82
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure	(1,228.07)	(8,615.01)
Proceeds from sale of tangible assets	40.00	76.11
Redemption / (Investment) in current investments	2,196.33	3,787.59
Investment in non current investments	-	(0.35)
Redemption in bank deposits (having original maturity of more than three months)	444.58	7,589.71
Interest received	656.35	979.67
Dividend received on mutual fund	0.46	37.51
Net cash flow generated from investing activities (B)	2,109.65	3,855.23

31 March 2017 31 March 2016

C. CASH FLOW FROM FINANCING ACTIVITIES:

Proceeds / (Repayment) of short-term borrowings	(2,311.12)	2,944.15
Repayment from long-term borrowings	(1,930.02)	(4,016.28)
Interest paid	(829.61)	(1,065.46)
Dividend paid	(101.06)	(555.83)
Dividend tax paid	(20.69)	(113.15)
Net cash flow (used in) financing activities (C)	(5,192.50)	(2,806.57)
Exchange differences on translation of foreign currency cash and cash equivalent (D)	(261.18)	320.73
Net decrease / (increase) in cash and cash equivalents (A + B + C +D)	(479.24)	1,719.21
Cash and cash equivalents at the beginning of the year	7,697.12	5,977.91
Closing cash and cash equivalents	7,217.88	7,697.12
Cash and Cash equivalents (Refer Note 10a)	7217.88	7697.12
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 Registration number 101049W/E300004
Chartered Accountants

Sd/-
per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 25 May 2017

For and on behalf of the board of directors

Sd/-
R. Chellappan
Managing Director
DIN:00016958

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

Sd/-
R. Sathishkumar
Company Secretary

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

Place: Chennai
Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

a. Equity Share Capital

For the year ended March 31, 2017

Balance as at April 1, 2016	Changes in Equity Share Capital during the year (refer note 12)	Balance as at March 31, 2017
1010.58	--	1010.58

For the year ended March 31, 2016

Balance as at April 1, 2015	Changes in Equity Share Capital during the year (refer note 12)	Balance as at March 31, 2016
1010.58	--	1010.58

b. Other Equity

For the year ended March 31, 2017

Particulars	Reserves & Surplus						Items of OCI	Total Equity
	Capital Reserve	Securities premium Reserve	Retained earnings	Capital redemption reserve	Revaluation reserve	General Reserve	Foreign currency translation reserve	
As at 1 April 2016	304.10	182.68	45,887.90	375.00	401.87	18,102.14	1,938.39	67,192.08
Profit for the period	-	-	2,163.06	-	-	-	-	2,163.06
Exchange differences on translation of foreign operations	-	-	-	-	-	-	(215.32)	(215.32)
Total comprehensive income	304.10	182.68	48,050.96	375.00	401.87	18,102.14	1,723.07	69,139.82
Movement in revaluation reserve	-	-	-	-	(5.69)	-	-	(5.69)
Proposed Dividend for the year 2015-16	-	-	(101.05)	-	-	-	-	(101.05)
Dividend Distribution Tax for the year 2015-16	-	-	(20.69)	-	-	-	-	(20.69)
At 31 March 2017	304.10	182.68	47,929.22	375.00	396.18	18,102.14	1,723.07	69,012.39

For the year ended March 31, 2016

Particulars	Reserves & Surplus						Items of OCI	Total Equity
	Capital Reserve	Securities premium Reserve	Retained earnings	Capital redemption reserve	Revaluation reserve	General Reserve	Foreign currency translation reserve	
As at 1 April 2015	304.10	182.68	45,295.01	250.00	407.38	17,879.57	1,416.86	65,735.60
Profit for the period	-	-	1,655.52	-	-	-	-	1,655.52
Exchange differences on translation of foreign operations	-	-	-	-	-	-	521.53	521.53
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	1.84	-	-	-	-	1.84
Total comprehensive income	304.10	182.68	46,952.37	250.00	407.38	17,879.57	1,938.39	67,914.49
Transfer to general reserve	-	-	(222.57)	-	-	222.57	-	-
Transfer to capital redemption reserve	-	-	(125.00)	125.00	-	-	-	-
Adjustment on account merger (Refer note 46)	-	-	(48.33)	-	-	-	-	(48.33)
Adjustment on account merger (Refer note 46)	-	-	0.41	-	-	-	-	0.41
Movement in revaluation reserve	-	-	-	-	(5.51)	-	-	(5.51)

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Statement of Changes in Equity for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Particulars	Reserves & Surplus						Items of OCI	Total Equity
	Capital Reserve	Securities premium Reserve	Retained earnings	Capital redemption reserve	Revaluation reserve	General Reserve	Foreign currency translation reserve	
Proposed Dividend for the year 2014-15	-	-	(252.65)	-	-	-	-	(252.65)
Dividend Distribution Tax for the year 2014-15	-	-	(51.43)	-	-	-	-	(51.43)
Interim Equity Dividend for the year 2015-16	-	-	(303.18)	-	-	-	-	(303.18)
Dividend Distribution Tax for the year 2015-16	-	-	(61.72)	-	-	-	-	(61.72)
At 31 March 2016	304.10	182.68	45,887.90	375.00	401.87	18,102.14	1,938.39	67,192.08

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 Registration number 101049W/E300004

Chartered Accountants

Sd/-

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

Sd/-

R. Chellappan

Managing Director

DIN:00016958

Sd/-

R. Sathishkumar

Company Secretary

Sd/-

A.Balan

Joint Managing Director

DIN:00017091

Sd/-

P.Jagan

Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

1. Corporate information:

Swelect Energy Systems Limited ('Swelect', 'Parent' or 'the Company') was incorporated as a public limited company on 12 September 1994. The Company and its subsidiaries (the 'Group') are engaged in the business of manufacturing and trading of Solar power projects, off-grid solar photovoltaic modules, based on crystalline silicon technology (c-Si), solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar Photovoltaic inverters, energy efficient lighting systems, manufacture of iron and aluminum foundry castings.

The company is domiciled in India and its shares are listed on two recognised stock exchanges in India. The registered office of the company is located at Chennai.

The Consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 25, 2017.

2. Significant accounting policies:

2.1. Basis of preparation:

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These Consolidated financial statements for the year ended 31st March 2017 are the first the Group has prepared in accordance with Ind AS. Refer to note 49 for information on how the Group adopted Ind AS.

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated financial statements are presented in INR and all values are rounded to the nearest lacs(INR 00,000), except when otherwise indicated.

2.2. Summary of significant accounting policies:

a. Basis of consolidation

Consolidated financial statements comprise the financial statements of the Company and its subsidiaries as disclosed below.

Name	Country of incorporation	Percentage holding as at 31 March 2017	Percentage holding as at 31 March 2017
Swelect Energy Systems Pte. Ltd.	Singapore	100	100
Swelect Solar Energy Private Limited	India	100	100
Subsidiary of Swelect Solar Energy Private Limited - a) Noel Media & Advertising Private Limited b) KJ Solar Systems Private Limited	India	100	100
Amex Alloys Private Limited	India	100	100
SWELECT Inc.	USA	100	100
Subsidiary of SWELECT Inc. a) SWELECT Energy Systems LLC	USA	100	100
Swelect Green Energy Solutions Private Limited	India	100	100
Swelect Power Systems Private Limited	India	100	100

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Generally, there is a presumption that a majority of voting rights result in control. For supporting such situations and also those situations the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resultant gain or loss is recognized in the statement of profit or loss. Any investment is recognized at fair value.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The financial statements of the Parent and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like, items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements. The statement of profit and loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a debit balance.

The financial statements of the Parent and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Profit or loss and each component of other comprehensive income (the 'OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income and expenses and cash flows relating to the transactions between members and the Group are eliminated in full in consolidation.

b. Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

The Group classifies all other liabilities as non-current.

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

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

c. Use of Estimates

The preparation of standalone financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities. Estimates include provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Fixed Assets, provision for taxation, etc., during and at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

d. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract.

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

However, sales tax/value added tax (VAT) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of power

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

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

Income from Sale of Renewable Energy Certificates

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

Income from service

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

Interest income

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. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the

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expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend

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

Rental Income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

e. Service Concession Arrangement

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

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

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Group receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Group performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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

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

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

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

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. Taxes

Current income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group. The carrying amount of MAT is reviewed at each reporting date and the asset is written down to the extent the Group does not have convincing evidence that it will pay normal income tax during the specified period.

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

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

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

Deferred tax relating to items recognised outside the Statement of profit and loss is recognised outside Statement of profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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

h. Employee Benefits

Defined Contribution Plan

Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a

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liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent of the pre payment.

Employee State Insurance

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

Defined Benefit Plan

Gratuity

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

Long Term Compensated Absences

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

Short Term Employee Benefits

Short term employee benefits includes short term compensated absences which is recognized based on the eligible leave at credit on the Balance Sheet date, and the estimated cost is based on the terms of the employment contract.

i. Foreign Currency Transactions and Translations:

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

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

Treatment of Exchange Differences

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

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

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

j. Earnings Per Share

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

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

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k. Property, Plant and Equipment and intangible fixed assets

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

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

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.

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.

The Group identifies and determines cost of each component/part of the asset separately, if the component/part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work-in-Progress: Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is reclassified to appropriate caption and subjected to depreciation.

l. Depreciation and amortisation:

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

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

m. Useful lives/depreciation rates

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

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

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

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

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

n. 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.

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o. Investment Properties

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

Investment property represents property (land or a building—or part of a building—or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

Depreciation on building classified as investment property has been provided on the straight-line method based on the useful life as prescribed in Schedule II to the Companies Act, 2013. These are based on the Group's estimate of their useful lives taking into consideration technical factors.

Though the Group measures investment property using cost basis measurement, the fair value of investment property is disclosed in the notes. Fair values are determined on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by an independent valuer.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit from its disposal.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

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 capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

q. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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 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.

r. Provisions and Contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

s. 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.

t. Financial instruments:

(i) Financial Assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Group's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the statement of profit and loss.

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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Investment in associates, joint venture and subsidiaries

The Group has accounted for its investment in subsidiaries and associates, joint venture at cost.

Impairment of financial assets

The Group assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

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(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

(iii) Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously

u. Fair value measurement

The Group measures specific financial instruments of certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes the accounting policy for fair value. Other fair value related disclosures are given in relevant notes.

v. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand including cheques on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

w. Cash dividend

The Group recognizes a liability to make cash, when the distribution is authorized and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends paid/payable are recognised in the year in which the related dividends are approved by the Shareholders or Board of Directors as appropriate.

x. Cash flow statement

Cash flows are presented using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Group is segregated based on the available information.

y. Business combinations :

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

Business combinations involving entities under the common control are accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The identity of the reserves shall be preserved and shall appear in the financial statements of the transferee in the same form in which they appeared in the financial statements of the transferor. Any consideration in excess of the net worth of the acquire Group is adjusted against the reserves of the acquiring Group.

z. Exceptional items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the consolidated financial statements.

SWELECT ENERGY SYSTEMS LIMITED
Notes to Consolidated financial statements for the year ended 31 March 2017
(All amounts are in INR Lakhs, except for share data or as otherwise stated)

3. Property, Plant and Equipment

Particulars	Land	Buildings	Plant and machinery	Office & Electrical equipment	Computers	Furniture and Fittings	Vehicles	Leasehold improvements	Total
Cost									
At 1 April 2015	1,875.74	2,649.72	15,007.47	310.24	22.64	212.03	118.70	4.58	20,201.12
Additions	37.00	239.61	1,693.61	120.09	21.81	47.75	11.03	-	2,170.90
Deletions/Adjustment	-	-	(76.06)	-	(0.05)	-	-	-	(76.11)
Other Adjustments #	-	61.88	-	0.05	0.07	3.83	-	-	65.83
At 31 March 2016	1,912.74	2,951.21	16,625.02	430.38	44.47	263.61	129.73	4.58	22,361.74
Additions	-	193.46	285.16	5.47	8.88	48.00	34.29	-	575.26
Deletions	-	-	-	-	-	33.00	7.00	-	40.00
Other Adjustments #	-	(23.35)	-	-	-	-	-	-	(23.35)
At 31 March 2017	1,912.74	3,121.32	16,910.18	435.85	53.35	344.61	171.02	4.58	22,953.65
Depreciation									
At 1 April 2015	-	-	-	-	-	-	-	-	-
Charge for the year	-	73.86	1,070.53	72.12	19.93	64.20	28.49	4.58	1,333.71
Deletions/Adjustment	-	-	-	-	-	-	-	-	-
Other Adjustments #	-	8.68	-	0.02	0.06	3.30	-	-	12.06
At 31 March 2016	-	82.54	1,070.53	72.14	19.99	67.50	28.49	4.58	1,345.77
Charge for the year	-	73.86	1,201.08	72.12	19.93	64.20	28.49	-	1,459.68
Deletions	-	-	-	-	-	-	-	-	-
At 31 March 2017	-	156.40	2,271.61	144.26	39.92	131.70	56.98	4.58	2,805.45
Net Block									
At 31 March 2015	1,875.74	2,649.72	15,007.47	310.24	22.64	212.03	118.70	4.58	20,201.12
At 31 March 2016	1,912.74	2,868.67	15,554.49	358.24	24.48	196.11	101.24	-	21,015.97
At 31 March 2017	1,912.74	2,964.92	14,638.57	291.59	13.43	212.91	114.04	-	20,148.20

For Property Plant & Equipment existing as on 1 April 2015 i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed cost.

Other adjustments represent adjustments pursuant to foreign currency translation.

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

4. Investment Property

Particulars	31 March 2017	31 March 2016	01 April 2015
Cost	3,366.92	3,304.22	3,304.22
Additions during the year	-	-	-
Deletion during the year	-	-	-
Other adjustments*	(23.35)	62.70	-
Closing balance	3,343.57	3,366.92	3,304.22
Depreciation			
Opening balance	113.99	-	-
Depreciation during the year	111.51	110.75	-
On Deletions / Adjustments during the year	-	-	-
Other adjustments*	0.75	3.24	-
Closing balance	226.25	113.99	-
Net Block	3,117.32	3,252.93	3,304.22

*Other adjustment represents adjustment pursuant to foreign currency translation.

For investment property existing as on 1st April 2015, i.e. the date of transition to Ind AS, the Group has used Indian GAAP carrying amount as deemed cost.

Information regarding income and expenditure of Investment property

	31 March 2017	31 March 2016
Rental income derived from investment properties	373.37	455.61
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	4.07	3.89
Profit arising from investment properties before depreciation and indirect expenses	369.30	451.72
Less – Depreciation	111.51	110.75
Profit arising from investment properties before indirect expenses	257.79	340.97

Description of valuation techniques used and key inputs to valuation on investment properties:

As at 31 March 2017 and 31 March 2016, the fair value of the property is Rs. 19,913 lakhs and Rs. 21,141 lakhs respectively. The valuation is based on fair value assessment. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Company has no restrictions on the realisability of its investment properties and has no contractual obligations to purchase, construct or develop investment properties or has any plans for major repairs, maintenance and enhancements. Fair Value Hierarchy disclosures for investment properties have been provided in Note 42.

Under the Discounted cashflow method, fair value is estimated using assumptions regarding the fair market value of the property. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in long-term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value.

Generally, a change in the assumption made for the estimated rental value is accompanied by:

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

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

5 Intangible assets

Particulars	Certification Process	Computer software	Service Concession Arrangement*	Total
Cost				
At 1 April 2015	13.30	25.18	2,738.12	2,776.60
Additions	31.72	24.60	5,747.14	5,803.46
Disposals /Adjustment	-	-	-	-
At 31 March 2016	45.02	49.78	8,485.26	8,580.06
Additions	48.92	20.29	192.04	261.25
Disposals /Adjustment	-	-	-	-
At 31 March 2017	93.94	70.07	8,677.30	8,841.31
Amortisation				
At 1 April 2015				
Charge for the year	10.73	18.08	230.86	259.67
Disposals / Adjustment	-	-	-	-
At 31 March 2016	10.73	18.08	230.86	259.67
Charge for the year	17.56	-	357.25	374.81
Disposals / Adjustment	-	-	-	-
At 31 March 2017	28.29	18.08	588.11	634.48
Net block				
At 31 March 2017	65.65	51.99	8,089.19	8,206.83
At 31 March 2016	34.29	31.70	8,254.40	8,320.39
At 1 April 2015	13.30	25.18	2,738.12	2,776.60

Certification process refers to cost incurred to obtain IEC 61215 certification from TUV Germany and UL Certification from Intertek,USA. TUV,Germany certifications are valid till 2021.

For Intangible assets as on 1 April 2015 i.e. the date of transition to Ind AS, the company has used Indian GAAP carrying value as deemed cost.

* The Group (operator) has entered into a 25 year PPA's with TANGEDCO (Grantor). The Companies within the group have assessed the PPA as an arrangement which would need to be accounted under the principles of Appendix A of Ind-AS 11 as the following conditions are met:

The grantor (TANGEDCO) controls or regulates what services the operator (Company) must provide with the infrastructure (Power plant), to whom it must provide them, and at what price; and the grantor controls through ownership, beneficial entitlement or otherwise significant residual interest in the infrastructure at the end of the term of the arrangement.

Infrastructure within the scope of Appendix A of Ind-AS 11 is not recognized as property, plant and equipment of the operator because the contractual service arrangement does not convey the right to control the use of the infrastructure to the operator.

Consideration for the construction services received or receivable by the operator is recognised at its fair value. The consideration may be rights to:

- (a) a financial asset, or
- (b) an intangible asset.

The Company recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from the grantor for the construction services; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, even if payment is contingent on the operator ensuring that the infrastructure meets specified quality or efficiency requirements.

The PPA is for a tenure of 25 years, which represents the significant useful life the infrastructure (Power Plant). Consequently, the Company has an Intangible right to receive cash through the tenure of the PPA and the same has been recognized as an intangible asset. The Intangible asset is amortized over a period of 25 years.

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

6. Financial Asset

6(a) Non-current investments

	31 March 2017	31 March 2016	01 April 2015
Unquoted Investment in equity shares at fair value through statement of profit and loss			
3,00,000 (31 March 2016 : 3,00,000; 01 April 2015 : 3,00,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited	30.00	30.00	30.00
3,520 (31 March 2016 : 3,520; 01 April 2015 : Nil) equity shares of Rs.10/- each fully paid in Yajur Energy Solutions Private Limited	0.35	0.35	-
Investment in tax free bonds (unquoted) carried at amortized cost			
50,000 (31 March 2016 : 50,000; 01 April 2015 : 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited*	500.00	500.00	500.00
	530.35	530.35	530.00

* Investment in tax free bonds are non-derivative financial assets which generate an effective interest income at 8.5% for the Group.

6(b) Current investments

Investments at fair value through profit or loss (FVTPL)

Quoted Mutual funds

2,00,00,000 (31 March 2016 : 2,00,00,000; 01 April 2015 : 2,00,00,000) units of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series*	2,573.48	2,401.30	2,215.24
Nil (31 March 2016 : Nil; 01 April 2015 : 50,00,000) units of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan*	-	-	545.14
Nil (31 March 2016 : Nil; 01 April 2015 : 202) units of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan	-	-	2.03
Nil (31 March 2016 : Nil; 01 April 2015 : 91,319) units of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan	-	-	96.56
Nil (31 March 2016 : Nil; 01 April 2015 : 1,20,00,000) units of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan	-	-	1,311.85
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan*	-	-	2,301.47
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan*	-	-	2,307.35
Nil (31 March 2016 : Nil; 01 April 2015 : 2,10,00,000) units of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan*	-	-	2,294.02
Nil (31 March 2016 : Nil; 01 April 2015 : 82,01,872) units of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular growth plan*	-	-	918.18
Nil (31 March 2016 : Nil; 01 April 2015 : 30,00,000) units of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan*	-	-	3,297.24

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	31 March 2017	31 March 2016	01 April 2015
Nil (31 March 2016 : Nil; 01 April 2015 : 50,00,000) units of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year	-	-	545.04
Nil (31 March 2016 : Nil; 01 April 2015 : 2,20,00,000) units of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan*	-	-	2,215.24
Nil (31 March 2016 : Nil; 01 April 2015 : 2,50,00,000) units of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan	-	-	2,795.98
Nil (31 March 2016 : Nil; 01 April 2015 : 5,94,612.31) units of Rs.100/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment	-	-	596.38
Nil (31 March 2016 : 4,64,502.74; 01 April 2015 : Nil) units of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Growth- Regular Plan	-	1,358.01	-
Nil (31 March 2016 : Nil; 01 April 2015 : 9,79,078.07) units of Rs.100/- each fully paid up ICICI Prudential Liquid -Regular Plan - Daily Dividend	-	-	979.70
Nil (31 March 2016 : Nil; 01 April 2015 : 1,95,912.08) units of Rs.1000/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend	-	-	1,960.53
Nil (31 March 2016 : Nil; 01 April 2015 : 2,50,138.76) units of Rs.1000/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend	-	-	2,513.88
Nil (31 March 2016 : 4,605,081.71; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HDFC Cash Managemnt Fund - Treasury Advantage - Regular - Growth	-	1,458.82	-
1,921,876.42 (31 March 2016 : 1,921,876.42; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Treasury Optimizer - Regular - Growth **	4,001.10	3,626.16	-
5,965,315.95 (31 March 2016 : 5,965,315.95; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up JP Morgan India Banking & PSU Debt Fund - Regular - Growth*	806.55	750.29	-
Nil (31 March 2016 : 61,621.05; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HDFC Liquid Fund - Growth	-	1,839.11	-
Nil (31 March 2016 : 121,918.24; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HSBC Cash Fund -Growth	-	1,838.90	-
9,817,676.82 (31 March 2016 : 9,817,676.82; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up HSBC Income Fund -STP Growth*	2,641.77	2,300.00	-
13,525,932.84 (31 March 2016 : 13,525,932.84; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up UTI Short term income Fund - Growth*	2,696.87	2,457.22	-
Nil (31 March 2016 : 18,031.90; 01 April 2015 : Nil) unit of Rs.10/- each fully paid up UTI Money Market Fund - Institutional Plan - Direct - Growth	-	306.03	-
17,339,638.21 (31 March 2016 : 17,339,638.21; 01 April 2015 : Nil) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Growth	3,334.62	3,039.29	-
2,01,63,916.17 (31 March 2016 : 2,01,63,916.17; 01 April 2015 : Nil) units of Rs.10/- each fully paid up UTI Short term income Fund - Institutional - Growth*	4,020.38	3,663.09	-
316,157 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up ICICI Prudential flexible regular plan	984.32	-	-
779,864 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up Birla Sunlife Saving Fund	2,485.05	-	-

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	31 March 2017	31 March 2016	01 April 2015
4,604,002 (31 March 2016 : Nil; 01 April 2015 : Nil) units of Rs.10/- each fully paid up HDFC Cash Manangement Fund Treasury Advantage	1,581.90	-	-
LIC Endowment Plus	5.00	5.00	5.00
	25,131.04	25,043.22	26,900.83
Aggregate book value of Quoted investments	21,680.35	23,722.06	25,174.26
Aggregate market value of Quoted investments	25,131.04	25,043.22	26,900.83
Aggregate value of unquoted investments	530.35	530.35	530.00
Current	25,131.04	25,043.22	26,900.83
Non Current	530.35	530.35	530.00

Note:

* Investments marked have been pledged as collateral securities with banks for availment of term loans for the Company. (Refer Note 15).

** Investment marked have been pledged partly as collateral security with a bank for availment of term loan for one of the Subsidiaries of the Company (Refer Note 15).

Financial assets at Amortised cost

6(c) Loans (Secured considered good unless otherwise stated) carried at amortised cost

	31 March 2017	31 March 2016	01 April 2015
Loans to employees	14.85	14.19	20.87
Other Financial Assets*	773.36	991.05	400.91
Total loans	788.21	1,005.24	421.78
Current	105.44	201.87	20.87
Non-Current	682.77	803.37	400.91

* Other financial assets are non-derivative financial assets which generate an effective interest income at 8.5% - 8.95% for the Group.

6(d) Bank balances

	31 March 2017	31 March 2016	01 April 2015
Deposits with original maturity more than 3 months and less than 12 months #	5,332.14	5,819.30	13,300.39
Deposits with original maturity more than 12 months #	37.63	4.95	113.57
	5,369.77	5,824.25	13,413.96
Current	5,332.14	5,819.30	13,300.39
Non-Current	37.63	4.95	113.57

The balance on deposit accounts bears an average interest rate of 7.5% and have been pledged as collateral securities with banks for availing overdraft, working capital facilities for the Group (Refer Note 15)

6(e) Other financial assets

	31 March 2017	31 March 2016	01 April 2015
Interest accrued but not due on margin money accounts	20.99	-	-
Earnest money deposit	62.00	52.00	-
Interest accrued on fixed deposits	100.34	196.10	324.89
	183.33	248.10	324.89
Current	183.33	248.10	324.89

7 Other Non-current Assets

	31 March 2017	31 March 2016	01 April 2015
Unsecured, considered good:			
Capital advances	98.96	24.28	797.49
Balances with government authorities	499.44	457.64	61.49
Prepaid expenses	93.71	80.61	88.24

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
Interest accrued on fixed deposits	30.42	-	-
Advances recoverable in cash	11.48	16.81	31.88
Others	1.66	26.63	-
Unsecured, considered doubtful:			
Balances with government authorities	280.44	280.44	338.78
Provision for doubtful advance	(280.44)	(280.44)	(338.78)
Total Other Non-current Assets	735.67	605.97	979.10

8 Inventories

	31 March 2017	31 March 2016	01 April 2015
Raw materials and components	2,781.70	1,719.83	1,796.38
Work-in-progress	649.54	682.89	535.50
Finished goods	1,899.40	1,491.70	774.10
Goods In Transit (Raw material)	-	30.02	-
Traded goods	997.02	263.89	313.08
Stores and spares	25.74	32.47	22.78
Total Inventories	6,353.40	4,220.80	3,441.84

Finished goods at traded goods are valued at lower of cost and net realisable value

9 Trade receivables

	31 March 2017	31 March 2016	01 April 2015
Trade receivables	7,200.75	7,038.95	5,524.10
Total Trade receivables	7,200.75	7,038.95	5,524.10

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer Note 35.

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days.

10 Cash and cash equivalents

	31 March 2017	31 March 2016	01 April 2015
Balances with banks:			
On current accounts	945.34	604.68	1,956.34
On unpaid dividend accounts	30.28	32.12	32.42
Deposits with original maturity less than 3 months*	9,483.05	7,686.22	4,816.91
Cash on hand	3.77	13.05	4.08
Total Cash and cash equivalents	10,462.44	8,336.07	6,809.75

Note:

* The balance on deposit accounts bears an interest rate of 0.75 % -7.5% and have been pledged as collateral securities with banks for availing Bank guarantees, Trust receipts, cash credit and packing credit facilities for the Group.

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

	31 March 2017	31 March 2016	01 April 2015
Balances with banks:			
On current accounts	945.34	604.68	1,956.34
Deposits with original maturity less than 3 months	9,483.05	7,686.22	4,816.91
Cash on hand	3.77	13.05	4.08
	10,432.16	8,303.95	6,777.33
Less – Bank overdraft (Refer Note 15b)	(3,214.28)	(606.83)	(799.42)
	7,217.88	7,697.12	5,977.91

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

11 Other Current assets

	31 March 2017	31 March 2016	01 April 2015
Unsecured and considered good:			
Balances with government authorities	393.37	308.31	603.12
Supplier advances	175.48	114.03	279.45
Prepaid expenses	55.74	58.04	63.46
Capital advance	-	22.62	37.99
Other receivables	28.38	81.26	13.00
Unsecured and considered doubtful:			
Balances with government authorities	31.59	31.59	31.59
Provision for doubtful advance	(31.59)	(31.59)	(31.59)
Total Other Current assets	652.97	584.26	997.02

12 Equity Share capital

Authorised Share Capital	Equity Shares of Rs 10/- each	
	No	Rs. Lakhs
At April 1, 2015	20,000,000	2,000.00
Increase/(Decrease) during the year	-	-
At March 31, 2016	20,000,000	2,000.00
Increase/(Decrease) during the year	-	-
At March 31, 2017**	47,000,000	4,700.00
Equity Shares of Rs. 10/- each issued, subscribed & fully paid up	No	Rs. Lakhs
At April 1, 2015	10,105,840	1,010.58
Issue of Equity Share Capital	-	-
At March 31, 2016	10,105,840	1,010.58
Issue of Equity Share Capital	-	-
At March 31, 2017	10,105,840	1,010.58

** Pursuant to the amalgamation of HHV Solar Technologies Limited (a wholly owned subsidiary) with the Company (Refer Note 46), the existing Authorised Share Capital of the Company has been altered as Rs.47,00,00,000/- comprising 4,70,00,000 Equity Shares of Rs.10/- each, vide Postal Ballot resolution dated 29 March 2017.

a. Terms/rights attached to equity shares

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

During the year ended 31 March 2017, the amount of per share dividend recommended by the board of directors in their meeting held on May 25, 2017 as distributions to equity shareholders for final dividend was Rs. 4/- (Refer to note 14 for further details).

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.

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares	% holding in the class	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10/- each fully paid						
R. Chellappan, Managing Director	4,815,954	47.66%	4,747,054	46.97%	4,747,054	46.97%

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

13 Other Equity

Securities Premium Reserve – Where the Group issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to “Securities Premium Reserve”. The Group may issue fully paid-up bonus shares to its members out of the securities premium reserve and the Group can use this reserve for buy-back of shares.

General Reserve - General Reserve is created out of the profits earned by the Group by way of transfer from surplus in the statement of profit and loss. The Group can use this reserve for payment of dividend and issue of fully paid-up and not paid-up bonus shares.

	31 March 2017	31 March 2016	01 April 2015
Capital reserve	304.10	304.10	304.10
Securities premium account	182.68	182.68	182.68
General Reserve	18,102.14	18,102.14	17,879.57
Retained earnings	47,927.50	45,886.06	45,295.01
Capital redemption reserve	375.00	375.00	250.00
Foreign currency translation reserve	1,724.91	1,940.23	1,416.86
Revaluation Reserve	396.06	401.87	407.38
Total	69,012.39	67,192.08	65,735.60

14 Distribution made and proposed

	31 March 2017	31 March 2016
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2016 : INR 1 per share (March 31, 2015: INR 2.5 per share)	101.06	252.65
Dividend Distribution tax on final Dividend	20.69	51.43
Interim dividend for the year ended on March 31, 2017: INR Nil per share (March 31, 2016: INR 3 per share)	-	303.18
Dividend Distribution tax on Interim Dividend	-	61.72
Proposed dividends on Equity shares:		
Proposed Dividend for year the ended on March 31, 2017 INR 4 per share	404.24	-
Dividend Distribution tax on Proposed Dividend	82.76	-

Proposed Dividend on Equity Shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2017.

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

15 (a) Borrowings

Financial Liabilities carried at amortized cost (Non-current)

	31 March 2017	31 March 2016	01 April 2015
Finance lease obligation	-	4.96	12.54
Term loan from Banks	3,469.89	5,057.47	9,461.30
Rental deposits	130.56	82.97	61.21
	3,600.45	5,145.40	9,535.05
The above amount includes			
Secured borrowings	3,469.89	5,062.43	9,473.84
Unsecured borrowings	130.56	82.97	61.21

15 (b) Borrowings

Financial Liabilities carried at amortized cost (Current)

	31 March 2017	31 March 2016	01 April 2015
Bank overdrafts	3,214.28	606.83	799.42
Packing Credit Foreign Currency (PCFC)	869.06	888.07	771.15
Working capital loan	1,179.01	3,555.24	989.96
Buyer's credit	251.91	264.83	241.69
External Commercial Borrowing (ECB)	820.34	737.25	-
Rental deposits	47.45	33.50	131.94
Liability towards acquisition of preference shares of a subsidiary	-	-	400.00
Total Current Borrowings	6,382.05	6,085.72	3,334.16
Aggregate Secured loans	6,334.60	6,052.22	2,802.22
Aggregate Unsecured loans	47.45	33.50	531.94

15 (c)

Loans as on March 31, 2017	Amount in lakhs	Effective Interest Rate	Loan Currency	Repayable	Security
Term loan - 1	40.00	8.30%	INR	Repayable in May 2017	Mutual funds
Term loan - 2	710.00	8.30%	INR	Repayable in quarterly instalments of Rs.88.75 lacs, ending March 2019	Mutual funds
Term loan - 3	357.50	8.30%	INR	Repayable in quarterly instalments of Rs.44.69 lacs, ending March 2019	Mutual funds
Term loan - 4	521.25	8.30%	INR	Repayable in quarterly instalments of Rs.43.44 lacs, ending March 2020	Mutual funds
Term loan - 5	943.72	8.00%	INR	For a period of 3 years with bullet repayment terms	Mutual funds
Term loan - 6	1,000.00	8.30%	INR	Repayable in quarterly instalments of Rs.125 lacs, ending March 2019	Mutual funds of the Holding Group
Term loan - 7	285.00	8.30%	INR	Repayable in quarterly instalments of Rs.35.62 lacs, ending March 2019	Mutual funds of the Holding Group
Term loan - 8	1,000.00	8.00%	INR	Bullet loan	Mutual funds of the Holding Group
Term loan - 9	200.00	6.30%	INR	Repayable in quarterly instalments of Rs.87.50 lakhs, ending December 2017	Fixed deposits
Bank overdrafts	3,214.28	7.75%-8.35%	INR	Repayable on demand	Fixed deposits and Mutual funds
Packing Credit Foreign Currency (PCFC)	869.06	2.00%	EUR	Repayable within 6 months from the date of the loan	Fixed deposits
Buyer's credit	251.91	1.60%	USD and EUR	Repayable within 6 months from the date of the loan	Fixed deposits
Working capital loan	1,179.01	1.7%-7.5 %	USD and INR	Repayable on demand	Fixed deposits
ECB-1	34.04	2.36%	USD	Repayable within 360 days	Fixed deposits
ECB-2	700.60	1.29%	USD and EUR	Repayable within 180 days	Fixed deposits
ECB-3	85.70	0.60%	EUR	Repayable within 90 days	Fixed deposits
Total	11,392.07				

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

16 Other Financial Liabilities

	31 March 2017	31 March 2016	01 April 2015
Other financial liabilities at amortised cost			
Unpaid dividend	30.28	32.12	32.42
Interest accrued	22.83	22.10	38.81
Current maturities of long-term debt (Refer Note 15c)	1,592.55	1,977.62	1,604.25
Capital creditors	36.13	203.50	919.32
Total other financial liabilities carried at amortized cost	1,681.79	2,235.34	2,594.80

17 Deferred tax liabilities / asset (net)

	31 March 2017	31 March 2016	01 April 2015
Deferred tax liability			
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	920.49	1,362.07	4,197.48
Gross deferred tax liability	920.49	1,362.07	4,197.48
Deferred tax asset			
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(12.32)	(15.47)	(110.67)
Carry forward business loss and unabsorbed depreciation	(908.17)	(1,346.60)	(2,690.54)
MAT Credit Entitlement	(34.16)	(16.32)	(658.01)
Gross deferred tax asset	(954.65)	(1,378.39)	(3,459.22)
Net Deferred tax liability / (asset)	(34.16)	(16.32)	738.26

18 Provisions

	31 March 2017	31 March 2016	01 April 2015
Current provisions			
Provision for warranties	113.39	79.87	25.56
Provision for gratuity (refer note 32)	6.99	8.24	1.87
Provision for leave benefits	40.51	52.03	37.62
Provision for Income tax, net of advance tax	260.13	35.70	-
Provision for tax on proposed preference dividend	-	-	4.41
Total (A)	421.02	175.84	69.46
Non Current provisions			
Provision for warranties	388.32	272.39	162.98
Provision for gratuity (refer note 32)	47.63	35.25	40.21
Provision for leave benefits	18.04	19.38	23.81
Total (B)	453.99	327.02	227.00
Total (A)+(B)	875.01	502.86	296.46

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016	01 April 2015
Provision for warranties			
At the beginning of the year	352.26	188.54	133.18
Arising during the year	151.51	163.72	55.36
Utilized during the year	(2.06)	-	-
At the end of the year	501.71	352.26	188.54
Non-current portion	388.32	272.39	162.98
Current portion	113.39	79.87	25.56

19 Trade payables

	31 March 2017	31 March 2016	01 April 2015
Trade payables	7,106.31	4,584.58	4,227.79
(Refer note below regarding dues to micro, small and medium enterprises)*			
	7,106.31	4,584.58	4,227.79

Refer Note 35 for trade payables to related parties.

*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.

20 Other current liabilities

	31 March 2017	31 March 2016	01 April 2015
Deferred service income	-	2.13	2.13
Advance from customers	211.35	174.37	86.86
Employee benefit payable	74.98	75.63	34.15
Statutory dues payables	136.55	102.42	123.18
	422.88	354.55	246.32

21 Revenue from operations

	31 March 2017	31 March 2016
Revenue from operations		
Sale of products(including excise duty)		
Manufactured goods	17,688.05	14,282.10
Traded goods	2,986.55	4,032.34
Sale of services	647.53	428.44
Sale of power	2,692.54	1,926.56
Revenue form service concession agreements (Refer Note 5)	222.52	7,011.33
Other operating revenue		
Scrap sales	75.61	58.57
Rental Income	373.37	455.61
Revenue from operations	24,686.17	28,194.95

22 Other income

	31 March 2017	31 March 2016
Exchange differences (net)	363.95	2.03
Rental income	33.70	43.38
Liabilities no longer required, written back	38.71	15.78
Other non-operating income	278.30	252.50
	714.66	313.69

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

23 Finance income

	31 March 2017	31 March 2016
Interest income on financial assets carried at amortised cost	591.58	902.88
Gain / (loss) on investments carried at fair value through Profit and Loss	127.52	824.05
Gain on sale of investments (net)	2,156.63	1,105.93
	2,875.73	2,832.86

24 Cost of raw material and components consumed

	31 March 2017	31 March 2016
Inventories at the beginning of the year	1,719.83	1,796.38
Add: Purchases	4,003.98	3,731.70
Add: Cost incurred towards service concession agreement (Refer Note 5)	199.60	6,312.19
	5,923.41	11,840.27
Less: inventories at the end of the year	2,781.70	1,719.83
Cost of raw material and components consumed	3,141.71	10,120.44

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

	31 March 2017	31 March 2016
Inventories at the end of the year		
Traded goods	997.02	263.89
Work-in-progress	649.54	682.89
Finished goods	1,899.40	1,491.70
	3,545.96	2,438.48
Inventories at the beginning of the year		
Traded goods	263.89	313.08
Work-in-progress	682.89	535.50
Finished goods	1,491.70	774.10
	2,438.48	1,622.68
	(1,107.48)	(815.80)

26 Employee benefits expense

	31 March 2017	31 March 2016
Salaries, wages and bonus	1,869.23	1,806.94
Contribution to provident and other funds	122.79	124.32
Gratuity expense (refer note 32)	24.93	28.33
Staff welfare expenses	133.56	128.63
	2,150.51	2,088.22

27 Other expenses

	31 March 2017	31 March 2016
Sub-contracting and processing expenses	1,699.34	1,741.84
Consumption of stores and spares	55.97	106.89
Service and maintenance charges	5.45	6.46
Power and fuel	724.47	645.32
Wheeling charges	19.02	63.03
Freight and forwarding charges	152.29	122.22
Rent (Refer note 33)	187.38	211.14
Rates and taxes	177.06	118.20

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
Insurance	48.38	48.91
Repairs and maintenance		
- Plant & machinery	201.99	199.13
- Buildings	45.42	62.79
- Others	120.51	95.56
Corporate social responsibility	20.39	17.00
Sales promotion	43.65	104.82
Advertising Expenses	52.87	10.32
Travelling and conveyance	203.85	183.08
Communication costs	55.29	54.74
Printing and stationery	28.04	31.68
Exchange differences (net)	108.29	186.09
Legal and professional fees	276.17	244.59
Payment to auditor (Refer details below)	59.24	60.16
Liquidated damages	54.99	48.00
Provision for bad and doubtful debts	15.52	37.53
Bad debts/advances written off	115.74	21.11
Provision for warranties (net of reversals)	151.51	163.72
Miscellaneous expenses	227.54	148.76
	4,850.36	4,733.09

Payment to auditor

As auditor:

Audit fee	43.21	42.65
Limited review	9.00	9.00
Internal financial control reporting	4.00	7.00
Reimbursement of expenses *	3.03	1.51
	59.24	60.16

The above fee is exclusive of Service tax

* Includes service tax

A. Corporate Social Responsibility expenses

(i) Gross amount required to be spent by the Group during the year	42.41	43.52
(ii) Amount spent during the year	20.39	17.00

In pursuance of Section 135 of the Companies Act, 2013, the Group has spent on various activities as enumerated in the CSR Policy of the Company and covers water and sanitation, Animal welfare, Skill development and livelihood, Education and Women welfare.

28 Depreciation and amortisation expense

	31 March 2017	31 March 2016
Depreciation of tangible assets	1,571.19	1,444.46
Amortisation of intangible assets	374.81	259.67
	1,946.00	1,704.13

29 Finance costs

	31 March 2017	31 March 2016
Interest on debts and borrowings	829.61	1,065.46
Bank and other charges	129.54	134.82
	959.15	1,200.28

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

30 Earnings price per share (EPS)

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

	31 March 2017	31 March 2016
Profit attributable to equity holders of the Group (a)	2,163.06	1,655.52
Weighted average number of Equity shares for basic and diluted EPS (b)	101.06	101.06
Basic and Diluted Earnings per share (a/b)	21.40	16.38

31 Income Tax

The major components of income tax expense for the years ended 31 March 2017 and 31 March 2016 are:

Statement of Profit or Loss:

	31 March 2017	31 March 2016
Current income tax:		
Current income tax charge	924.39	2,144.45
Deferred tax:		
Relating to origination and reversal of temporary differences	-	(1,205.83)
Total	924.39	938.62

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2016 and 31 March 2017:

	31 March 2017	31 March 2016
Accounting Profit before income tax	3,087.45	2,594.14
At India's statutory income tax rate of 34.608% (2016: 34.608%)	34.608%	34.608%
Derived Tax Charge for the year	1,068.50	897.78
Adjustments:		
Tax impact on account of one fifth of the amount credited to the opening reserves as at March 31, 2016 pursuant to transition to IND AS	151.37	53.18
Tax impact on account of loss making subsidiaries	(289.70)	-
Permanent disallowance in subsidiaries	39.41	
Tax impact of foreign subsidiaries operating in different tax jurisdictions	(45.19)	(12.34)
Net derived tax charge	924.39	938.62
Income tax expense reported in the consolidated statement of Profit & Loss	924.39	938.62

32 Defined Contribution Plan

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

	31 March 2017	31 March 2016
Employer's Contribution to Provident Fund	122.79	124.32

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	31 March 2017	31 March 2016
Defined Benefits Plan		
	Gratuity Plan (funded)	
Reconciliation of opening and closing balances of obligation		
Defined Benefit obligation as at the beginning of the year	103.60	86.16
Current Service Cost	21.09	17.44
Interest Cost	14.17	12.64
Actuarial loss	-	2.81
Benefits paid	(4.16)	(15.45)
Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets as at the beginning of the year	60.11	44.08
Expected return on plan assets	10.33	1.75
Actuarial gain	-	-
Employer's contribution	18.87	14.82
Benefits paid	(9.23)	(0.54)
Fair value of plan assets as at the end of the year	80.08	60.11
Actual Return on plan assets		
Expected return on plan assets	10.33	1.75
Actuarial gain on plan assets	-	-
Actual return on plan assets	10.33	1.75
Reconciliation of fair value of assets and obligations		
Fair value of plan assets	80.08	60.11
Present value of obligation	134.70	103.60
Difference	54.62	43.49
Recognized in profit or loss:		
Current Service Cost	21.09	17.44
Interest Cost	14.17	12.64
Expected return on plan assets	(10.33)	(1.75)
Recognized in other comprehensive income:		
Actuarial loss / (gain)	-	2.81
Net Cost	24.93	31.14

The major categories of plan assets of the fair value of the total plan assets are as follows:

	31 March 2017	31 March 2016	01 April 2015
Investments details:			
Funds with LIC	80.08	60.11	45.66
Total	80.08	60.11	45.66

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	31 March 2017	31 March 2016	01 April 2015
Discount rate:	7.34%	8.00%	8.00%
Future salary increases:	5.00%	5.00%	5.00%
Expected Return on Plan Assets:	8.00%	8.00%	8.00%
Employee turnover:	5.00%	5.00%	5.00%
Contribution Expected to be paid during the next year	19.82	19.82	19.82

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

A quantitative sensitivity analysis for significant assumption as at 31 March 2017 is as shown below:

Gratuity plan:

Assumptions - Sensitivity Level	31 March 2017			
	Sensitivity Level		Impact on defined benefit obligation	
	1% increase	1% decrease	Amount	Amount
Discount rate:	8.34%	6.34%	131.45	139.18
Future salary increases:	6.00%	4.00%	138.43	132.98
Expected Return on Plan Assets:	9.00%	7.00%	134.24	136.75
Employee turnover:	6.00%	4.00%	130.92	138.45

Assumptions - Sensitivity Level	31 March 2016			
	Sensitivity Level		Impact on defined benefit obligation	
	1% increase	1% decrease	Amount	Amount
Discount rate:	9.00%	7.00%	97.86	105.34
Future salary increases:	6.00%	4.00%	103.17	98.83
Expected Return on Plan Assets:	9.00%	7.00%	100.89	101.70
Employee turnover:	6.00%	4.00%	99.47	105.61

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.28 years (31 March 2016: 18.25 years).

33 Commitments and Contingencies

Leases

	31 March 2017	31 March 2016	01 April 2015
Operating leases: Group as lessee			
Lease payments for the year	187.38	211.14	215.70
Future minimum rentals payable under operating leases are as follows:			
Not later than one year	109.84	14.84	19.84
Later than one year but not later than five years	258.36	59.36	59.36
Later than five years	260.43	275.27	310.74
	628.63	349.47	389.94
	31 March 2017	31 March 2016	01 April 2015
Operating leases: Group as lessor			
Lease rent received for the year	373.37	455.61	511.23
Future minimum lease rental receivable under operating lease are as follows:			
Not later than one year	288.78	104.55	268.87
Later than one year but not later than five years	1,011.04	-	135.23
Later than five years	46.00	-	-
	1,345.82	104.55	404.10

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

34 Goodwill / Capital reserve on consolidation

1 Goodwill on consolidation

Goodwill on consolidation represents the excess purchase consideration paid over net asset value of acquired subsidiaries on the date of such acquisition. Such goodwill is tested for impairment annually or more frequently, if there are indicators for impairment. The management does not foresee any risk of impairment on the carrying value of goodwill as at 31 March 2017.

Goodwill on consolidation as at March 31, 2017 stood at Rs. 789.74 lakhs (previous year March 31, 2016 : Rs. 789.32 lakhs, March 31, 2015: Rs. 772.69 lakhs). Significant acquisitions over the years which resulted in goodwill were Amex Alloys Private Limited, Noel Media & Advertising Private Limited, K J Solar Systems Private Limited and Swelect Green Energy Solutions Private Limited and the details of the same are given below:

- a. The Group acquired 100% equity share stake in Amex Alloys Private Limited for a consideration of Rs. 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 455.04 lakhs was recognised as goodwill.
- b. The Group's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 76% equity share stake in BS Powertech Solutions Private Limited for a consideration of Rs. 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 150.02 lakhs was recognised as goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of Rs. 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Group. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 167.07 lakhs is recognised as goodwill. The Group acquired 100% share of Noel Media & Advertising Private Limited on 2 April 2015 for a consideration of Rs.2.11 lakhs and the excess purchase consideration paid over the net assets taken over to the extent of Rs 1.71 lakhs is recognised as goodwill. In the year 2016, the Group had entered into a Scheme of Amalgamation between Noel Media & Advertising Private Limited, a step down subsidiary of the Group and its step down subsidiary BS Powertech Solutions Private Limited. This was approved by Hon'ble High Court of Madras vide its order dated 8 January 2016, with retrospective effect from 1 April 2012.
- c. The Group acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of Rs.70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 0.56 lakhs is recognised as goodwill.
- d. The Group's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 100% equity share stake in K J Solar Systems Private Limited for a consideration of Rs 25 lakhs on 18 February 2016. The excess purchase consideration paid over the net asset taken over to the extent of Rs 15 lakhs was recognised as goodwill.
- e. The Group acquired 100% equity share stake in Swelect Power Systems Private Limited for a consideration of Rs 1 lakh on 11 April 2016 . The excess purchase consideration paid over the net asset taken over to the extent of Rs 0.42 lakhs was recognised as goodwill.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the cash generating units (CGU) or group of CGU's, which benefit from the synergies of the acquisition. The chief operating decision maker reviews the goodwill for any impairment at the individual subsidiary level.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGU's over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2017, March 31, 2016 and March 31, 2015 the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing. The key assumptions used for the calculations are as follows:

	31 March 2017	31 March 2016	01 April 2015
Long term growth rate	08-10	08-10	08-10
Operating margins	10-15	10-15	10-15
Discount rate	10.40	10.20	10.00

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

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 2017 stood at Rs. 151.46 lakhs (31 March 2016 :Rs. 151.46 lakhs, April 1, 2015 : Rs.151.46 lakhs). The details of which is provided below:

- a. The Group acquired 92% equity share stake in Amex Alloys Private Limited for a consideration of Rs.421.71 lakhs on 05 December 2010. The excess net asset value over the purchase consideration to the extent of Rs. 165.49 lakhs was 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 Group. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 14.03 lakhs is adjusted with the capital reserve.

35 Related party transactions

Subsidiaries	Swelect Energy Systems Pte. Limited., Singapore SWELECT Inc , USA SWELECT Energy Systems LLC , USA Swelect Solar Energy Private Limited Amex Alloys Private Limited Noel Media & Advertising Private Limited Swelect Green Energy Solutions Private Limited K J Solar Systems Private Limited (w.e.f 11th February 2016) Swelect Power Systems Private Limited (w.e.f 11th April 2016)
Key Management Personnel	Mr. R. Chellappan - Managing Director Mr. A. Balan - Joint Managing Director (w.e.f 3rd October 2015) Mr. V. C. Raghunath Mrs. J. Bhuvaneshwari - Company Secretary (up to 31st March 2016) Mr. R. Sathishkumar - Company Secretary Mr. P. Jagan - Chief Financial Officer Mr. V.M. Sivasubramaniam, Independent Director Mr. N. Natarajan, Independent Director Mr. G. S. Samuel, Independent Director (w.e.f 3rd October 2015)
Relatives of Key Management Personnel	Mrs. Gunasundari Chellappan Mrs. V. C. Mirunalini Ms. Aarthi Balan
Enterprises owned or significantly influenced by Key Management Personnel or their relatives	Arken Solutions Private Limited

Terms and conditions of transactions with related parties

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances received for any related party receivables or payables. For the year ended March 31, 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016, 2015 : Rs Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

35 Related party transactions

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises owned or significantly influenced by Key Management Personnel or their relatives		Total	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
Sale of goods	3.61	0.14	-	-	27.36	-	30.97	0.14
-- Mr. R. Chellappan	3.61	0.14	-	-	-	-	3.61	0.14
-- Arken Solutions Private Limited	-	-	-	-	27.36	-	27.36	-
Rent expense	1.52	1.98	-	-	-	-	1.52	1.98
-- Mr. R. Chellappan	1.52	1.98	-	-	-	-	1.52	1.98
Receipt of services	-	-	-	-	115.01	701.34	115.01	701.34
-- Arken Solutions Private Limited	-	-	-	-	115.01	701.34	115.01	701.34
Remuneration	117.32	121.19	15.47	14.23	-	-	132.79	135.42
-- Mr. R. Chellappan	46.28	61.40	-	-	-	-	46.28	61.40
-- Mr. A.Balan	30.03	20.94	-	-	-	-	30.03	20.94
-- Mr. V.C.Raghunath	9.73	8.75	-	-	-	-	9.73	8.75
-- Mrs. J.Bhuvaneswari	-	6.64	-	-	-	-	-	6.64
-- Mr. R.Sathishkumar	6.44	-	-	-	-	-	6.44	-
-- Mr. P.Jagan	24.84	23.46	-	-	-	-	24.84	23.46
-- Mrs. V.C.Mirunalini	-	-	7.47	6.64	-	-	7.47	6.64
-- Ms. Aarthi Balan	-	-	8.00	7.59	-	-	8.00	7.59
Consultancy charges	-	-	4.88	4.80	-	-	4.88	4.80
-- Ms. Preetha Balan	-	-	4.88	4.80	-	-	4.88	4.80
Dividend paid	50.94	280.17	1.48	8.15	-	-	52.42	288.32
-- Mr. R Chellappan	47.47	261.09	-	-	-	-	47.47	261.09
-- Mr. A.Balan	3.08	16.95	-	-	-	-	3.08	16.95
-- Others	0.39	2.13	1.48	8.15	-	-	1.87	10.28

36 Directors' remuneration

	31 March 2017	31 March 2016
Salaries	64.64	50.78
Commission	21.39	40.31
	86.03	91.09

37 Contingent liabilities

Future cash outflows in respect of matters considered disputed are determinable only on receipt of judgments / decisions pending at various forums/authorities. The management does not expect these claims to succeed and accordingly, no provision for the contingent liability has been recognized in the financial statements.

The Group's pending litigations comprise of proceedings pending with tax authorities. The Group has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

	31 March 2017	31 March 2016
Claims against the Group not acknowledged as debts		
a) Cenvat related matters *	5.96	5.96
b) Sales tax related matters **	550.32	550.32
c) Income tax related matters #	1,306.41	1,167.50
d) Excise related matters ##	703.86	696.71
e) Rent claim related	2.51	-
	2,569.06	2,420.49

* Rs. 3.03 lakhs deposited under dispute. (2016 - Rs.3.03 lakhs)

** Rs. 24.69 lakhs deposited under dispute. (2016 -Rs. 24.69 lakhs)

Rs. 140.76 lakhs deposited under dispute. (2016 - Rs. 140.76 lakhs)

Rs. 64.81 lakhs deposited under dispute. (2016 - Rs. 59.82 lakhs)

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

38 Net dividend remitted in foreign exchange

	31 March 2017	31 March 2016
Final equity dividend		
Period to which it relates	2015-16	2014-15
Number of non-resident shareholders	10	10
Number of equity shares of Rs 10/- each held on which dividend was due	582,800	582,800
Amount remitted	5.83	14.57
Interim equity dividend		
Period to which it relates	-	2015-16
Number of non-resident shareholders	-	10.00
Number of equity shares of Rs 10/- each held on which dividend was due	-	582,800
Amount remitted	-	17.48

39 Capital and other commitments

a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 3,547.65 lakhs (31 March 2016: Rs. 28.84 lakhs).

b) Commitments relating to lease arrangements, please refer to note 35.

40 Exceptional Items

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

41 Disclosure related to Specified Bank Note (SBN)

Note below mentioned on the details of the the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016

	SBNs	Other denomination notes	Total
Closing cash in hand as on 8th November, 2016	0.94	0.07	1.01
(+) Permitted receipts	0.00	6.75	6.75
(-) Permitted payments	0.00	(6.20)	(6.20)
(-) Amount deposited in Banks	(0.94)	(0.02)	(0.96)
Closing cash in hand as on 30th December, 2016	0.00	0.60	0.60

42 Fair Value Hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy as at March 31, 2017 :

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in units of mutual funds (refer note 6(b))	March 31, 2017	25,131.04	25,131.04	-	-
Assets for which fair values are disclosed:					
Investment Property (refer note 4)	March 31, 2017	19,913.91	-	-	19,913.91

There have been no transfers between Level 1 and Level 2 during the period

Quantitative disclosures fair value measurement hierarchy as at March 31, 2016

Particulars	Date of Valuation	Total	Quoted prices in active markets (Level1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:					
Investment in units of mutual funds (refer note 6(b))	March 31, 2016	25,043.22	25,043.22	-	-
Assets for which fair values are disclosed:					
Investment Property (refer note 4)	March 31, 2016	21,141.16	-	-	21,141.16

There have been no transfers between Level 1 and Level 2 during the period.

43 Significant accounting judgements, estimates and assumptions

The preparation of the Group's Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated Financial Statements:

Service concession arrangements

Management has assessed applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Group. In assessing the applicability, management has exercised significant judgment in relation to the underlying ownership of the assets, terms of the power distribution arrangements entered with the grantor, ability to determine prices, fair value of construction service, assessment of right to guaranteed cash etc. Based on detailed evaluation, management has determined that this arrangement meet the criteria for recognition as service concession arrangements.

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Significant management judgement is required to determine the amount of deferred tax assets (including MAT credit) that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

Warranties

Provision for warranties involves a significant amount of estimation. The provision is based on the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate is determined based on the Group's past experience of warranty claims (normally over four years) and future expectations. These estimates are revised periodically.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 32.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

44 Financial Risk Management Objectives & Policies

Financial risk management objectives and policies

The Group's principal financial liabilities comprise of short tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Group's working capital cycle. The Group has trade and other receivables, loans and advances that arise directly from its operations. The Group also enters into hedging transactions to cover foreign exchange exposure risk.

The Group is accordingly exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees management of these risks. The senior professionals working to manage the financial risks for the Group are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Group's policies and overall risk appetite. All foreign currency hedging activities for risk management purposes are carried out a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Audit Committee review and agree policies for managing each of these risks which are summarised below:

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances and derivative financial instruments.

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

The Group considers derivative financial instruments such as foreign exchange forward contracts and options to manage its exposures to foreign exchange fluctuations.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily US Dollars. The Group has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk. The Group may use forward contracts or foreign exchange options towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirement and risk management strategy of the Group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as per its established risk management policy. No forward contracts have been entered during the year.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Group, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
US Dollars	+5%	(268.68)	(187.95)	(6.34)	809.05
	-5%	273.57	187.95	(404.92)	194.05
Euro	+5%	31.79	27.11	31.79	27.11
	-5%	(31.79)	(27.11)	(31.79)	(27.11)

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

1. Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit term in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of March 31, 2017	2,822.28	2,992.55	1,385.92	7,200.75
Trade Receivables as of March 31, 2016	1,576.83	4,095.29	1,366.83	7,038.95

The requirement for impairment is analysed at each reporting date.

2. Financial instruments and cash deposits

Credit risk from balances with banks is managed by Group's treasury in accordance with the Board approved policy. Investments of surplus funds, temporarily, are made only with approved counterparties, mainly mutual funds, who meet the minimum threshold requirements under the counterparty risk assessment process.

Liquidity Risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across various debt and hybrid instruments.

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

Particulars	As of March 31, 2017		
	Less than 1 year	More than 1 year	Total
Borrowings	6,382.05	3,600.45	9,982.50
Trade Payables	7,106.31	-	7,106.31
Other current liabilities	422.88	-	422.88
Other financial liabilities	1,681.79	-	1,681.79
Provisions	421.02	453.99	875.01
Total	16,014.05	4,054.44	20,068.49

Particulars	As of March 31, 2016		
	Less than 1 year	More than 1 year	Total
Borrowings	6,085.72	5,145.40	11,231.12
Trade Payables	4,584.58	-	4,584.58
Other current liabilities	354.55	-	354.55
Other financial liabilities	2,235.34	-	2,235.34
Provisions	175.84	327.02	502.86
Total	13,436.03	5,472.42	18,908.45

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Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

45 Capital Management

Capital includes equity attributable to the equity holders of the Group and net debt. Primary objective of Group's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Gearing Ratio:

	31 March 2017	31 March 2016	01 April 2015
Borrowings	9,982.50	11,231.12	12,869.21
Less: Cash and cash equivalents	(10,462.44)	(8,336.07)	(6,809.75)
Net Debt	(479.94)	2,895.05	6,059.46
Equity	70,022.97	68,202.66	66,746.18
Total Capital	70,022.97	68,202.66	66,746.18
Capital and Net Debt	69,543.03	71,097.71	72,805.64
Gearing Ratio	-0.69%	4.07%	8.32%

46 Business Combinations

(i) The following schemes of amalgamation between subsidiaries of the Group do not have / are not likely to have any material effect on the consolidated financial results:

- a) During the year March 31, 2016 the Group had entered into a Scheme of Amalgamation between Noel Media & Advertising Private Limited, a step down subsidiary of the Group and its step down subsidiary BS Powertech Solutions Private Limited. This was approved by Hon'ble High Court of Madras vide its order dated 8 January 2016, with retrospective effect from 1 April 2012. The impact of this merger has been debited to the opening reserves amounting to Rs. 0.41 lakhs.
- b) During the year the Group entered into a Scheme of Amalgamation between Amex Irons Private Limited and Amex Alloys Private Limited, subsidiaries of the Group. This scheme enables merger of the subsidiaries with effect from 1 April 2015 and has been approved by the respective shareholders' of both the companies and the creditors of the subsidiary and is approved by the Hon'ble High Court of Madras vide its order dated 30 June 2016.

(ii) The following schemes of amalgamation between the Group and its subsidiary have the following effect on the consolidated financial results:

- a) The Board of Directors of the Group at its meeting held on 16 December 2015 approved a Scheme of Arrangement ("the Scheme") enabling the merger of one of its subsidiary, namely HHV Solar Technologies Limited ("HHV") with the Group, with effect from 1 April 2015 ("Appointed Date"). The Scheme of Arrangement has been approved by SEBI, the shareholders and creditors of the Group and approved by the Madras High Court vide order dated October 18, 2016. Accordingly, the effect of the above scheme has been given to the standalone results with effect from April 1, 2015 under the requirement of 'IND AS 103 Business Combination.

The goodwill amounting to Rs.3,656.11 Lakhs as at April 1, 2015 (additionally another Rs.48.33 lakhs for the year 2015-16, Rs.3,704.44 lakhs as of March 31, 2016) recognised on the acquisition of the subsidiary Group, has been adjusted against the opening reserves as at April 1, 2015, being the appointed date of the merger.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

47 Additional disclosure requirement under Section 129 of the Companies Act, 2013.

Name of the entity	Net Assets		Share in Profit or Loss	
	As a % of the consolidated net assets	Amount	As a % of the consolidated profit/loss	As a % of the total consolidated Profit / (loss) after Taxation
Parent				
Swelect Energy Systems Limited	93.65%	65,576.18	135.82%	2,937.85
Subsidiaries				
Foreign				
Swelect Energy Systems Pte. Limited, Singapore	13.44%	9,408.35	7.29%	157.68
SWELECT Inc, USA	0.06%	42.32	-0.82%	(17.80)
SWELECT Energy Systems LLC, USA	-0.10%	(67.20)	-2.40%	(51.86)
Indian				
Amex Alloys Private Limited	2.04%	1,429.72	-18.54%	(401.06)
Swelect Solar Energy Private Limited	0.51%	354.17	0.00%	(0.06)
Noel Media & Advertising Private Limited	0.36%	254.31	0.95%	20.63
Swelect Green Energy Solutions Private Limited	-0.68%	(476.12)	-25.92%	(560.63)
K J Solar Systems Private Limited	0.34%	241.00	4.27%	92.31
Swelect Power Systems Private Limited	0.00%	(1.84)	-0.11%	(2.42)
Less : Inter-Group eliminations	-9.62%	(6,737.92)	-0.54%	(11.58)
Total		70,022.97		2,163.06

48 Segment Information

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

- Solar and Solar Related Activities
- Foundry Business
- Others (unallocable)

No operating segments have been aggregated to form the above reportable operating segments.

	Year Ended March 31,2017	Year Ended March 31,2016
SEGMENT REVENUE:		
Solar	28,213.35	27,031.51
Foundry	7,103.76	7,763.77
Less: Inter segment Revenue	(10,630.94)	(6,600.34)
Total Revenue from Operation	24,686.17	28,194.95
SEGMENT RESULTS:		
Solar Energy Systems / Services	689.38	964.66
Foundry	(181.56)	(272.42)
Others	3,538.79	2,832.86
Total Segment Results	4,046.60	3,525.10
Less :		
Interest and other financial charges	(959.15)	(960.96)
Others	-	-
Profit before tax and Exceptional Items	3,087.45	2,564.14
Exceptional item (Refer Note 40)	-	30.00
Profit Before Tax	3,087.45	2,594.14

SWELECT ENERGY SYSTEMS LIMITED

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(All amounts are in INR Lakhs, except for share data or as otherwise stated)

	Year Ended March 31,2017	Year Ended March 31,2016
SEGMENT ASSETS:		
Solar Energy Systems / Services	49,793.90	47,490.95
Foundry	11,259.46	10,534.66
Others	29,038.10	29,085.49
Total	90,091.46	87,111.11
SEGMENT LIABILITIES:		
Solar Energy Systems / Services	16,328.68	15,121.75
Foundry	3,739.81	3,786.70
Others	-	-
Total	20,068.49	18,908.45
SEGMENT CAPITAL EMPLOYED: (SEGMENT ASSETS-SEGMENT LIABILITIES)		
Solar Energy Systems / Services	33,465.22	32,369.20
Foundry	7,519.65	6,747.96
Others	29,038.10	29,085.50
Total	70,022.97	68,202.66

49 First-time adoption of Ind AS

These consolidated financial statements, for the year ended 31 March 2017, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (as amended). Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at 1 April 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

(i) Exemptions Applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions (illustrative):

- a) Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, which are considered businesses under Ind AS that occurred before 1 April 2014. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with respective Ind AS. The Group recognises all assets acquired and liabilities assumed in a past business combination, except (i) certain financial assets and liabilities that were derecognised and that fall under the derecognition exception, and (ii) assets (including goodwill) and liabilities that were not recognised in the acquirer's consolidated balance sheet under its previous GAAP and that would not qualify for recognition under Ind AS in the individual balance sheet of the acquiree. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at 1 April 2015.

- b) Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Property, Plant and Equipment, Intangible assets and Investment property as recognised in its Indian GAAP financials as deemed cost at the transition date.

(ii) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from fair value through profit and loss – equity instruments in Non group companies and Impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015 (i.e. the date of transition to Ind AS) and as of 31 March 2016.

**(i) Disclosures required by IND AS 101 - First Time Adoption of Indian Accounting Standards
Reconciliation of equity as at April 1, 2015 (date of transition to Ind AS)**

Particulars	Notes	Previous Indian GAAP	Ind AS adjustments	Ind AS amounts
1. Non Current assets				
Property, Plant & Equipment	A,H	24,529.29	(4,328.17)	20,201.12
Capital Work-in- Progress	H	1,659.35	(1,507.67)	151.68
Investment Property	A	-	3,304.22	3,304.22
Goodwill	B	4,428.80	(3,656.11)	772.69
Intangible Assets	H	38.47	2,738.13	2,776.60
Financial Assets				
-Loans		400.91	-	400.91
-Other Financial Assets		113.57	-	113.57
-Investments		530.00	-	530.00
Income Tax Assets		1,169.44	-	1,169.44
Other Non-current assets		979.10	-	979.10
Total Non Current Assets		33,848.93	(3,449.60)	30,399.33
2. Current assets				
Inventories		3,441.84	-	3,441.84
Financial Assets				
-Investments	E	25,174.26	1,726.57	26,900.83
-Loans		20.87	-	20.87
-Trade Receivables		5,524.10	-	5,524.10
-Cash & cash Equivalents		6,809.75	-	6,809.75
-Other bank balances		13,300.39	-	13,300.39
-Other Financial Assets		324.89	-	324.89
Other Current Assets		997.02	-	997.02
Total Current Assets		55,593.12	1,726.57	57,319.69
Total Assets		89,442.05	(1,723.03)	87,719.02

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Particulars	Notes	Previous Indian GAAP	Ind AS adjustments	Ind AS amounts
Equity and liabilities				
1. Equity				
Equity Share Capital		1,010.58	-	1,010.58
Other Equity	A-J	66,789.23	(1,053.63)	65,735.60
Total Equity		67,799.81	(1,053.63)	66,746.18
2. Non-Current Liabilities				
Financial Liabilities				
-Borrowings	F	9,535.28	(0.23)	9,535.05
Deferred tax liabilities (net)	G	1,103.38	(365.12)	738.26
Long term Provisions		227.00	-	227.00
Total - Non-current liabilities		10,865.66	(365.35)	10,500.31
3. Current Liabilities				
Financial Liabilities				
-Borrowings		3,334.16	-	3,334.16
-Trade Payables		4,227.79	-	4,227.79
-Other current financial liabilities		2,594.80	-	2,594.80
Other Current Liabilities		246.32	-	246.32
Provisions	C	373.51	(304.05)	69.46
Total - Current liabilities		10,776.58	(304.05)	10,472.53
TOTAL - EQUITY and LIABILITIES		89,442.05	(1,723.03)	87,719.02

**(ii) Disclosures required by IND AS 101 - First Time Adoption of Indian Accounting Standards
Reconciliation of equity as at April 1, 2016**

Particulars	Notes	Previous Indian GAAP	Ind AS adjustments	Ind AS amounts
1. Non Current assets				
Property, Plant & Equipment	A, H	32,759.66	(11,743.69)	21,015.97
Capital Work-in- Progress		76.51	-	76.51
Investment property	A	-	3,252.93	3,252.93
Goodwill	B	4,493.77	(3,704.45)	789.32
Intangible assets	H	63.39	8,257.00	8,320.39
Financial Assets				
-Loans	F, H	947.23	(143.86)	803.37
-Other Financial Assets		4.95	-	4.95
-Investments		530.35	-	530.35
Income Tax Assets		202.46	-	202.46
Deferred Tax Assets (Net)	G	231.80	(215.48)	16.32
Other non-current assets		605.97	-	605.97
Total Non Current Assets		39,916.09	(4,297.55)	35,618.54
2. Current assets				
Inventories		4,220.80	-	4,220.80
Financial Assets				
-Investments	E	23,722.06	1,321.16	25,043.22

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Particulars	Notes	Previous Indian GAAP	Ind AS adjustments	Ind AS amounts
-Loans		201.87	-	201.87
-Trade Receivables		7,038.95	-	7,038.95
-Cash & cash Equivalents		8,336.07	-	8,336.07
-Other bank balances		5,819.30	-	5,819.30
-Other Financial Assets	F	233.11	14.99	248.10
Other Current Assets		584.26	-	584.26
Total Current Assets		50,156.42	1,336.15	51,492.57
Total Assets		90,072.51	(2,961.40)	87,111.11
Equity and liabilities				
1. Equity				
Equity Share Capital		1,010.58	-	1,010.58
Other Equity	A-J	68,143.18	(951.10)	67,192.08
Total Equity		69,153.76	(951.10)	68,202.66
2. Non-Current Liabilities				
Financial Liabilities				
-Borrowings	H	6,468.47	(1,323.07)	5,145.40
Deferred tax liabilities (net)	G	555.56	(555.56)	-
Long term Provisions		327.02	-	327.02
Total - Non-current liabilities		7,351.05	(1,878.63)	5,472.42
3. Current Liabilities				
Financial Liabilities				
-Borrowings		6,085.72	-	6,085.72
-Trade Payables		4,584.58	-	4,584.58
-Other current financial liabilities	F	2,245.38	(10.04)	2,235.34
Other Current Liabilities		354.55	-	354.55
Provisions	C	297.47	(121.63)	175.84
Total - Current liabilities		13,567.70	(131.67)	13,436.03
TOTAL - EQUITY and LIABILITIES		90,072.51	(2,961.40)	87,111.11

Reconciliation of consolidated statement of profit or loss for the year ended March 31, 2016

Particulars	Notes	Previous Indian GAAP	IND AS adjustments	Ind AS amounts
Income				
Revenue from operations	H, I	21,210.61	6,984.34	28,194.95
Other Income	E, F	3,514.96	(3,201.27)	313.69
Finance Income	F	-	2,832.86	2,832.86
Total revenue		24,725.57	6,615.93	31,341.50
Expenses				
Cost of raw material and components consumed	H	3,808.25	6,312.19	10,120.44
Purchase of traded goods		9,171.02	-	9,171.02
(Increase) / Decrease in inventories of Finished goods, work-in-progress and traded goods		(815.80)	-	(815.80)
Excise Duty on sale of goods	I	575.98	-	575.98
Employee benefits expense		2,088.22	-	2,088.22

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Depreciation and amortization expense	H	1,739.70	(35.57)	1,704.13
Other expenses	F	4,727.09	6.00	4,733.09
Finance costs		1,200.28	-	1,200.28
Total (II)		22,494.74	6,282.62	28,777.36
Profit/(Loss) before exceptional items and tax		2,230.83	333.31	2,564.14
Exceptional items (net)		30.00	-	30.00
Profit after Exceptional items before Tax		2,260.83	333.31	2,594.14
Income tax expense		938.62	-	938.62
Profit for the year		1,322.21	333.31	1,655.52
Other Comprehensive Income	D, J	-	523.37	523.37
Total Comprehensive Income		1,322.21	856.68	2,178.89

A Investment Property

Investment properties are reclassified from Property Plant and Equipment - Buildings as shown in previous Indian GAAP and presented separately.

B Goodwill

Pursuant to the Merger with its wholly owned subsidiary HHV Solar Technologies Ltd (Refer Note 46) with the the amount of goodwill recognised in the consolidated financial statements has been adjusted with the reserves and surplus.

C Proposed dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind AS, proposed dividend is recognised as a liability in the period in which it is declared by the Group, usually when approved by shareholders in a general meeting, or paid.

D Defined benefit obligation

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment benefit plan on actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised in balance sheet through other comprehensive income.

E Investments

Under IGAAP, investments in liquid mutual funds were carried at cost or net realisable value, whichever is lesser. Under Ind AS, such investments are measured at fair value through profit or loss.

F Loans

The Group has fair valued its security deposits and employee loans as at the transition date.

G Deferred Tax

The various transitional adjustments lead to temporary differences, which the Group has to account for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. MAT credit entitlement is reclassified as Deferred tax asset under Ind AS.

Pursuant to the mergers described in note 46, deferred tax asset have been recognised on unabsorbed tax losses to the extent of deferred tax liabilities.

SWELECT ENERGY SYSTEMS LIMITED

Notes to Consolidated financial statements for the year ended 31 March 2017

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

H Service Concession Arrangement

Management has determined the applicability of Appendix A of Ind AS 11: Service Concession Arrangements to power distribution arrangements entered into by the Group. The accounting for the power purchase arrangements in accordance with Appendix A of Ind AS 11 has impacted Capital work in progress and intangible assets as of April 1, 2015 amounting to Rs. 2531.62 Lakhs, Revenue from operations and Cost of goods consumed by Rs. 6,984.34 lakhs and Rs. 6312.19 lakhs respectively for the year ended March 31, 2016, property plant and equipment and Intangible assets as at March 31, 2016 amounting to Rs. 8490.76 lakhs and Rs. 8,257.00 lakhs respectively and Financial asset amounting to Rs. 143.01 lakhs.

I Excise duty

Excise duty on account of sale of goods have been included in revenue as it is on own account because it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not.

J Other adjustments

Movement in other comprehensive income represents exchange differences on account of translation differences of foreign operations.

50 Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

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

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm Registration number 101049W/E300004
Chartered Accountants

Sd/-

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

Sd/-

R. Chellappan
Managing Director
DIN:00016958

Sd/-

A.Balan
Joint Managing Director
DIN:00017091

Sd/-

R. Sathishkumar
Company Secretary

Sd/-

P.Jagan
Chief Financial Officer

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

Place: Chennai

Date: 25 May 2017

SWELECT ENERGY SYSTEMS LIMITED

(All amounts are in INR Lakhs, except for share data or as otherwise stated)

Form AOC-1

Statement (Pursuant to first proviso to sub-Section 3 of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of subsidiaries

Part "A": Subsidiaries

Sl no	Name of the Subsidiaries	Date since when Subsidiary acquired	Reporting period	Reporting Currency	Exchange Rate (Rs.)	Share Capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turnover (net)	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend	% of share holding	Country
1	SWELECT Energy Systems Pte. Limited, Singapore	13/05/04	Apr-Mar	USD	64.84	4,372.90	5,035.45	13,485.26	4,076.91	-	9,790.83	179.20	21.52	157.68	-	100%	Singapore
2	SWELECT Energy Systems (Asia Pacific) Pte. Limited, Singapore (Refer Note 2)	03/02/16	Apr-Mar	USD	-	-	-	-	-	-	-	-	-	-	-	51%	
3	SWELECT Inc. USA	23/02/16	Jan- Dec	USD	64.84	68.85	(26.53)	221.31	178.99	-	-	(17.80)	-	(17.80)	-	100%	USA
4	SWELECT Energy Systems LLC, USA (Refer Note 3)	19/02/16	Jan- Dec	USD	64.84	-	(67.20)	32.40	99.59	-	-	(51.86)	-	(51.86)	-	100%	USA
5	Amex Alloys Private Limited	05/12/10	Apr-Mar	INR	-	650.00	653.19	11,057.81	9,754.62	-	6,592.34	(401.06)	-	(401.06)	-	100%	India
6	SWELECT Solar Energy Private Limited	02/09/09	Apr-Mar	INR	-	444.00	(89.83)	883.02	528.85	335.00	-	(0.06)	-	(0.06)	-	100%	India
7	Noel Media & Advertising Private Limited (Refer note 4)	15/05/15	Apr-Mar	INR	-	21.08	233.23	1,215.94	961.63	-	198.40	20.63	-	20.63	-	100%	India
8	SWELECT Green Energy Solutions Private Limited	13/05/13	Apr-Mar	INR	-	135.00	(611.17)	8,165.05	8,641.22	-	740.43	(560.63)	-	(560.63)	-	100%	India
9	K J Solar Systems Private Limited (Refer note 4)	11/02/16	Apr-Mar	INR	-	10.00	231.00	1,720.43	1,479.43	-	476.72	92.31	-	92.31	-	100%	India
10	SWELECT Power Systems Private Limited	11/04/16	Apr-Mar	INR	-	1.00	(2.84)	376.70	378.54	-	-	(2.42)	-	(2.42)	-	100%	India

Note:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2017.
- SWELECT Energy Systems (Asia Pacific) Pte. Ltd, Singapore is a subsidiary of SWELECT Energy Systems Pte. Ltd, Singapore. The Company is yet to commence the business as at 31.03.2017.
- SWELECT Energy Systems LLC, USA is a 100 % subsidiary of SWELECT Inc, USA. The Company is yet to commence the business as at 31.03.2017.
- Noel Media & Advertising Private Limited and K J Solar Systems Private Limited are 100 % subsidiaries of SWELECT Solar Energy Private Limited.

Part "B": Associates and Joint Ventures

The Company does not have any investment in Associate and Joint venture Companies as at 31.03.2017.

Sd/-
R. Chellappan
Managing Director

Sd/-
A.Balan
Joint Managing Director

For and on behalf of the board of directors

Sd/-
R. Sathishkumar
Company Secretary

Sd/-
P.Jagan
Chief Financial Officer

Place: Chennai
Date: 25 May 2017

For SWELECT ENERGY SYSTEMS LIMITED


R. SATHISHKUMAR
Company Secretary

CERTIFIED TRUE COPY



Registered Office : "SWELECT HOUSE", No. 5, Sir PS. Sivasamy Salai,
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Tel: +91 44 2499 3266 Fax: +91 44 2499 5179
Toll Free No. 1800 425 9600
Email: info@swelectes.com, www.swelectes.com

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

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

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

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

NOTICE OF THE TWENTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the **TWENTY SECOND** Annual General Meeting of the members of **SWELECT ENERGY SYSTEMS LIMITED** will be held on Friday the 11th August 2017 at 3.30 P.M. at Savera Hotel, 'Samavesh Hall', No. 146, Dr. Radhakrishnan Road, Mylapore, Chennai – 600 004 to transact the following business :

ORDINARY BUSINESS

1. Adoption of the audited financial statements of the Company for the financial year ended March 31, 2017, the reports of the Board of Directors and Auditors thereon.

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

RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2017 together with the reports of the Board of Directors and Auditors, be and are hereby considered and adopted.

RESOLVED FURTHER THAT the audited consolidated financial statements of the Company for the financial year ended March 31, 2017 together with the reports of the Auditors, be and are hereby considered and adopted.

2. Declaration of dividend.

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

RESOLVED THAT a dividend of Rs. 4/- per equity share [i.e. 40% 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 4th August 2017.

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

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

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

4. Appointment of Statutory Auditors, M/s. Deloitte Haskins & Sells LLP.

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 139,142 and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed thereunder as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No.117366W/W-100018) be and are hereby appointed as statutory auditors of the Company, in place of the retiring statutory auditors M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No.101049W), to hold office for a term of five years from the conclusion of the twenty second Annual General Meeting (AGM) until the conclusion of the twenty seventh AGM of the Company, subject to ratification of the appointment by the Shareholders at every AGM held after this twenty second AGM, on such remuneration as may be mutually agreed upon between the board of directors and the auditors.

SPECIAL BUSINESS

5. Re-classification of certain promoter group persons from 'Promoter & Promoter group category' to 'Public category'.

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

RESOLVED THAT in accordance with Regulation 31A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment thereof, for the time being in force and other applicable provisions, and subject to necessary approval of the Securities and Exchange Board of India (SEBI), Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Shareholders of the Company be and is hereby accorded to reclassify the following persons forming part of the Promoter group from 'Promoter & Promoter group category' to 'Public category'.

S.No.	Name	S.No.	Name
1.	Sarah V Rajasekhar	13.	Chitra Sivanandam
2.	R. Veeramani	14.	G. Ramasubramanian
3.	Bhagyalakshmi Sundaram	15.	K P Shanmuga Sundaram JT1 : S Padmavathi
4.	Chandra Paramasivam	16.	Thangamani
5.	Sharfudheen A K Sheik JT1 : Iqbal Sheik	17.	B G Giri
6.	Vattur S Rajendran	18.	Alfred Vidya Sagar
7.	Kasi K Goundan	19.	Mary Bharatalakshmi Sagar
8.	Mike K Manickam	20.	Karthik Balasubramanian
9.	Richard J Dhyanchand	21.	Malar Balasubramanian
10.	Geetha Sivanandam	22.	Sumathi Balasubramanian
11.	Saraswathi Goundan	23.	John Jaya Prasada Rao Eda
12.	K P Shanmuga Sundaram		

RESOLVED FURTHER THAT on approval of the SEBI/Stock Exchanges upon application for reclassification of the aforementioned persons, the Company shall effect such reclassification in the statement of shareholding pattern from immediate succeeding quarter under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and compliance to SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, and other applicable provisions, if any.

RESOLVED FURTHER THAT any one of the Directors of the Company or the Company Secretary or the Compliance Officer or such other person as authorized by the Board of Directors of the Company, be and is hereby authorized to submit application for reclassification to the SEBI, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution.

6. Appointment of Mr. S. Annadurai as an Independent Director of the Company

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

RESOLVED THAT pursuant to the provisions of Section 149, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. S. Annadurai (DIN: 00137561), who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 28, 2017, in terms of Section 161 of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from himself under Section 160 of the Companies Act, 2013 signifying his intention to propose himself as a candidature for the office of a Director of the Company, be and is hereby appointed as an independent Director of the Company up to 27th June, 2022, and that his office shall not be subject to retirement by rotation.

7. Appointment of Mrs.V.C. Mirunalini 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 the provisions of Sections 196, 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, approval be and is hereby accorded to the appointment of Mrs. V.C. Mirunalini (DIN:07860175) as a Whole Time Director of the Company for a period of five years with effect from 28th June 2017 to 27th June 2022, on such terms and conditions as specified below:

Remuneration by way of Salary and Dearness allowance shall be in the scale of Rs.7,50,000 to Rs.10,00,000 per annum.

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

- Contribution to Provident Fund
- Gratuity payable shall be at the rate of 15 days salary for each completed year of service in accordance with the rules.
- 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.
- 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.
- Reimbursement of medical Expenses for self and family as per the rules of the Company.
- Leave travel and leave encashment as per the rules of the Company.

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

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

8. Ratification of remuneration of Cost Auditor

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

RESOLVED THAT the Shareholders hereby ratify the actions of the Board of Directors pursuant to the provisions of Section 148(3) and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (as amended) for approving recommendation of Audit Committee for remuneration at Rs.1,25,000/- plus applicable tax and out of pocket expenses of Mr. R. Ravichandran, (Membership No.15959), Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31.03.2018.

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

By Order of the Board

For **SWELECT ENERGY SYSTEMS LIMITED**

Sd/-

R. Sathishkumar

Company Secretary

Chennai
28th June 2017

NOTES:

1. The related Explanatory statement pursuant to Section 102 of the Companies Act, 2013, setting out all the material fact concerning item No(s). 5 to 8 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/proxies to attend and vote instead of himself/herself and such proxy need not be a member of the company.
3. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Pursuant to the provisions of section 105 of the Companies Act, 2013 a person can act as a proxy on behalf of Shareholders not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
4. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
5. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company a certified copy of the board resolution authorising such representative to attend and vote on their behalf at the meeting.
6. The Register of Members and the Share Transfer Books will remain closed from 5th August 2017 to 11th August 2017 both days inclusive, for determining the name of Members eligible for payment of dividend on equity shares and AGM.
7. The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be credited / deposited between 17th August 2017 and 24th August 2017 to those Members whose names appear on the Company's Register of Members on 4th August 2017.
8. Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, dividends which remain unclaimed in the unpaid dividend account for a period of seven years from the date of transfer of the same, will be transferred to the Investor Education and Protection Fund established by the Central Government.

The Ministry of Corporate Affairs notified the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, on September 5, 2016 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 on 28 February, 2017 ("IEPF Rules") which are applicable to the Company. The objective of the IEPF Rules is to help members ascertain the status of unclaimed amounts. In terms of the IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the last AGM i.e. July 28, 2016, on the website of IEPF viz. www.iepf.gov.in and under "Investor Relations" section on the website of the Company.

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

Year	Type of Dividend	Dividend Per Share (Rs.)	Date of Declaration	Due Date for Transfer	Amount Rs.
2009-2010	Final	3	07.08.2010	11.09.2017	71,271
2010-2011	Final	3	06.08.2011	10.09.2018	1,04,736
2011-2012	Final	3	21.07.2012	24.08.2019	49,983
2012-2013	Interim	120	09.07.2012	13.08.2019	20,08,560
2012-2013	Final	8	24.07.2013	28.08.2020	2,54,600
2013-2014	Final	9	28.07.2014	01.09.2021	2,74,410
2014-2015	Final	2.50	29.07.2015	05.09.2022	96,487
2015-2016	Interim	3	14.03.2016	19.04.2023	1,22,703
2015-2016	Final	1	28.07.2016	01.09.2023	45,529

9. As per the provisions of Section 124 of the Companies Act, 2013, shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the Investor Education and Protection Fund (IEPF) Authority. In accordance with the IEPF Rules, the Company has transferred unpaid / unclaimed dividend for the financial year 2008-2009 to the IEPF.

The Company has sent out individual communication to 40 shareholders whose dividend remains unclaimed for seven consecutive years, and published an advertisement in newspapers, inviting such shareholders to claim their dividend.

10. Members who have not claimed their dividend for the financial year ended 2009-2010 and/or any subsequent years are requested to write to the Company giving necessary details along with claimant's proof of identity and address. In this connection the company has placed the names of such persons who have not claimed dividend since 2009-2010 in the website of the company and the shareholders can view the details at www.swelectes.com.
11. The Company shall provide/host the required details of unclaimed dividend amounts referred to under Section 124 of Companies Act, 2013, on its website and also Ministry of Corporate Affairs (MCA) website in the relevant form every year.

For the financial year ended March 31, 2016, the information on unclaimed dividend was filed with the Ministry of Corporate Affairs and also hosted on the website of the Company within the statutory time.

12. In order to enable payment of dividend by direct credit to the bank accounts of the Shareholders through National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), those holding shares in physical form are requested to furnish their mandates to M/s. Cameo Corporate Services Limited. Those holding shares in Demat form are requested to update their records with Depository Participants in this respect.
13. Electronic copy of the Annual Report for the year 2016-17 and the Notice of the 22nd Annual General Meeting (AGM) are being sent to all the Shareholders whose E-mail IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For Shareholders who have not registered their email address, physical copies of the Annual Report for the year are being sent in the permitted mode. These Shareholders are requested to register their E-mail IDs with the DP/Registrar. Annual Report and the Notice of the AGM are available in the Company's website viz., www.swelectes.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at "SWELECT HOUSE", No.5, Sir P.S.Sivasamy Salai, Mylapore, Chennai- 600004 between 11.00 A.M. and 5.00 P.M. on all working days up to the date of the AGM.
14. Pursuant to section 108 of the Companies Act, 2013, read with the relevant rules of the Act, the Company is required to provide Shareholders the facility to cast their vote by electronic means. The detailed instructions for Remote e-voting are annexed to this Notice.
15. Location /Road map layout of the AGM Hall is given at the last page of the Notice.

Annexure to Notice

Explanatory statement required in pursuance of section 102 of the Companies Act, 2013.

The Explanatory Statement sets out the material facts relating to Item Nos.5 to 8 of the special business of the accompanying Notice.

Item No.5

In terms of regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015'), the Board of Directors of the Company at their meeting held on 28.06.2017, decided to make an application to Stock Exchanges for re-classification of shareholders mentioned in the Item No.5 of the resolution, from 'Promoter & Promoter Group category' to 'Public category' subject to fulfillment of conditions as provided therein. These shareholders do not, directly or indirectly, exercise control, over the affairs of the Company and not hold any key managerial position or representations of the Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company.

The cumulative shareholding of these shareholders does not exceed 10% of the total paid-up equity share capital of the Company. As required under 'Listing Regulations, 2015', an intimation has been sent to Stock Exchanges based on decision of the Board of Directors at the above said meeting.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of at least 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

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

Item No. 6

The Board, at its meeting held on June 28, 2017, had appointed Mr. S. Annadurai, as an Additional Director of the Company with effect from June 28, 2017, pursuant to Section 161 of the Companies Act, 2013, read with Article 163 of the Articles of Association of the Company. His office shall not be subject to retirement by rotation.

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

The Company has received from Mr. S. Annadurai, a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. The Board had conducted interviews and had extensive deliberations regarding his appointment. In addition, the Board ascertained the criteria for establishing independence of Mr. S. Annadurai in terms of both the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Board has specifically looked into whether Mr. S. Annadurai is a "relative" of the promoters or directors as contemplated by Section 149(6) (ii) of the Act or Regulation 16(b)(iii) of the Listing Regulations and determined that he is not a relative within the meaning ascribed to the term under the Act, or the Rules prescribed and under the Listing Regulations.

No director, key managerial personnel or their relatives, except Mr. S. Annadurai to whom the resolution relates, is interested or concerned in the resolution.

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

Item No.7

The Board, at its meeting held on June 28, 2017, had appointed Mrs. V. C. Mirunalini as a Whole Time Director of the Company for the period of 5 years from 28th June 2017 to 27th June 2022 as per the terms and conditions as set out in the resolution, subject to the approval of the shareholders.

The Company has received a notice in writing along with the requisite deposit from Mr. R. Chellappan, an existing member of the Company, proposing Mrs. V. C. Mirunalini as a candidature for the office of Director of the Company.

Mrs. V. C. Mirunalini, is daughter of Mr. R. Chellappan, Managing Director and Sister of Mr. V.C. Raghunath, Whole Time Director.

No director, key managerial personnel or their relatives, except Mr. R. Chellappan, Mr. V.C. Raghunath and Mrs. V.C. Mirunalini to whom the resolution relates, is interested or concerned in the resolution.

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

Item No.8

On the recommendation of the Audit Committee, the Board at its meeting held on 25.05.2017, appointed Mr. R. Ravichandran as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018. The Board also approved the remuneration of Rs.1,25,000/- plus out of pocket expenses. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

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

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT

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

Mr.V.C. Raghunath is 36 years of age and is an Electrical Engineer, with a Master's Degree in Electrical Engineering and also holds a degree in Master of Science. He joined in Numeric Power Systems limited (Now SWELECT Energy Systems Limited) in 2006. He contributed to the development of marketing strategy of the Company and guiding the sales team in achieving their targets. He plays a significant role in various solar projects including the 15 MW Vellakoil project in Karur district. He handled various solar rooftop projects and other projects all over India.

Directorship in other Companies:

S. No.	Name of the company	Position held
1.	AMEX ALLOYS PRIVATE LIMITED	Director
2.	SWELECT TECHNOLOGIES PRIVATE LIMITED	Director
3.	SWELECT ENERGY SYSTEMS PTE. LIMITED	Director
4.	NOEL MEDIA & ADVERTISING PRIVATE LIMITED	Director
5.	K J SOLAR SYSTEMS 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 Son of Mr. R. Chellappan who is the Managing Director of the Company and brother of Mrs. V.C. Mirunalini, Whole Time Director.

2. Brief profile of Mr. S. Annadurai and nature of his expertise in specific functional areas:

AGE & DATE OF BIRTH	68 years, 31.07.1949
QUALIFICATION	B.Sc (Agri), B.GL, C.A.I.I.B, D.B.M
CAREER	BANKING
EXPERIENCE	39+ YEARS

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

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

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

As Head of Credit Department in Bombay, dealt with a large number of high profile Corporate Accounts and a large number of Consortium accounts including many such accounts as the Leader of the Consortium. As head of a corporate branch in Chennai, dedicated contribution was one of the factors for the bank's turn-around.

As the President and Whole-Time Director of Indbank Merchant Banking Services Ltd, turned around this Company and declared dividend after a gap of more than a decade. As Managing Director of Indbank Housing Ltd, recovered huge amounts of NPAs.

Directorship in other Companies:

S. No.	Name of the company	Position held
1.	Green Pearl Education Management Corporation Private Limited	Director

Chairperson of Board Committees of other Companies : None
 Member of Board Committee of Other Companies : None
 Shareholding in the Company :
 i) Own : 175 equity Shares
 ii) Held by/for other persons on a beneficial basis : Nil
 Disclosure of relationships between directors inter-se : None

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

AGE & DATE OF BIRTH	32 years 08.12.1984
EDUCATIONAL QUALIFICATION	<ul style="list-style-type: none"> BE (Electrical and Electronics Engineering) from College of Engineering, Chennai – May 2006 Master of Science (Electrical Engineering, Electric Power and Power Electronics) from Texas A&M University, USA – August 2008
EXPERIENCE	<ul style="list-style-type: none"> 9 Years in the Power Electronics and Solar Industry – With SWELECT 1 Year with Texas A&M University, USA as Research Assistant
PORTFOLIO	<ul style="list-style-type: none"> Head of Module Manufacturing factory (100 MW SPV Module Plant, HHV Solar Modules, Bangalore), handling daily operational activities, sourcing and marketing Sourcing of the Products, Product design, validation and design support and monitoring the projects Solar Water Pumping – sourcing, product evaluation, certification and launch into the market Works on specialised projects such key CSR Activities and key customer relationship management Technical support for the projects and the procurement/ sourcing team Bangalore Regional Office management Contribute to the development of the marketing strategy Operational and customer support Support in design, engineering and technical management for EPC of MW range of Solar projects
ACHIEVEMENTS / HONORS	<ul style="list-style-type: none"> IEEE Member, Power Electronics Society and invited twice as reviewer for selection of papers Ranked among top 2 percent in the qualifying Exam for professional courses (2002), India Ranked 6th (out of 100) in Department of Electrical and Electronics Engineering, Anna University Release of a very unique Hybrid Energy Monitoring System that is compatible with all kinds of installation upto 10 kW. This helps in measuring the energy saved, the cost saved and the carbon footprint that was avoided. Design and Development of Solar Power Converters to suit the Indian Market conditions and for export market. Study and Analysis of cost reduction and optimisation methods in the Solar system installation to enable better power availability at optimal price for the customer. Release of High MPPT Efficiency Solar Charge controller at 12 – 120 V, 3 kW capacities suitable for all range of Solar Inverters. Release of Bidirectional Inverter (with grid feed-in), first of its kind to be designed and developed completely in India

Directorship in other Companies : None
 Chairperson of Board Committees of other Companies : None
 Member of Board Committee of Other Companies : None
 Shareholding in the Company :
 i) Own : 41962 equity Shares
 ii) Held by/for other persons on a beneficial basis : Nil
 Disclosure of relationships between directors inter-se :
 Mr. R. Chellappan, Managing Director is the father of Mrs. V. C. Mirunalini and Mr. V. C. Raghunath, Whole Time Director is the brother of Mrs. V.C. Mirunalini.

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

Sd/-
 R. Sathishkumar
 Company Secretary

Chennai
 28th June 2017

Electronic voting (Remote 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 Remote e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 22nd Annual General meeting of the Company to be held on Friday the 11th August 2017 at 3.30 p.m. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The voting period begins on 8th August 2017 at 9:00 am and ends on 10th August 2017 at 5:00 pm. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th August 2017, may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.

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

Please read the instructions printed below before exercising your vote.

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

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

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

For Example:

Your name : SURESH KUMAR
 8 digits Serial No : 00002800
 Then type in the PAN Field : SU00002800

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

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

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Members 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.
- (vii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for SWELECT ENERGY SYSTEMS LIMITED on which you choose to vote.
- (ix) 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.
- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take printout of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xiv) 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.
- (xv) Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xvi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xvii) For any queries or issues regarding remote e-voting, you may also contact our Registrar and Share Transfer Agents M/s. Cameo Corporate Services Limited, No.1, Club House Road, Chennai – 600 002. Name of contact person: Mr. P. Muralidharan, Assistant Manager, email id: murali@cameoindia.com, Tel: + 91 44 28460390.

Mobile app m-Voting:

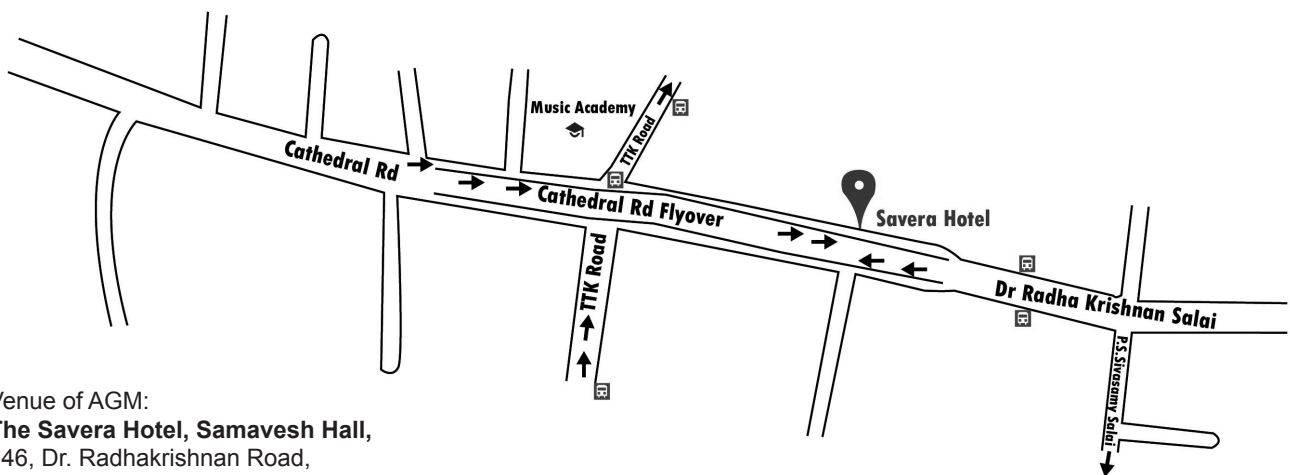
Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions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

General Instructions

- M/s. P. Eswaramoorthy and Company, Company Secretaries (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the process of Remote e-voting and Poll at the AGM in a fair and transparent manner.
- The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least 2 (two) witnesses not in employment of the Company and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or any other Director authorized by the Board, who shall counter sign the same.
- The results declared along with the Scrutinizer’s Report will be placed on the Company’s website www.swelectes.com, website of CDSL and the same will also be communicated to BSE Ltd., and National Stock Exchange of India Limited.
- The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 4th August 2017.
- Members who did not cast their vote through Remote e-voting during the e-voting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through Remote e-voting can attend the meeting but cannot vote again through ballot paper at AGM.

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

LOCATION MAP



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

May 25, 2017

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

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

Scrip Code: 532051

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Declaration regarding Audit Report with unmodified opinion for Standalone and Consolidated results for the financial year ended 31.03.2017.

Pursuant to Regulation 33 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Auditors Report dated 25.05.2017 issued on the Standalone and Consolidated Financial Results of the Company for the financial year ended 31st March 2017, with unmodified opinion.

We request you to kindly take the above compliance in your record.

Thanking you,

Yours faithfully.

For SWELECT ENERGY SYSTEMS LIMITED



R. CHELLAPPAN
Managing Director

