
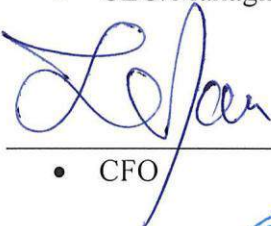

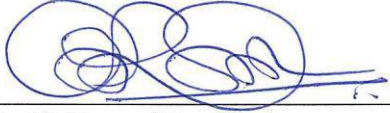


FORM A

Covering letter of the annual audit report to be filed with the stock exchanges:

| | | |
|----|---|---|
| 1. | Name of the Company: CIN: | SWELECT ENERGY SYSTEMS LIMITED L93090TN1994PLC028578 |
| 2. | Annual financial statements for the year ended | 31 st March 2015 |
| 3. | Type of Audit observation | Un-qualified / Matter of Emphasis |
| 4. | Frequency of observation | Not applicable |
| 5. | <p>To be signed by-</p> <p></p> <hr/> <ul style="list-style-type: none"> • CEO/Managing Director <p></p> <hr/> <ul style="list-style-type: none"> • CFO <p></p> <hr/> <ul style="list-style-type: none"> • Auditor of the company <p></p> <hr/> <ul style="list-style-type: none"> • Audit Committee Chairman | |



swelect ENERGY SYSTEMS LIMITED

(Formerly Known as NUMERIC POWER SYSTEMS LIMITED)

TWENTIETH ANNUAL REPORT 2014 - 2015

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CORPORATE INFORMATION

CHAIRMAN

Mr. V.M. SIVASUBRAMANIAM

MANAGING DIRECTOR

Mr. R. CHELLAPPAN

DIRECTORS

Mr. N. NATARAJAN

Mrs. VASANTHA BALAN

Mrs. JAYASHREE NACHIAPPAN

Mr. V. C. RAGHUNATH

COMPANY SECRETARY

Mrs. J. BHUVANESWARI

CHIEF FINANCIAL OFFICER

Mr. P. JAGAN

BANKERS

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

THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED
Chennai.

BARCLAYS BANK, PLC
Mumbai.

BNP PARIBAS
Chennai.

STATE BANK OF INDIA
Industrial Finance Branch, Chennai.

ICICI BANK
Mylapore, Chennai.

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

REGISTERED OFFICE

'NUMERIC HOUSE'
5, Sir P.S. Sivasamy Salai,
Mylapore, Chennai – 600 004
Tel : +91 44 24993266
Fax : +91 44 24995179
Email Id : cg.ird@swelectes.com

Plant Locations:

| No | Location of Plant | Details of the plant |
|----|---|--|
| 1 | Coimbatore Kuppaepalayam SF No 166 & 169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore 641107 | SWELECT 1.1 MW Solar Plant |
| 2 | Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District | SWELECT 1.5 MW Wind Mill Power Unit |
| 3 | 58/3 (14 D, D/1) Salem Main Road, Veerappampalayam PO Idappadi-637105, Salem District. | UNIT 3S |
| 4 | Monjanur Village, Aravakurichi Taluk, Karur District | SWELECT 12 MW Solar Plant |
| 5 | Kollakkudi, Thottiyam Taluk, Trichy District | SWELECT 10 MW Solar plant |

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

Secretarial Auditor

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

Directors' Report

Our Valued Shareholders

We have pleasure in presenting the Twentieth Annual Report and the Audited accounts of the Company for the year ended 31st March 2015.

Financial highlights (Standalone)

(Rs. In Lakhs)

| S. No. | Particulars | for the year ended 31/3/2015 | for the year ended 31/3/2014 |
|--------|--|------------------------------|------------------------------|
| 1 | Sales / Income from operations | 4,887.50 | 5,240.31 |
| | Less: Taxes and duties | 54.49 | 158.17 |
| 2 | Net Sales/Income from Operations | 4,833.01 | 5,082.13 |
| 3 | Other income | 2,478.58 | 2,936.00 |
| | Total Income from Operations | 7,311.59 | 8,018.13 |
| 4 | Total Expenditure | 4,881.95 | 4,961.30 |
| 5 | Profit Before Depreciation, Interest and Tax | 2,429.64 | 3,056.83 |
| 6 | Interest | 1,059.90 | 116.09 |
| 7 | Depreciation | 871.71 | 446.23 |
| 8 | Exceptional item | -203.12 | - |
| 9 | Profit Before Tax | 294.91 | 2,494.51 |
| 10 | Tax Expense | 161.98 | - |
| 11 | Profit After Tax | 132.93 | 2,494.51 |
| 12 | Transfer to General Reserve | 13.29 | 249.45 |
| 13 | Interim Dividend | - | - |
| 14 | Proposed Final Dividend | 252.65 | 909.53 |
| 15 | Tax on Dividend | 51.43 | 154.57 |
| 16 | Balance Carried Forward | 45,248.39 | 45,432.83 |
| 17 | Equity Capital | 1010.58 | 1010.58 |
| 18 | Reserves and Surplus | 63,634.44 | 63,463.29 |
| 19 | EPS (Rs.) | 1.32 | 24.68 |

A quick glance of the financial for the last 4 years

| Particulars | 2011-12 | 2012-13 | 2013-14 | 2014-2015 |
|------------------------------|-----------|-------------|----------|------------|
| Total Revenue | 53,993.83 | 15,279.14 | 8,018.13 | 7,311.59 |
| EBIDTA | 5,024.52 | 4,141.42 | 3,056.83 | 2,429.64 |
| Depreciation | 564.96 | 458.03 | 446.23 | 871.71 |
| Interest | 103.71 | 148.29 | 116.09 | 1,059.90 * |
| Exceptional income | - | 61,511.77** | - | - |
| Exceptional item-expenditure | - | - | - | 203.12 # |
| EBT | 4,355.85 | 65,046.87 | 2,494.51 | 294.91 |
| EAT | 3,463.11 | 51,079.64 | 2,494.51 | 132.93 |

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

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

Exceptional item - expenditure represents cost of land written off amounting to Rs.203.12 Lakhs (net of recovery) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

* Represents interest paid to banks for the term loans availed during the year for the solar power plant project. Further income on investment in mutual fund (fixed maturity plans) has not been recognised during the year as prescribed under accounting standards.

Transfer to General Reserve

The Company transferred Rs 13.29 lakhs to General reserve out of profits for the year ended 31.3.2015.

Dividend

The Board of Directors has recommended a Dividend of Rs.2.50 per equity share (@ 25% on the equity share capital of the Company), free of tax in the hands of the shareholders, for the year ended 31st March 2015, subject to the approval of the shareholders at the ensuing Annual General meeting of the Company. The Money outflow for the company is Rs.252.65 Lakhs in addition to the dividend distribution tax of Rs.51.43 lakhs.

FINANCIAL HIGHLIGHTS- Consolidated

(Rs. In Lakhs)

| S.No | Particulars | For the year ended 31/3/2015 | For the year ended 31/3/2014 |
|------|--|---------------------------------|---------------------------------|
| 1 | Sales / Income from operations | 22,756.04 | 18,309.79 |
| | Less: Taxes and duties | 571.45 | 665.10 |
| 2 | Net Sales/Income from Operations | 22,184.59 | 17,644.69 |
| 3 | Other income | 2,678.21 | 2,685.11 |
| | Total Income from Operations | 24,862.80 | 20,329.81 |
| 4 | Total Expenditure | 21,532.70 | 17,138.24 |
| 5 | Profit Before Depreciation, Interest and Tax | 3,330.10 | 3,191.57 |
| 6 | Interest | 1,205.30 | 341.77 |
| 7 | Depreciation | 1,693.08 | 999.98 |
| 8 | Exceptional other Income | - | - |
| 9 | Exceptional - expenses | 203.12 | - |
| 10 | Share in loss of associate company | 11.79 | 0.01 |
| 11 | Profit Before Tax | 216.81 | 1,849.81 |
| 12 | Tax Expense | 254.34 | 198.94 |
| 13 | Net (loss) / profit after tax before minority interest | -37.52 | 1,650.86 |
| 14 | Minority interest | - | -32.89 |
| 15 | Net loss / profit for the year | -37.52 | 1,617.97 |
| 16 | Balance Carried Forward | -37.52 | 1,650.86 |
| 17 | Equity Capital | 1,010.58 | 1,010.58 |
| 18 | Minority Interest | - | -500.00 |
| 19 | Preference shares in subsidiary held outside the group | 400.00 | - |
| 20 | Reserves and Surplus | 66,789.23 | 66,831.04 |
| 21 | EPS (Rs.) | -0.41 | 15.95 |

General review of the Business of the Company during the year

In the year 2014-15, while the standalone company revenue has come down by 6.73%, the company has achieved an overall consolidated growth of 25.73%, from INR 176.44 Cr to INR 221.84 Cr. Though the revenue has increased by 25%, the market conditions have resulted in the EBIDTA of Rs.24.29 Cr. compared to EBIDTA of 30.56 Cr. for the previous year. This drop in the EBIDTA is largely associated with overall economic slowdown, US Dollar went up steeply resulting in increased raw materials cost and a steep EURO drop has affected the top line growth and the profitability of our foundries. These challenges will continue to remain but the company is gearing-up for higher efficiency of systems and processes with well-planned expansion and product development.

COMPANY UPDATE:

SWELECT has a total of 30 MW of Solar Installations with a 1.5 MW of Wind farm.

The company has the below products and services in its portfolio

Products

- Solar PV Modules (the present capacity is being enhanced to 100 MW/year)
- Solar Charge Controllers (PWM and MPPT) / Power Converters (DC/AC)
- Solar Inverters (Standalone / off-grid)
- Solar Grid Tie Inverters
- Grid Interactive / Bi-Directional Inverter systems for Mini & Smart grid – well suited for Industrial and rural applications
- Complete range of BoS (balance of Systems) & Module Mounting structures.
- Energy Efficient Lighting

– Projects & Services

- EPC - Roof Top & Utility scale projects
- Retrofit / Solar Power back-up for the existing UPS systems
- Design, Supply, Erection and Commissioning of SPV Farms
- O&M (Operation and Maintenance) of Roof Top & Utility scale projects.
- Mechanical Balance of system and works.
- Electrical Balance of systems and works.
- Project Management services.
- Power Quality Management & Energy audit.

SWELECT is committed to install and commission SPV parks for energy sale to third party and Government through Power Purchase agreement (PPA), Group Captive Energy Sales and emerge as an IPP in the Solar Energy Space.

SWELECT has bid for the JNNSM Phase 2, Batch 1 Solar project and won the bid for 10 MW of Solar Plant capacity under the DCR (Domestic Content Requirement – wherein the cells and the modules have to be made in India). The project has been executed in Musiri, Trichy District in Tamil Nadu and has been commissioned recently.

Awards / Credentials of SWELECT ENERGY SYSTEMS LIMITED

- SD's NO. 1 off grid / roof top solar PV power solution Provider of the year 2014
- SD's NO. 2 SPCU Manufacturer of the year 2014
- SD's NO. 2 Hybrid / Grid sharing solar PV power Solution provider of the year 2014
- SD Award 2014 for having completed the largest numbers of Roof Top Installations in the Country
- A++ SD's Star Green Rating continuous for last 3 years
- Registered with MNRE as "Empanelled Inverter Manufacturer"
- Accredited as Channel Partner for Solar Applications (PV) under JNNSM by MNRE

- Empanelled as Energy Service Company with Bureau of Energy Efficiency (BEE)
- Empanelled with SECI (Solar Energy Corporation of India) for Implementation of Micro and Mini Solar PV Power Plants for Rural Electrification in India
- Empanelled with NREDCAP (AP State and Telangana State) as System Integrators

Subsidiary / Joint Ventures / Associate Companies

HHV SOLAR TECHNOLOGIES LIMITED

During the year 2014-2015 SWELECT acquired 100% equity of HHV Solar Technologies Limited. Now HHV Solar Technologies Limited is a wholly owned subsidiary (WOS) of SWELECT. HHV Solar currently has an installed capacity of 40 MW per annum and capacity addition of 60 MW is under process. This would ensure that a wider customer base is serviced with good Export potential.

Awards / Credentials of HHV SOLAR TECHNOLOGIES LIMITED

- SD's No.3 SPV Panel Manufacturers of the year 2014
- ISO 9001:2008, 14001:2004 and OSHAS 18001:2007 Certified
- Certified of Approval Microgeneration by BRE Global Mark for the Photovoltaic Modules
- IEC Certification for the PV Modules (61215, 61730, 61701)
- ETL Certification for the PV Modules
- cETLus (UL1703, cUL, CEC for USA, Canada)
- Member of Export Promotion Council for EOUs & SEZs for the year 2013-14

FOUNDRY BUSINESS

Amex Alloys Pvt. Ltd. is a wholly owned subsidiary Company of SWELECT doing steel and foundry business. AMEX Alloys is enjoying over 80% export of its quality products (Valve castings) in Low Carbon Steel & Special Alloy Steel for flow control applications and Oil & Gas Industries with customers in Germany, Spain, Italy, France, and UK and in USA.

AMEX Investment Casting Plant: A major milestone in our foundry group - Amex Alloys has established new plant for manufacturing Investment Casting based on lost wax technique, thus becoming the first foundry in India to supply the world with Grey Iron / SG Iron / Low Carbon Steel / Stainless Steel / Special Alloy Steel castings as a one stop solution under one roof by producing Sand castings and investments castings process.

For the third time the Company received Export Excellence Award adjudged by the IIF - organised by Confederation of Indian Industries (CII).

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

Awards / Credentials of AMEX ALLOYS & AMEX IRONS

- Adjudged by IIF (Institute of Indian Foundrymen) Coimbatore Chapter as the "Best Foundry" award for the year 2011
- Adjudged as the Winner of "Export Excellence Award" in the Small Scale Category for the year 2013
- Adjudged as the Winner of "Export Excellence Award" in the Small Scale Category for the year 2012
- BV Marine Certificate for Steel Castings products
- Certified by DNV (Det Norske Veritas) as "Approved Manufacturer"
- Certified by DNV with NORSOK 650 – for Sand Casting
- Approved by Lloyd's Register as "Approved Manufacturer"
- ISO 9001:2008 Certified by TUV Nord
- Adjudged by Central Boilers Board as "Well known Foundry" for the manufacturing of castings upto a maximum of 650 Kgs / piece in 2011

CLOSURE OF ASSOCIATE AND JOINT VENTURE COMPANIES

During the year SWELECT – Sunpac Power Protection Private Limited (Associate Company) and SWELECT Infrastructure Services Private limited (Joint Venture Company), were struck off under Fast Track Exit (FTE) as these Companies were inoperative for more than five years.

Results of Subsidiary Companies

The financial position of the subsidiaries was included in the consolidated financial statement.

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

* Subsidiary of SWELECT Solar Energy Private Limited.

Deposits

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

Directors

Change in Directors and Key Managerial Personnel

Mr. R. Chellappan, whose period of office as Managing Director expired on April 30,2015, was appointed as the Managing Director of the Company for a period of 5 years from 1st May 2015 to 30th April 2020 subject to the approval of the Shareholders at the Annual General meeting.

Mr.V. C. Raghunath, Whole Time Director of the Company, Mrs. Vasantha Balan, and Mrs. Jayashree Nachiappan, Non-Executive Directors retire by rotation and being eligible offer themselves for re-appointment.

The Independent Directors Mr. V.M. Sivasubramaniam and Mr. N. Natarajan, were appointed for a period of 5 years and are not liable to retire by rotation. The Independent Directors had a separate meeting on 09.02.2015 to review the performance and evaluation of the Board.

The Independent Directors have confirmed and declared that they are not disqualified to act as an independent Director in compliance with the provisions of section 149 of the Companies Act 2013.

The Profiles of the Mr. R. Chellappan, Managing Director, Mr.V.C. Raghunath, Whole Time Director , Mrs. Vasantha Balan and Mrs. Jayashree Nachiappan are given separately in the Corporate Governance Report.

Transfer of Amounts to Investor Education and Protection Fund

Pursuant to the provisions of Section 125 of the Companies Act, 2013 relevant amounts which remained unpaid or unclaimed for a period of seven years have been transferred by the Company, from to time to time on the due dates, to the Investor Education and Protection Fund.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28.07.2014 (date of last Annual General Meeting) on the Company's website www.swelectes.com, and also on the Ministry of Corporate Affairs' website.

Board and Committee Meetings

The Board met 7 times during the year. The details regarding the Board meetings, Audit committee meetings, Corporate social responsibility committee meeting, Nomination and remuneration committee meeting etc., are given separately in Corporate Governance report.

Industrial Relations

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

Code of Conduct

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

Details of establishment of vigil mechanism for directors and employees

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

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

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

The following is a summary of sexual harassment complaints received and disposed off during the year 2014-2015.

No. of complaints received during the year : Nil

No. of Complaints disposed off during the year : Nil

Prevention of Insider Trading:

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

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

Statutory Auditors

M/s S.R. Batliboi & Associates LLP Statutory auditors of the Company retire at the ensuing Annual General meeting The Board of Directors at their meeting held on 28.05.2015 recommended their re-appointment for the financial year 2015-2016.

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

Secretarial Audit Report

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Mr. R. Kannan, Practicing Company Secretary, in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached in Annexure 2 and forms a part of this Report of the Directors. There are no qualifications or remarks made by the Secretarial Auditor in his Report.

Cost Audit

As per the amended cost audit rules, issued by the Ministry of Corporate Affairs, Cost Audit is not applicable to the Company for the period 2014-2015.

Management Discussion and Analysis Report

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

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

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

Extract of the Annual Return

The Extract of the annual return in Form No. MGT – 9, is being annexed to the report in Annexure 3

Particulars of loans, guarantees or investments under section 186

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

The details of the investments made by the Company are given in the notes to the financial statements.

Particulars of contracts or arrangements with related parties:

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

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

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

Material Changes and commitments affecting the financial position of the Company which have occurred between 31st March 2015 and 28th May 2015 (date of report).

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year (31st March 2015) and the date of the report (28th May 2015).

Corporate Governance Certificate

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

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

Directors' Responsibility Statement

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

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

- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is given in Annexure 4 in the Annual report.

In terms of Section 136 of the Act, the reports and accounts are being sent to the members and others entitled thereto, which is available for inspection by the members at the Registered office of the company during business hours on working days of the company. If any member is interested in inspecting the same, such member may write to the Company Secretary in advance.

Acknowledgement

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

For and on behalf of the Board of Directors

Chennai
28 May 2015

R.CHELLAPPAN
Managing Director

V.C.RAGHUNATH
Director

ANNEXURES TO THE DIRECTORS' REPORT

Annexure 1

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

| | | | |
|--|---|---|------------------|
| A. | CONSERVATION OF ENERGY | <p>The Company strives towards continually improving the systems and processes to enable the conservation of energy. Swelect has the OHSAS certification which covers the ISO 14001 Environmental Management as well.</p> <p>Further, the following steps have been taken to ensure energy conservations:</p> <ol style="list-style-type: none"> 1. Capacity addition of Solar based Power generation Systems on all the building rooftops. 2. Machines in the production area run on individually installed solar systems with battery backup. 3. Installation of an innovative Solar based lighting system wherein the direct sunlight is brought into the production area thus saving thousands of watts of lighting units. 4. Development of Solar Power Parks under REC and JNNSM schemes. | |
| B. | RESEARCH & DEVELOPMENT | <ol style="list-style-type: none"> 1. Development of Solar Charge Controllers from 12 V to 96 V ranges for various power requirements. (from 250 W to 5 kW) 2. Development of Solar PCUs for various capacities from 800 VA to 5 kVA and above with inbuilt high efficiency MPPT Solar Chargers and intelligent controller to ensure maximum energy savings for the user. 3. Development of low cost, high strength Solar Module Mounting Structures. | |
| | 1. Specific areas in which R&D carried out by the Company. | <ol style="list-style-type: none"> 1. Increased energy savings for the end user through solar and high efficient power converters. 2. Low cost structures aid in reducing the overall cost of ownership of a solar installation. 3. Improved market penetration with indigenous products. 4. IEC certification of the products. 5. Empanelment with MNRE as a Solar inverter manufacturer. | |
| | 2. Benefits derived as a result of the above | <ol style="list-style-type: none"> 1. Increased energy savings for the end user through solar and high efficient power converters. 2. Low cost structures aid in reducing the overall cost of ownership of a solar installation. 3. Improved market penetration with indigenous products. 4. IEC certification of the products. 5. Empanelment with MNRE as a Solar inverter manufacturer. | |
| | 3. Future Plan of Action | The company will continue to invest in resources to improve the existing technology and in development of market suitable products. | |
| | 4. Expenditure on R & D | Rs. in Lakhs | |
| | | 2014-15 | 2013-2014 |
| | a. Capital | 41.80 | 41.69 |
| b. Recurring | 46.80 | 47.50 | |
| c. Total | 88.60 | 89.19 | |
| d. Total R&D expenditure as percentage of total turnover | 1.83 | 1.75 | |
| C. | TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION | | |
| 1. Efforts made towards Technology absorption, adaptation and innovation | External industry interactions were initiated and carried out to improve the product performance. | | |
| 2. Benefits derived as a result of the above | Higher performance products were introduced in the market. | | |
| 3. Technology imported | Nil | | |

| D. | FOREIGN EXCHANGE EARNINGS AND OUTGO: | (Rs. In Lakhs) | (Rs. In Lakhs) |
|----|---|----------------|----------------|
| | | 2014-2015 | 2013-2014 |
| | Foreign Exchange Earnings : | | |
| | Export at F.O.B. value | - | - |
| | Royalty and Technical Services | - | - |
| | Dividend | - | - |
| | Foreign Exchange Outflow : | | |
| | Import of Machinery & Advance payments. | 147.95 | 5,483.55 |
| | Raw materials | 133.17 | 283.12 |
| | Traded goods | 882.68 | 1,417.38 |
| | Travelling | 6.60 | 10.24 |
| | Freight and Insurance | - | - |
| | Interest | - | - |
| | Dividend | 47.43 | 42.16 |
| | Engineering & consultancy | - | 245.25 |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

1. ASSET MANAGEMENT & LOSS PREVENTION

Asset management has been achieved by bar-coding the Current and Non-current assets as well as the entire work in progress in all the plants. Remote monitoring of the logistics results in loss prevention during transit.

2. RISKS AND CONCERNS

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

RISK MANAGEMENT COMMITTEE

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

FOREX MANAGEMENT COMMITTEE

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

3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

4. FINANCIAL PERFORMANCE

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

FINANCIAL HIGHLIGHTS OF FIVE YEARS PERFORMANCE (Standalone)

(Rs. in lakhs)

| S.No. | Particulars | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 |
|-----------|---|------------------|------------------|------------------|------------------|------------------|
| 1 | Sales / Income from Operations | 51,116.67 | 56,258.90 | 11,084.71 | 5,240.30 | 4,887.50 |
| 2 | Other Income | 322.41 | 529.62 | 4,729.31 | 2,936.00 | 2,478.58 |
| 3 | Sales and Other Income (1+2) | 51,439.08 | 56,788.52 | 15,814.02 | 8,176.30 | 7,366.08 |
| 4 | Less: Taxes and duties | 2,538.06 | 2,794.69 | 534.88 | 158.17 | 54.49 |
| 5 | Net Sales and Other Income (3-4) | 48,901.02 | 53,993.83 | 15,279.14 | 8,018.13 | 7,311.59 |
| 6 | Employee Cost | 4,641.05 | 5,713.50 | 2,006.00 | 597.69 | 665.75 |
| 7 | Other Operating Expenditure | 38,595.99 | 43,255.81 | 9,131.72 | 4,363.61 | 4,216.20 |
| 8 | Profit before Depreciation, Interest & Tax (5-6-7) | 5,663.98 | 5,024.52 | 4,141.42 | 3,056.83 | 2,429.64 |
| 9 | Interest | 92.48 | 103.71 | 148.29 | 116.09 | 1,059.90 |
| 10 | Depreciation | 489.74 | 564.96 | 458.03 | 446.23 | 871.71 |
| 11 | Exceptional other Income | - | - | 61,511.77 ** | - | - |
| 12 | Exceptional item- Expenditure # | - | - | - | - | 203.12# |
| 13 | Profit before tax (8-9-10+11-12) | 5,081.76 | 4,355.85 | 65,046.87 | 2,494.51 | 294.91 |
| 14 | Profit after tax | 4,021.90 | 3,463.11 | 51,079.64 | 2,494.51 | 132.94 |
| 15 | Net Fixed Assets | 6,883.36 | 7,362.39 | 7,803.10 | 14,463.30 | 15,311.17 |
| 16 | Capital work-in-progress | 178.01 | 2,038.32 | 50.88 | 1,124.93 | 1,508.40 |
| 17 | Investments | 1,455.70 | 2,150.70 | 37,509.79 | 39,301.06 | 36,653.37 |
| 18 | Net Current and Non-Current Assets | 20,031.34 | 18,869.72 | 21,774.10 | 20,213.65 | 23,542.34 |
| 19 | Total: | 28,548.41 | 30,421.13 | 67,137.87 | 75,102.94 | 77,015.29 |
| 20 | Share capital | 1,010.58 | 1,010.58 | 1,010.58 | 1,010.58 | 1,010.58 |
| 21 | Reserves and Surplus | 23,053.81 | 26,164.56 | 62,204.02 | 63,634.44 | 63,463.29 |
| 22 | Net Worth (20+21) | 24,064.39 | 27,175.14 | 63,214.60 | 64,645.02 | 64,473.88 |
| 23 | Loan funds | 3,850.70 | 2,591.93 | 2,700.79 | 9,235.46 | 11,156.97 |
| 24 | Deferred Tax Liability | 633.32 | 654.06 | 1,222.48 | 1,222.47 | 1,384.44 |
| 25 | Total | 28,548.41 | 30,421.13 | 67,137.87 | 75,102.94 | 77,015.29 |
| 26 | EPS Rs. | 39.80 | 34.27 | 34.23 | 24.68 | 1.32 |

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

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

Exceptional item - expenditure represents cost of land written off amounting to Rs. 203.12 Lakhs (net of recovery) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

5. HUMAN RESOURCES

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

The total staff strength of the Company as on 31.3.2014 was 231 which increased to 237 during the year ended 31.3.2015.

6. WELFARE / SOCIAL ACTIVITIES

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

The Company also engaged in Corporate Social responsibility activities as prescribed by the Companies Act, 2013. The Company has spent around 34.69 lakhs for the renovation of a school at Sangagiri.

7. QUALITY AND ENVIRONMENT MANAGEMENT

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

The Company is committed to minimizing the environmental impact of its operations by a fully involved EMS Program, with continual improvement strategies by:

Providing Products and Services that are environmentally sound throughout their lifecycle,

Creating Health & Safety Practices and Work environment,

Strengthening practices to protect the Natural Resources like Land, Air, Water and conservation of Energy,

Complying with all the applicable legal and other requirements and reaching higher standards,

Setting and tracking measurable environmental objectives to mitigate adverse impacts on Environment,

Evaluating and continually improving our Environmental performance.

8. CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

Chennai
28 May 2015

R.CHELLAPPAN
Managing Director

V.C.RAGHUNATH
Director

CEO AND CFO CERTIFICATION
(Pursuant to clause 49 of the Listing agreement)

Date: 28.05.2015

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

Certification by Chief Executive Officer and Chief financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and to the best of our knowledge and belief we hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2014 – March 2015 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of controls were noted.
5. We have indicated to the auditors and the Audit Committee that:
 - (a) There are no significant changes in internal control over financial reporting during the year.
 - (b) There are no significant changes in accounting policies during the year.
 - (c) There have been no instances of fraud.

We further declare that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

R. CHELLAPPAN
Managing Director

P. JAGAN
Chief Financial Officer

ANNEXURE 2
Form No.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

[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

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 (here in after 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 there on.

Based on my verification of M/s Swelect Energy Systems Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I 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, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) The other laws as may be applicable specifically to the company in our opinion
 - (a) Electricity Act;

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

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

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

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

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

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

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

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

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

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

Place: Chennai
Date: 28.05.2015

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

ANNEXURE-3
Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[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 |
| Address of the Registered office and contact details | NUMERIC HOUSE NO.5, SIR P.S.SIVASAMI SALAI, MYLAPORE, CHENNAI, Tamil Nadu-600004, info@swelectes.com , cg.ird@swelectes.com . Ph: 044-24993266, Fax:044-24995179 |
| Whether listed company | Yes |
| Name, Address and Contact details of Registrar and Transfer Agent, if any | Cameo Corporate Services Ltd. "Subramanian Building", No.1, 5 th Floor, Club House Road, Chennai - 600002, Tamil Nadu. Ph: +91 44 28460390 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl.No | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the Company |
|-------|--|-----------------------------------|------------------------------------|
| 1 | Power generation using solar energy | 40106 | 18.43 |
| 2 | Sale of product | | |
| | - Contract manufacturing - UPS & accessories | 31104 | 9.79 |
| | - Solar Energy product & accessories | 31101 | 64.04 |

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 | AMEX IRONS PRIVATE LIMITED, S.F.No.288, Kunnathur Pudur (PO), Sathy Road, Coimbatore, Tamil Nadu-641107 | U27310TZ2006PTC012783 | Subsidiary Company | 100% | Section 2(87) |
| 3 | SWELECT GREEN ENERGY SOLUTIONS PRIVATE LIMITED, 'NUMERIC HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004 | U31100TN2010PTC078425 | Subsidiary Company | 100% | Section 2(87) |
| 4 | SWELECT SOLAR ENERGY PRIVATE LIMITED, 'NUMERIC HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004 | U31104TN2008PTC068923 | Subsidiary Company | 100% | Section 2(87) |
| 5 | HHV SOLAR TECHNOLOGIES LIMITED, NO. 31, 32, 33, 34 & 37, KIADB Industrial Area, Dapaspet, Nelamangala Taluk, Bangalore-562 111 | U31902KA2007PLC044766 | Subsidiary Company | 100% | Section 2(87) |
| 6 | BS POWERTECH SOLUTIONS PRIVATE LIMITED, 'NUMERIC HOUSE' No. 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004 | U40104TN2011PTC079764 | Step down subsidiary of SWELECT Solar Energy Private Limited | 100% held by SWELECT Solar Energy Private Limited | Section 2(87) |
| 7 | SWELECT POWER SYSTEMS PRIVATE LIMITED, 'NUMERIC HOUSE' NO 5, Sir P.S.Sivasamy Salai, Mylapore, Chennai, Tamil Nadu-600004 | U31103TN2012PTC084184 | Subsidiary Company | 0% (Management Control) | Section 2(87) |
| 8 | SWELECT TECHNOLOGIES PRIVATE LIMITED, P.S.Sivasamy Salai, Mylapore, Chennai, Tamilnadu-600004 | U72200TN1999PTC042082 | Subsidiary Company | 0% (Management Control) | Section 2(87) |
| 9 | SWELECT ELECTRONICS PRIVATE LIMITED, Industrial Estate, Perungudi, Chennai | U29142TN1988PTC015684 | Subsidiary Company | 0% (Management Control) | Section 2(87) |
| 10 | SWELECT ENERGY SYSYSTEMS 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) |

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

(i) Category-wise Share Holding

| 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 | 5674380 | 0 | 5674380 | 56.1495 | 5705142 | 0 | 5705142 | 56.4539 | 0.3043 |
| 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 | | | | | | | | | |
| | SUB - TOTAL (A) (1) | 5674410 | 0 | 5674410 | 56.1498 | 5705172 | 0 | 5705172 | 56.4542 | 0.3043 |
| 2. | FOREIGN | | | | | | | | | |
| a. | INDIVIDUALS (NON-RESIDENT INDIVIDUALS / FOREIGN INDIVIDUALS) | 810778 | 0 | 810778 | 8.0228 | 810770 | 0 | 810770 | 8.0227 | 0.0000 |
| b. | BODIES CORPORATE | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| c. | INSTITUTIONS | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| e. | ANY OTHER | | | | | | | | | |
| | SUB - TOTAL (A) (2) | 810778 | 0 | 810778 | 8.0228 | 810770 | 0 | 810770 | 8.0227 | 0.0000 |
| | TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2) | 6485188 | 0 | 6485188 | 64.1726 | 6515942 | 0 | 6515942 | 64.4769 | 0.3043 |

| 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 | |
| B. | PUBLIC SHAREHOLDING | | | | | | | | | |
| 1. | INSTITUTIONS | | | | | | | | | |
| a. | MUTUAL FUNDS / UTI | 106000 | 0 | 106000 | 1.0488 | 136780 | 0 | 136780 | 1.3534 | 0.3045 |
| b. | FINANCIAL INSTITUTIONS / BANKS | 1759 | 0 | 1759 | 0.0174 | 2745 | 0 | 2745 | 0.0271 | 0.0097 |
| 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 | | | | | | | | | |
| | SUB - TOTAL (B)(1) | 107759 | 0 | 107759 | 1.0663 | 139525 | 0 | 139525 | 1.3806 | 0.3143 |
| 2. | NON-INSTITUTIONS | | | | | | | | | |
| a. | BODIES CORPORATE | 313347 | 1200 | 314547 | 3.1125 | 208492 | 800 | 209292 | 2.0710 | -1.0415 |
| b. | INDIVIDUALS - | | | | | | | | | |
| | I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH | 1706995 | 111837 | 1818832 | 17.9978 | 1601638 | 91054 | 1692692 | 16.7496 | -1.2481 |
| | II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH | 977889 | 10350 | 988239 | 9.7788 | 1160437 | 0 | 1160437 | 11.4828 | 1.7039 |
| c. | QUALIFIED FOREIGN INVESTOR | 0 | 0 | 0 | 0.0000 | 0 | 0 | 0 | 0.0000 | 0.0000 |
| d. | ANY OTHER | | | | | | | | | |
| | CLEARING MEMBERS | 11524 | 0 | 11524 | 0.1140 | 8065 | 0 | 8065 | 0.0798 | -0.0342 |
| | DIRECTORS AND THEIR RELATIVES | 225 | 0 | 225 | 0.0022 | 225 | 0 | 225 | 0.0022 | 0.0000 |

| Category code | Category of Shareholder | No. of shares held at the beginning of the year | | | | No. of shares held at the end of the year | | | | % Change during the year |
|---------------|---|---|---------------|-----------------|-------------------|---|--------------|-----------------|-------------------|--------------------------|
| | | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| | HINDU UNDIVIDED FAMILIES | 104164 | 1 | 104165 | 1.0307 | 106085 | 1 | 106086 | 1.0497 | 0.0190 |
| | NON RESIDENT INDIANS | 157760 | 0 | 157760 | 1.5610 | 155975 | 0 | 155975 | 1.5434 | -0.0176 |
| | TRUSTS | 117601 | 0 | 117601 | 1.1636 | 117601 | 0 | 117601 | 1.1636 | 0.0000 |
| | Total | 391274 | 1 | 391275 | 3.8717 | 387951 | 1 | 387952 | 3.8388 | -0.0328 |
| | SUB - TOTAL (B)(2) | 3389505 | 123388 | 3512893 | 34.7610 | 3358518 | 91855 | 3450373 | 34.1423 | -0.6186 |
| | TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2) | 3497264 | 123388 | 3620652 | 35.8273 | 3498043 | 91855 | 3589898 | 35.5230 | 0.0154 |
| | TOTAL (A)+(B) | 9982452 | 123388 | 10105840 | 100.0000 | 10013985 | 91855 | 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) | 9982452 | 123388 | 10105840 | 100.0000 | 10013985 | 91855 | 10105840 | 100.0000 | 0.0000 |

(ii) Shareholding of Promoters

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 1 | CHELLAPPAN. R | 4747054 | 46.9733 | 0.0000 | 4747054 | 46.9733 | 0.0000 | 0.0000 |
| 2 | BALAN A | 308094 | 3.0486 | 0.0000 | 308094 | 3.0486 | 0.0000 | 0.0000 |
| 3 | SARAH V RAJASEKHAR | 228200 | 2.2581 | 0.0000 | 228200 | 2.2581 | 0.0000 | 0.0000 |
| 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 | 85000 | 0.8410 | 0.0000 | 0.0000 |
| 8 | GUNASUNDARI. C | 82086 | 0.8122 | 0.0000 | 82086 | 0.8122 | 0.0000 | 0.0000 |

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|--|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 9 | CHANDRA PARAMASIVAM | 80000 | 0.7916 | 0.0000 | 80008 | 0.7917 | 0.0000 | 0.0000 |
| 10 | JOHN J DHYANCHAND | 68900 | 0.6817 | 0.0000 | 68900 | 0.6817 | 0.0000 | 0.0000 |
| 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 | MIKE K MANICKAM | 42600 | 0.4215 | 0.0000 | 42600 | 0.4215 | 0.0000 | 0.0000 |
| 15 | MIRUNALINI V C | 40508 | 0.4008 | 0.0000 | 41962 | 0.4152 | 0.0000 | 0.0143 |
| 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 | 34938 | 0.3457 | 0.0000 | 0.0000 |
| 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 | MARY BHARATALAKSHMI SAGAR | 28332 | 0.2803 | 0.0000 | 28332 | 0.2803 | 0.0000 | 0.0000 |
| 22 | SARASWATHI GOUNDAN | 27900 | 0.2760 | 0.0000 | 27900 | 0.2760 | 0.0000 | 0.0000 |
| 23 | CHANDRASEKARAN | 22000 | 0.2176 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.2176 |
| | HAVING SAME PAN | | | | | | | |
| 23 | K P CHANDRASEKARAN | 0 | 0.0000 | 0.0000 | 22500 | 0.2226 | 0.0000 | 0.2226 |
| 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 | S.R.KUMAR | 13000 | 0.1286 | 0.0000 | 5000 | 0.0494 | 0.0000 | -0.0791 |
| 29 | RISHII NANDHAN K N | 10000 | 0.0989 | 0.0000 | 10000 | 0.0989 | 0.0000 | 0.0000 |
| 30 | VASANTHA B | 7056 | 0.0698 | 0.0000 | 7056 | 0.0698 | 0.0000 | 0.0000 |
| 31 | G.RAMASUBRAMANIAN . | 850 | 0.0084 | 0.0000 | 850 | 0.0084 | 0.0000 | 0.0000 |

| Sl. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Shareholding at the end of the year | | | % change in shareholding during the year |
|---------|-------------------------------------|---|----------------------------------|--|-------------------------------------|----------------------------------|--|--|
| | | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | No of shares | % of total shares of the company | % of shares pledged / encumbered to total shares | |
| 32 | JAYASHREE NACHIAPPAN | 100 | 0.0009 | 0.0000 | 100 | 0.0009 | 0.0000 | 0.0000 |
| 33 | SWELECT ELECTRONICS PRIVATE LIMITED | 30 | 0.0002 | 0.0000 | 30 | 0.0002 | 0.0000 | 0.0000 |
| 34 | SIVA C PARAMASIVAM | 8 | 0.0000 | 0.0000 | 0 | 0.0000 | 0.0000 | 0.0000 |
| 35 | ARTHANARI GOUNDER | 0 | 0.0000 | 0.0000 | 36600 | 0.3621 | 0.0000 | 0.3621 |
| 36 | AARTHI BALAN | 0 | 0.0000 | 0.0000 | 200 | 0.0019 | 0.0000 | 0.0019 |

(iii) Changes in promoters' Shareholding

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | CHELLAPPAN. R | | | | |
| | At the beginning of the year 01-Apr-2014 | 4747054 | 46.9733 | 4747054 | 46.9733 |
| | At the end of the Year 31-Mar-2015 | 4747054 | 46.9733 | 4747054 | 46.9733 |
| 2 | BALAN A | | | | |
| | At the beginning of the year 01-Apr-2014 | 308094 | 3.0486 | 308094 | 3.0486 |
| | At the end of the Year 31-Mar-2015 | 308094 | 3.0486 | 308094 | 3.0486 |
| 3 | SARAH V RAJASEKHAR | | | | |
| | At the beginning of the year 01-Apr-2014 | 228200 | 2.2581 | 228200 | 2.2581 |
| | At the end of the Year 31-Mar-2015 | 228200 | 2.2581 | 228200 | 2.2581 |
| 4 | NACHIAPPAN K.V. | | | | |
| | At the beginning of the year 01-Apr-2014 | 110232 | 1.0907 | 110232 | 1.0907 |
| | At the end of the Year 31-Mar-2015 | 110232 | 1.0907 | 110232 | 1.0907 |
| 5 | R. VEERAMANI | | | | |
| | At the beginning of the year 01-Apr-2014 | 100000 | 0.9895 | 100000 | 0.9895 |
| | At the end of the Year 31-Mar-2015 | 100000 | 0.9895 | 100000 | 0.9895 |
| 6 | BHAGYALAKSHMI SUNDARAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 93900 | 0.9291 | 93900 | 0.9291 |
| | At the end of the Year 31-Mar-2015 | 93900 | 0.9291 | 93900 | 0.9291 |
| 7 | M K BALASUBRAMANIAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 85000 | 0.8410 | 85000 | 0.8410 |
| | At the end of the Year 31-Mar-2015 | 85000 | 0.8410 | 85000 | 0.8410 |
| 8 | GUNASUNDARI C | | | | |
| | At the beginning of the year 01-Apr-2014 | 82086 | 0.8122 | 82086 | 0.8122 |
| | At the end of the Year 31-Mar-2015 | 82086 | 0.8122 | 82086 | 0.8122 |

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 9 | CHANDRA PARAMASIVAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 80000 | 0.7916 | 80000 | 0.7916 |
| | Purchase 23-May-2014 | 8 | 0.0000 | 80008 | 0.7917 |
| | At the end of the Year 31-Mar-2015 | 80008 | 0.7917 | 80008 | 0.7917 |
| 10 | JOHN J DHYANCHAND | | | | |
| | At the beginning of the year 01-Apr-2014 | 68900 | 0.6817 | 68900 | 0.6817 |
| | At the end of the Year 31-Mar-2015 | 68900 | 0.6817 | 68900 | 0.6817 |
| 11 | SHARFUDHEEN A K SHEIK JT1 : IQBAL SHEIK | | | | |
| | At the beginning of the year 01-Apr-2014 | 47400 | 0.4690 | 47400 | 0.4690 |
| | At the end of the Year 31-Mar-2015 | 47400 | 0.4690 | 47400 | 0.4690 |
| 12 | VATTUR S RAJENDRAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 47100 | 0.4660 | 47100 | 0.4660 |
| | At the end of the Year 31-Mar-2015 | 47100 | 0.4660 | 47100 | 0.4660 |
| 13 | KASI K GOUNDAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 46800 | 0.4630 | 46800 | 0.4630 |
| | At the end of the Year 31-Mar-2015 | 46800 | 0.4630 | 46800 | 0.4630 |
| 14 | MIKE K MANICKAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 42600 | 0.4215 | 42600 | 0.4215 |
| | At the end of the Year 31-Mar-2015 | 42600 | 0.4215 | 42600 | 0.4215 |
| 15 | MIRUNALINI V C | | | | |
| | At the beginning of the year 01-Apr-2014 | 40508 | 0.4008 | 40508 | 0.4008 |
| | Purchase 18-Jul-2014 | 999 | 0.0098 | 41507 | 0.4107 |
| | Purchase 08-Aug-2014 | 1 | 0.0000 | 41508 | 0.4107 |
| | Purchase 17-Oct-2014 | 30 | 0.0002 | 41538 | 0.4110 |
| | Purchase 05-Dec-2014 | 100 | 0.0009 | 41638 | 0.4120 |
| | Purchase 19-Dec-2014 | 274 | 0.0027 | 41912 | 0.4147 |
| | Purchase 31-Dec-2014 | 50 | 0.0004 | 41962 | 0.4152 |
| | At the end of the Year 31-Mar-2015 | 41962 | 0.4152 | 41962 | 0.4152 |
| 16 | RICHARD J DHYANCHAND | | | | |
| | At the beginning of the year 01-Apr-2014 | 38900 | 0.3849 | 38900 | 0.3849 |
| | At the end of the Year 31-Mar-2015 | 38900 | 0.3849 | 38900 | 0.3849 |
| 17 | RAGHUNATH V C | | | | |
| | At the beginning of the year 01-Apr-2014 | 38800 | 0.3839 | 38800 | 0.3839 |
| | At the end of the Year 31-Mar-2015 | 38800 | 0.3839 | 38800 | 0.3839 |
| 18 | ALFRED VIDYA SAGAR | | | | |
| | At the beginning of the year 01-Apr-2014 | 34938 | 0.3457 | 34938 | 0.3457 |
| | At the end of the Year 31-Mar-2015 | 34938 | 0.3457 | 34938 | 0.3457 |

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 19 | GEETHA SIVANANDAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 30000 | 0.2968 | 30000 | 0.2968 |
| | At the end of the Year 31-Mar-2015 | 30000 | 0.2968 | 30000 | 0.2968 |
| 20 | THANGAMANI | | | | |
| | At the beginning of the year 01-Apr-2014 | 29600 | 0.2928 | 29600 | 0.2928 |
| | At the end of the Year 31-Mar-2015 | 29600 | 0.2928 | 29600 | 0.2928 |
| 21 | MARY BHARATALAKSHMI SAGAR | | | | |
| | At the beginning of the year 01-Apr-2014 | 28332 | 0.2803 | 28332 | 0.2803 |
| | At the end of the Year 31-Mar-2015 | 28332 | 0.2803 | 28332 | 0.2803 |
| 22 | SARASWATHI GOUNDAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 27900 | 0.2760 | 27900 | 0.2760 |
| | At the end of the Year 31-Mar-2015 | 27900 | 0.2760 | 27900 | 0.2760 |
| 23 | CHANDRASEKARAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 22000 | 0.2176 | 22000 | 0.2176 |
| | Sale 20-Mar-2015 | -22000 | 0.2176 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| 23 | K P CHANDRASEKARAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 13-Mar-2015 | 150 | 0.0014 | 150 | 0.0014 |
| | Purchase 20-Mar-2015 | 22120 | 0.2188 | 22270 | 0.2203 |
| | Purchase 27-Mar-2015 | 230 | 0.0022 | 22500 | 0.2226 |
| | At the end of the Year 31-Mar-2015 | 22500 | 0.2226 | 22500 | 0.2226 |
| 24 | CHITRA SIVANANDAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 20000 | 0.1979 | 20000 | 0.1979 |
| | At the end of the Year 31-Mar-2015 | 20000 | 0.1979 | 20000 | 0.1979 |
| 25 | KARTHIK BALASUBRAMANIAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 18600 | 0.1840 | 18600 | 0.1840 |
| | At the end of the Year 31-Mar-2015 | 18600 | 0.1840 | 18600 | 0.1840 |
| 26 | MALAR BALASUBRAMANIAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 18600 | 0.1840 | 18600 | 0.1840 |
| | At the end of the Year 31-Mar-2015 | 18600 | 0.1840 | 18600 | 0.1840 |
| 27 | SUMATHI BALASUBRAMANIAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 18600 | 0.1840 | 18600 | 0.1840 |
| | At the end of the Year 31-Mar-2015 | 18600 | 0.1840 | 18600 | 0.1840 |

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 28 | S.R.KUMAR | | | | |
| | At the beginning of the year 01-Apr-2014 | 13000 | 0.1286 | 13000 | 0.1286 |
| | Sale 28-Nov-2014 | -8000 | 0.0791 | 5000 | 0.0494 |
| | At the end of the Year 31-Mar-2015 | 5000 | 0.0494 | 5000 | 0.0494 |
| 29 | RISHII NANDHAN K N | | | | |
| | At the beginning of the year 01-Apr-2014 | 10000 | 0.0989 | 10000 | 0.0989 |
| | At the end of the Year 31-Mar-2015 | 10000 | 0.0989 | 10000 | 0.0989 |
| 30 | VASANTHA B | | | | |
| | At the beginning of the year 01-Apr-2014 | 7056 | 0.0698 | 7056 | 0.0698 |
| | At the end of the Year 31-Mar-2015 | 7056 | 0.0698 | 7056 | 0.0698 |
| 31 | G.RAMASUBRAMANIAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 850 | 0.0084 | 850 | 0.0084 |
| | At the end of the Year 31-Mar-2015 | 850 | 0.0084 | 850 | 0.0084 |
| 32 | JAYASHREE NACHIAPPAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 100 | 0.0009 | 100 | 0.0009 |
| | At the end of the Year 31-Mar-2015 | 100 | 0.0009 | 100 | 0.0009 |
| 33 | SWELECT ELECTRONICS PRIVATE LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 30 | 0.0002 | 30 | 0.0002 |
| | At the end of the Year 31-Mar-2015 | 30 | 0.0002 | 30 | 0.0002 |
| 34 | SIVA C PARAMASIVAM | | | | |
| | At the beginning of the year 01-Apr-2014 | 8 | 0.0000 | 8 | 0.0000 |
| | Sale 23-May-2014 | -8 | 0.0000 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| 35 | ARTHANARI GOUNDER | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 20-Feb-2015 | 36600 | 0.3621 | 36600 | 0.3621 |
| | At the end of the Year 31-Mar-2015 | 36600 | 0.3621 | 36600 | 0.3621 |
| 36 | AARTHI BALAN | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Demated 29-Aug-2014 | 200 | 0.0019 | 200 | 0.0019 |
| | At the end of the Year 31-Mar-2015 | 200 | 0.0019 | 200 | 0.0019 |

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

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| 1 | K.SATISH | | | | |
| | At the beginning of the year 01-Apr-2014 | 120201 | 1.1894 | 120201 | 1.1894 |
| | At the end of the Year 31-Mar-2015 | 120201 | 1.1894 | 120201 | 1.1894 |
| 2 | NPSL EMPLOYEES WELFARE TRUST | | | | |
| | At the beginning of the year 01-Apr-2014 | 117600 | 1.1636 | 117600 | 1.1636 |
| | At the end of the Year 31-Mar-2015 | 117600 | 1.1636 | 117600 | 1.1636 |
| 3 | ZEN SECURITIES LTD | | | | |
| | At the beginning of the year 01-Apr-2014 | 107300 | 1.0617 | 107300 | 1.0617 |
| | Sale 02-May-2014 | -8563 | 0.0847 | 98737 | 0.9770 |
| | Sale 09-May-2014 | -2617 | 0.0258 | 96120 | 0.9511 |
| | Sale 30-May-2014 | -3666 | 0.0362 | 92454 | 0.9148 |
| | Sale 13-Jun-2014 | -32454 | 0.3211 | 60000 | 0.5937 |
| | Sale 11-Jul-2014 | -10000 | 0.0989 | 50000 | 0.4947 |
| | Sale 12-Sep-2014 | -9994 | 0.0988 | 40006 | 0.3958 |
| | Sale 30-Jan-2015 | -3963 | 0.0392 | 36043 | 0.3566 |
| | Sale 06-Feb-2015 | -6592 | 0.0652 | 29451 | 0.2914 |
| | Sale 20-Feb-2015 | -4451 | 0.0440 | 25000 | 0.2473 |
| | Sale 27-Feb-2015 | -8760 | 0.0866 | 16240 | 0.1606 |
| | Sale 06-Mar-2015 | -16240 | 0.1606 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| 3 | ZEN SECURITIES LTD- NSE CLIENTS A/C | | | | |
| | At the beginning of the year 01-Apr-2014 | 1242 | 0.0122 | 1242 | 0.0122 |
| | Purchase 04-Apr-2014 | 8395 | 0.0830 | 9637 | 0.0953 |
| | Sale 11-Apr-2014 | -1808 | 0.0178 | 7829 | 0.0774 |
| | Sale 18-Apr-2014 | -6493 | 0.0642 | 1336 | 0.0132 |
| | Purchase 25-Apr-2014 | 10926 | 0.1081 | 12262 | 0.1213 |
| | Sale 02-May-2014 | -9309 | 0.0921 | 2953 | 0.0292 |
| | Purchase 09-May-2014 | 661 | 0.0065 | 3614 | 0.0357 |
| | Sale 16-May-2014 | -2447 | 0.0242 | 1167 | 0.0115 |
| | Purchase 23-May-2014 | 3577 | 0.0353 | 4744 | 0.0469 |
| | Sale 30-May-2014 | -1566 | 0.0154 | 3178 | 0.0314 |
| | Sale 06-Jun-2014 | -183 | 0.0018 | 2995 | 0.0296 |
| | Purchase 13-Jun-2014 | 2435 | 0.0240 | 5430 | 0.0537 |
| | Purchase 20-Jun-2014 | 1820 | 0.0180 | 7250 | 0.0717 |

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 26-Jun-2014 | -2515 | 0.0248 | 4735 | 0.0468 |
| | Sale 30-Jun-2014 | -3529 | 0.0349 | 1206 | 0.0119 |
| | Sale 04-Jul-2014 | -10 | 0.0000 | 1196 | 0.0118 |
| | Purchase 11-Jul-2014 | 89 | 0.0008 | 1285 | 0.0127 |
| | Sale 18-Jul-2014 | -109 | 0.0010 | 1176 | 0.0116 |
| | Purchase 25-Jul-2014 | 505 | 0.0049 | 1681 | 0.0166 |
| | Sale 01-Aug-2014 | -45 | 0.0004 | 1636 | 0.0161 |
| | Purchase 08-Aug-2014 | 100 | 0.0009 | 1736 | 0.0171 |
| | Purchase 22-Aug-2014 | 100 | 0.0009 | 1836 | 0.0181 |
| | Purchase 29-Aug-2014 | 480 | 0.0047 | 2316 | 0.0229 |
| | Purchase 05-Sep-2014 | 25 | 0.0002 | 2341 | 0.0231 |
| | Sale 12-Sep-2014 | -495 | 0.0048 | 1846 | 0.0182 |
| | Sale 19-Sep-2014 | -114 | 0.0011 | 1732 | 0.0171 |
| | Sale 30-Sep-2014 | -341 | 0.0033 | 1391 | 0.0137 |
| | Purchase 10-Oct-2014 | 244 | 0.0024 | 1635 | 0.0161 |
| | Purchase 17-Oct-2014 | 361 | 0.0035 | 1996 | 0.0197 |
| | Sale 24-Oct-2014 | -800 | 0.0079 | 1196 | 0.0118 |
| | Purchase 31-Oct-2014 | 320 | 0.0031 | 1516 | 0.0150 |
| | Sale 07-Nov-2014 | -32 | 0.0003 | 1484 | 0.0146 |
| | Purchase 14-Nov-2014 | 447 | 0.0044 | 1931 | 0.0191 |
| | Sale 21-Nov-2014 | -240 | 0.0023 | 1691 | 0.0167 |
| | Sale 28-Nov-2014 | -220 | 0.0021 | 1471 | 0.0145 |
| | Purchase 12-Dec-2014 | 78 | 0.0007 | 1549 | 0.0153 |
| | Purchase 19-Dec-2014 | 878 | 0.0086 | 2427 | 0.0240 |
| | Sale 31-Dec-2014 | -1773 | 0.0175 | 654 | 0.0064 |
| | Sale 09-Jan-2015 | -100 | 0.0009 | 554 | 0.0054 |
| | Purchase 16-Jan-2015 | 40 | 0.0003 | 594 | 0.0058 |
| | Purchase 23-Jan-2015 | 60 | 0.0005 | 654 | 0.0064 |
| | Purchase 30-Jan-2015 | 30 | 0.0002 | 684 | 0.0067 |
| | Sale 06-Feb-2015 | -25 | 0.0002 | 659 | 0.0065 |
| | Sale 13-Feb-2015 | -298 | 0.0029 | 361 | 0.0035 |
| | Sale 20-Feb-2015 | -45 | 0.0004 | 316 | 0.0031 |
| | Sale 06-Mar-2015 | -25 | 0.0002 | 291 | 0.0028 |
| | Purchase 13-Mar-2015 | 150 | 0.0014 | 441 | 0.0043 |
| | Purchase 20-Mar-2015 | 10 | 0.0000 | 451 | 0.0044 |
| | Sale 31-Mar-2015 | -283 | 0.0028 | 168 | 0.0016 |
| | At the end of the Year 31-Mar-2015 | 168 | 0.0016 | 168 | 0.0016 |
| | HAVING SAME PAN | | | | |
| 3 | ZEN SECURITIES LTD-BSE CLIENTS A/C | | | | |
| | At the beginning of the year 01-Apr-2014 | 266 | 0.0026 | 266 | 0.0026 |
| | Purchase 04-Apr-2014 | 2387 | 0.0236 | 2653 | 0.0262 |
| | Sale 11-Apr-2014 | -1981 | 0.0196 | 672 | 0.0066 |
| | Purchase 02-May-2014 | 3539 | 0.0350 | 4211 | 0.0416 |
| | Purchase 09-May-2014 | 299 | 0.0029 | 4510 | 0.0446 |
| | Sale 16-May-2014 | -3838 | 0.0379 | 672 | 0.0066 |

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 23-May-2014 | -125 | 0.0012 | 547 | 0.0054 |
| | Purchase 06-Jun-2014 | 50 | 0.0004 | 597 | 0.0059 |
| | Purchase 13-Jun-2014 | 376 | 0.0037 | 973 | 0.0096 |
| | Purchase 20-Jun-2014 | 269 | 0.0026 | 1242 | 0.0122 |
| | Sale 26-Jun-2014 | -264 | 0.0026 | 978 | 0.0096 |
| | Sale 30-Jun-2014 | -550 | 0.0054 | 428 | 0.0042 |
| | Purchase 18-Jul-2014 | 25 | 0.0002 | 453 | 0.0044 |
| | Sale 25-Jul-2014 | -25 | 0.0002 | 428 | 0.0042 |
| | Sale 14-Aug-2014 | -6 | 0.0000 | 422 | 0.0041 |
| | Sale 29-Aug-2014 | -20 | 0.0001 | 402 | 0.0039 |
| | Sale 12-Sep-2014 | -75 | 0.0007 | 327 | 0.0032 |
| | Sale 19-Sep-2014 | -41 | 0.0004 | 286 | 0.0028 |
| | Sale 30-Sep-2014 | -50 | 0.0004 | 236 | 0.0023 |
| | Sale 17-Oct-2014 | -156 | 0.0015 | 80 | 0.0007 |
| | Purchase 31-Oct-2014 | 32 | 0.0003 | 112 | 0.0011 |
| | Purchase 14-Nov-2014 | 18 | 0.0001 | 130 | 0.0012 |
| | Sale 28-Nov-2014 | -130 | 0.0012 | 0 | 0.0000 |
| | Purchase 19-Dec-2014 | 197 | 0.0019 | 197 | 0.0019 |
| | Sale 16-Jan-2015 | -187 | 0.0018 | 10 | 0.0000 |
| | Sale 23-Jan-2015 | -10 | 0.0000 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| 3 | ZEN SECURITIES LIMITED | | | | |
| | At the beginning of the year 01-Apr-2014 | 25 | 0.0002 | 25 | 0.0002 |
| | Purchase 04-Apr-2014 | 1975 | 0.0195 | 2000 | 0.0197 |
| | Sale 11-Apr-2014 | -2000 | 0.0197 | 0 | 0.0000 |
| | Purchase 18-Apr-2014 | 3771 | 0.0373 | 3771 | 0.0373 |
| | Sale 25-Apr-2014 | -3771 | 0.0373 | 0 | 0.0000 |
| | Purchase 02-May-2014 | 50 | 0.0004 | 50 | 0.0004 |
| | Sale 09-May-2014 | -50 | 0.0004 | 0 | 0.0000 |
| | Purchase 23-May-2014 | 1000 | 0.0098 | 1000 | 0.0098 |
| | Sale 30-May-2014 | -330 | 0.0032 | 670 | 0.0066 |
| | Sale 06-Jun-2014 | -570 | 0.0056 | 100 | 0.0009 |
| | Sale 13-Jun-2014 | -100 | 0.0009 | 0 | 0.0000 |
| | Purchase 20-Jun-2014 | 2 | 0.0000 | 2 | 0.0000 |
| | Sale 26-Jun-2014 | -2 | 0.0000 | 0 | 0.0000 |
| | Purchase 04-Jul-2014 | 251 | 0.0024 | 251 | 0.0024 |
| | Sale 11-Jul-2014 | -201 | 0.0019 | 50 | 0.0004 |
| | Purchase 18-Jul-2014 | 820 | 0.0081 | 870 | 0.0086 |
| | Sale 25-Jul-2014 | -870 | 0.0086 | 0 | 0.0000 |
| | Purchase 14-Aug-2014 | 171 | 0.0016 | 171 | 0.0016 |
| | Sale 22-Aug-2014 | -171 | 0.0016 | 0 | 0.0000 |
| | Purchase 29-Aug-2014 | 10 | 0.0000 | 10 | 0.0000 |
| | Purchase 05-Sep-2014 | 114 | 0.0011 | 124 | 0.0012 |
| | Sale 12-Sep-2014 | -124 | 0.0012 | 0 | 0.0000 |

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 19-Sep-2014 | 100 | 0.0009 | 100 | 0.0009 |
| | Sale 30-Sep-2014 | -100 | 0.0009 | 0 | 0.0000 |
| | Purchase 10-Oct-2014 | 358 | 0.0035 | 358 | 0.0035 |
| | Sale 17-Oct-2014 | -58 | 0.0005 | 300 | 0.0029 |
| | Sale 24-Oct-2014 | -250 | 0.0024 | 50 | 0.0004 |
| | Purchase 31-Oct-2014 | 2 | 0.0000 | 52 | 0.0005 |
| | Sale 07-Nov-2014 | -20 | 0.0001 | 32 | 0.0003 |
| | Sale 14-Nov-2014 | -32 | 0.0003 | 0 | 0.0000 |
| | Purchase 05-Dec-2014 | 433 | 0.0042 | 433 | 0.0042 |
| | Sale 12-Dec-2014 | -197 | 0.0019 | 236 | 0.0023 |
| | Sale 19-Dec-2014 | -236 | 0.0023 | 0 | 0.0000 |
| | Purchase 31-Dec-2014 | 100 | 0.0009 | 100 | 0.0009 |
| | Purchase 02-Jan-2015 | 371 | 0.0036 | 471 | 0.0046 |
| | Sale 09-Jan-2015 | -471 | 0.0046 | 0 | 0.0000 |
| | Purchase 16-Jan-2015 | 220 | 0.0021 | 220 | 0.0021 |
| | Sale 23-Jan-2015 | -55 | 0.0005 | 165 | 0.0016 |
| | Purchase 30-Jan-2015 | 7 | 0.0000 | 172 | 0.0017 |
| | Purchase 06-Feb-2015 | 288 | 0.0028 | 460 | 0.0045 |
| | Sale 13-Feb-2015 | -410 | 0.0040 | 50 | 0.0004 |
| | Purchase 20-Feb-2015 | 2317 | 0.0229 | 2367 | 0.0234 |
| | Sale 27-Feb-2015 | -2367 | 0.0234 | 0 | 0.0000 |
| | Purchase 31-Mar-2015 | 20 | 0.0001 | 20 | 0.0001 |
| | At the end of the Year 31-Mar-2015 | 20 | 0.0001 | 20 | 0.0001 |
| 4 | ANIL KUMAR GOEL | | | | |
| | At the beginning of the year 01-Apr-2014 | 0 | 0.0000 | 0 | 0.0000 |
| | Purchase 25-Apr-2014 | 104400 | 1.0330 | 104400 | 1.0330 |
| | Sale 06-Feb-2015 | -1000 | 0.0098 | 103400 | 1.0231 |
| | Sale 20-Feb-2015 | -1400 | 0.0138 | 102000 | 1.0093 |
| | At the end of the Year 31-Mar-2015 | 102000 | 1.0093 | 102000 | 1.0093 |
| 5 | HITESH SATISHCHANDRA DOSHI JT1 : BHANU SATISHCHANDRA DOSHI | | | | |
| | At the beginning of the year 01-Apr-2014 | 87911 | 0.8699 | 87911 | 0.8699 |
| | Purchase 04-Apr-2014 | 6500 | 0.0643 | 94411 | 0.9342 |
| | Purchase 11-Apr-2014 | 46451 | 0.4596 | 140862 | 1.3938 |
| | Purchase 18-Apr-2014 | 31155 | 0.3082 | 172017 | 1.7021 |
| | Purchase 25-Apr-2014 | 17319 | 0.1713 | 189336 | 1.8735 |
| | Purchase 02-May-2014 | 27719 | 0.2742 | 217055 | 2.1478 |
| | Purchase 09-May-2014 | 2016 | 0.0199 | 219071 | 2.1677 |
| | Purchase 16-May-2014 | 6000 | 0.0593 | 225071 | 2.2271 |
| | Purchase 13-Jun-2014 | 8491 | 0.0840 | 233562 | 2.3111 |
| | Purchase 20-Jun-2014 | 30873 | 0.3054 | 264435 | 2.6166 |
| | Purchase 26-Jun-2014 | 1250 | 0.0123 | 265685 | 2.6290 |

| SI No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Sale 30-Jun-2014 | -60000 | 0.5937 | 205685 | 2.0353 |
| | Purchase 04-Jul-2014 | 2000 | 0.0197 | 207685 | 2.0550 |
| | Purchase 14-Aug-2014 | 2500 | 0.0247 | 210185 | 2.0798 |
| | Purchase 12-Dec-2014 | 800 | 0.0079 | 210985 | 2.0877 |
| | Purchase 19-Dec-2014 | 7634 | 0.0755 | 218619 | 2.1632 |
| | Sale 31-Dec-2014 | -8462 | 0.0837 | 210157 | 2.0795 |
| | Purchase 02-Jan-2015 | 528 | 0.0052 | 210685 | 2.0847 |
| | Purchase 09-Jan-2015 | 410 | 0.0040 | 211095 | 2.0888 |
| | Purchase 16-Jan-2015 | 567 | 0.0056 | 211662 | 2.0944 |
| | Purchase 27-Feb-2015 | 500 | 0.0049 | 212162 | 2.0993 |
| | Purchase 06-Mar-2015 | 1100 | 0.0108 | 213262 | 2.1102 |
| | Purchase 27-Mar-2015 | 4639 | 0.0459 | 217901 | 2.1561 |
| | Purchase 31-Mar-2015 | 806 | 0.0079 | 218707 | 2.1641 |
| | At the end of the Year 31-Mar-2015 | 218707 | 2.1641 | 218707 | 2.1641 |
| 6 | SBI SMALL AND MIDCAP FUND | | | | |
| | At the beginning of the year 01-Apr-2014 | 77000 | 0.7619 | 77000 | 0.7619 |
| | Sale 11-Apr-2014 | -77000 | 0.7619 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| | HAVING SAME PAN | | | | |
| 6 | SBI MAGNUM BALANCED FUND | | | | |
| | At the beginning of the year 01-Apr-2014 | 29000 | 0.2869 | 29000 | 0.2869 |
| | Sale 04-Jul-2014 | -2772 | 0.0274 | 26228 | 0.2595 |
| | Sale 11-Jul-2014 | -7954 | 0.0787 | 18274 | 0.1808 |
| | Sale 25-Jul-2014 | -692 | 0.0068 | 17582 | 0.1739 |
| | Sale 08-Aug-2014 | -3716 | 0.0367 | 13866 | 0.1372 |
| | Sale 22-Aug-2014 | -13866 | 0.1372 | 0 | 0.0000 |
| | At the end of the Year 31-Mar-2015 | 0 | 0.0000 | 0 | 0.0000 |
| 7 | RAMACHANDRAN R | | | | |
| | At the beginning of the year 01-Apr-2014 | 62400 | 0.6174 | 62400 | 0.6174 |
| | At the end of the Year 31-Mar-2015 | 62400 | 0.6174 | 62400 | 0.6174 |
| 8 | ESWARA GOUNDAN N | | | | |
| | At the beginning of the year 01-Apr-2014 | 62400 | 0.6174 | 62400 | 0.6174 |
| | At the end of the Year 31-Mar-2015 | 62400 | 0.6174 | 62400 | 0.6174 |
| 9 | SATISHCHANDRA SHANTILAL DOSHI JT1 : BHANU SATISHCHANDRA DOSHI | | | | |
| | At the beginning of the year 01-Apr-2014 | 61738 | 0.6109 | 61738 | 0.6109 |
| | Purchase 04-Apr-2014 | 3602 | 0.0356 | 65340 | 0.6465 |

| Sl No | Name of the Share holder | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|-----------|--|---|----------------------------------|---|----------------------------------|
| | | No of shares | % of total shares of the company | No of shares | % of total shares of the company |
| | Purchase 11-Apr-2014 | 2398 | 0.0237 | 67738 | 0.6702 |
| | Purchase 02-May-2014 | 1500 | 0.0148 | 69238 | 0.6851 |
| | Purchase 09-May-2014 | 1700 | 0.0168 | 70938 | 0.7019 |
| | Purchase 30-Jun-2014 | 20000 | 0.1979 | 90938 | 0.8998 |
| | Purchase 20-Mar-2015 | 1000 | 0.0098 | 91938 | 0.9097 |
| | Purchase 27-Mar-2015 | 2258 | 0.0223 | 94196 | 0.9320 |
| | Purchase 31-Mar-2015 | 1000 | 0.0098 | 95196 | 0.9419 |
| | At the end of the Year 31-Mar-2015 | 95196 | 0.9419 | 95196 | 0.9419 |
| 10 | BHANU SATISHCHANDRA DOSHI JT1 : SATISHCHANDRA SHANTILAL DOSHI | | | | |
| | At the beginning of the year 01-Apr-2014 | 50000 | 0.4947 | 50000 | 0.4947 |
| | Purchase 30-Jun-2014 | 40000 | 0.3958 | 90000 | 0.8905 |
| | At the end of the Year 31-Mar-2015 | 90000 | 0.8905 | 90000 | 0.8905 |

(v) Shareholding of Directors and Key Managerial Personnel;

| SL. NO. | For each of the Directors KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|---|---|----------------------------------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| 1 | Mr. R.Chellappan, Managing Director | | | | |
| | a) At the Beginning of the Year | 4747054 | 46.97 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 4747054 | 46.97 |
| 2 | Mr.V.M.Sivasubramaniam, Independent Director | | | | |
| | a) At the Beginning of the Year | 200 | 0 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 200 | 0 |
| 3 | N. Natarajan, Independent Director | | | | |
| | a) At the Beginning of the Year | 25 | 0 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 25 | 0 |
| 4 | Mr. V.C. Raghunath, Whole time Director | | | | |
| | a) At the Beginning of the Year | 38800 | 0.38 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 38800 | 0.38 |
| 5 | Mrs.Jayshree Nachiappan, Director | | | | |
| | a) At the Beginning of the Year | 100 | 0 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 100 | 0 |

| SL. NO. | For each of the Directors KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----------|--|---|----------------------------------|---|----------------------------------|
| | | No of Shares | % of total shares of the company | No of Shares | % of total shares of the company |
| 6 | Mrs. Vasantha Balan, Director | | | | |
| | a) At the Beginning of the Year | 7056 | 0.07 | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | 7056 | 0.07 |
| 7 | Mr. P. Jagan, Chief Financial Officer | | | | |
| | a) At the Beginning of the Year | Nil | Nil | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | Nil | Nil |
| 8 | Mrs. Bhuvanewari, Company Secretary | | | | |
| | a) At the Beginning of the Year | Nil | Nil | | |
| | b) Changes during the Year | NO CHANGE DURING THE YEAR | | | |
| | c) At the end of the year | | | Nil | Nil |

V. INDEBTEDNESS

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

Rs.

| | | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total |
|------|--|----------------------------------|-----------------|----------|----------------------|
| | Indebtedness at the beginning of the financial year | | | | |
| i) | Principal Amount | 92,35,45,501 | - | - | 92,35,45,501 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued and due | 11,55,090 | - | - | 11,55,090 |
| iv) | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 92,47,00,591 | | | 92,47,00,591 |
| | Change in Indebtedness | | | | |
| | During the financial year | | | | |
| | • Addition | 33,36,71,810 | - | - | 33,36,71,810 |
| | • Reduction | 14,15,20,202 | - | - | 14,15,20,202 |
| | Net Change | 47,51,92,012 | | | 47,51,92,012 |
| | Indebtedness at the end of the financial year | | | | |
| i) | Principal Amount | 111,56,97,109 | - | - | 111,56,97,109 |
| ii) | Interest due but not paid | - | - | - | - |
| iii) | Interest accrued and due | 38,55,907 | - | - | 38,55,907 |
| iv) | Interest accrued but not due | - | - | - | - |
| | Total (i+ii+iii) | 111,95,53,016 | | | 111,95,53,016 |

VI. REMUNERATION OF DIRECTORS AND KEYMANAGERIAL PERSONNEL

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

Rs.

| Sl. No | Particulars of Remuneration | Name of MD/WTD / Manager | | Total amount |
|--------|---|-----------------------------|-----------------|------------------|
| | | R. Chellappan | V. C. Raghunath | |
| 1 | Gross salary | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 24,15,000 | 7,11,816 | 31,26,816 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,01,250 | 0 | 5,01,250 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | NA | NA | NA |
| 2 | Stock Option | NA | NA | NA |
| 3 | Sweat Equity | NA | NA | NA |
| 4 | Commission | 6,22,596 | NA | 6,22,596 |
| | - as % of profit | | | |
| | - others, specify... | | | |
| 5 | Others, please specify | NA | NA | |
| | TOTAL (A) | 35,38,846 | 7,11,816 | 42,50,662 |
| | Ceiling as per the Act | 5% of the Net profit | | |

B. Remuneration to Other Directors:

Rs.

| Particulars of Remuneration | Name of Directors | | |
|--|------------------------------|------------------|------------------|
| | V.M. Sivasubramaniam | N. Natarajan | Total amount |
| Fee for attending board / committee meetings | 1,30,000 | 1,20,000 | 2,50,000 |
| Commission | 10,95,500 | 10,95,500 | 21,91,000 |
| Others, please specify | | | |
| Total (1) | 12,25,500 | 12,15,500 | 24,41,000 |
| Other Non-Executive Directors | Jayashree Nachiappan | Vasantha Balan | Total amount |
| Fee for attending board /committee meetings | 1,00,000 | 80,000 | 1,80,000 |
| Commission | NA | NA | NA |
| Others, please specify | NA | NA | NA |
| Total (2) | 1,00,000 | 80,000 | 1,80,000 |
| Total Managerial Remuneration (1+2) | 13,25,500 | 12,95,500 | 26,21,000 |
| Over all Ceiling as per the Act | 11% of the Net profit | | |

C. Remuneration to Key Managerial Personnel :

Rs.

| Sl.No | Particulars of Remuneration | Name of Key Managerial Personnel | | Total amount |
|----------|---|-------------------------------------|-------------------------------------|------------------|
| | | J. Bhuvanewari 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 | 5,99,513 | 21,40,718 | 27,40,231 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 0 | 0 | 0 |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 32,502 | 76,000 | 1,08,502 |
| 2 | Stock Option | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission | | | |
| | – as % of profit | 0 | 0 | 0 |
| | – others, specify... | | | |
| 5 | Others, please specify | 0 | 0 | 0 |
| | TOTAL (A) | 6,32,015 | 22,16,718 | 28,48,733 |
| | Ceiling as per the Act | NA | NA | NA |

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

ANNEXURE 4

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

(Rs in lakhs)

| | | | | | | | | | | | | | | | | | |
|---|---|----------------------|---------------|-----------------------------|---------------|---------------------|---------------|------------------------|---------------|------------------------------|---------------|------------------------------|--------|-----------------|-------|-------------------------|-------|
| (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | <table> <tr><td>1. Mr. R. Chellappan</td><td>: 30.05</td></tr> <tr><td>2. Mr. V.M. Sivasubramaniam</td><td>: 9.39</td></tr> <tr><td>3. Mr. N. Natarajan</td><td>: 9.39</td></tr> <tr><td>4. Mr. V.C. Raghunath</td><td>: 6.10</td></tr> <tr><td>5. Mrs. Vasantha Balan</td><td>: 0.68</td></tr> <tr><td>6. Mrs. Jayashree Nachiappan</td><td>: 0.85</td></tr> </table> | 1. Mr. R. Chellappan | : 30.05 | 2. Mr. V.M. Sivasubramaniam | : 9.39 | 3. Mr. N. Natarajan | : 9.39 | 4. Mr. V.C. Raghunath | : 6.10 | 5. Mrs. Vasantha Balan | : 0.68 | 6. Mrs. Jayashree Nachiappan | : 0.85 | | | | |
| 1. Mr. R. Chellappan | : 30.05 | | | | | | | | | | | | | | | | |
| 2. Mr. V.M. Sivasubramaniam | : 9.39 | | | | | | | | | | | | | | | | |
| 3. Mr. N. Natarajan | : 9.39 | | | | | | | | | | | | | | | | |
| 4. Mr. V.C. Raghunath | : 6.10 | | | | | | | | | | | | | | | | |
| 5. Mrs. Vasantha Balan | : 0.68 | | | | | | | | | | | | | | | | |
| 6. Mrs. Jayashree Nachiappan | : 0.85 | | | | | | | | | | | | | | | | |
| (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; | <table> <tr><td>1. Mr. R. Chellappan</td><td>: No increase</td></tr> <tr><td>2. Mr. V.M. Sivasubramaniam</td><td>: No increase</td></tr> <tr><td>3. Mr. N. Natarajan</td><td>: No increase</td></tr> <tr><td>4. Mrs. Vasantha Balan</td><td>: No increase</td></tr> <tr><td>5. Mrs. Jayashree Nachiappan</td><td>: No increase</td></tr> <tr><td>6. Mr. V. C. Raghunath</td><td>: 10%,</td></tr> <tr><td>7. Mr. P. Jagan</td><td>: 10%</td></tr> <tr><td>8. Mrs. J. Bhuvaneswari</td><td>: 10%</td></tr> </table> | 1. Mr. R. Chellappan | : No increase | 2. Mr. V.M. Sivasubramaniam | : No increase | 3. Mr. N. Natarajan | : No increase | 4. Mrs. Vasantha Balan | : No increase | 5. Mrs. Jayashree Nachiappan | : No increase | 6. Mr. V. C. Raghunath | : 10%, | 7. Mr. P. Jagan | : 10% | 8. Mrs. J. Bhuvaneswari | : 10% |
| 1. Mr. R. Chellappan | : No increase | | | | | | | | | | | | | | | | |
| 2. Mr. V.M. Sivasubramaniam | : No increase | | | | | | | | | | | | | | | | |
| 3. Mr. N. Natarajan | : No increase | | | | | | | | | | | | | | | | |
| 4. Mrs. Vasantha Balan | : No increase | | | | | | | | | | | | | | | | |
| 5. Mrs. Jayashree Nachiappan | : No increase | | | | | | | | | | | | | | | | |
| 6. Mr. V. C. Raghunath | : 10%, | | | | | | | | | | | | | | | | |
| 7. Mr. P. Jagan | : 10% | | | | | | | | | | | | | | | | |
| 8. Mrs. J. Bhuvaneswari | : 10% | | | | | | | | | | | | | | | | |
| (iii) the percentage increase in the median remuneration of employees in the financial year; | 10.98% | | | | | | | | | | | | | | | | |
| (iv) the number of permanent employees on the rolls of company; | 187 | | | | | | | | | | | | | | | | |
| (v) the explanation on the relationship between average increase in remuneration and company performance; | The average increase in the remuneration is 10.98% The Company maintained the increase of remuneration to employees considering the future projects and performance of the Company. | | | | | | | | | | | | | | | | |
| (vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company; | Remuneration of Key Managerial Personnel: 70.99 Lakhs. Net profit of the Company for the year: 132.93 Lakhs | | | | | | | | | | | | | | | | |
| (vii) | | | | | | | | | | | | | | | | | |
| a) variations in the market capitalisation of the company, | a) The market Capitalisation as on 31.03.2015 was Rs 540.38 Crores. (Rs 226.95 Crores as on 31.03.2014). | | | | | | | | | | | | | | | | |
| b) price earnings ratio as at the closing date of the current financial year and previous financial year and | b) Price Earnings ratio of the Company as on 31.03.2015 was 405.09 and as on 31.03.2014 was 9.10. | | | | | | | | | | | | | | | | |
| c) percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year; | c) The Company had come out with the Initial public offer (IPO) in July 1996 @ Rs 75/- (Paid up Rs 10/- and premium Rs 65/-)per share. As on 31.03.2015 the market price per share is Rs 534/-. | | | | | | | | | | | | | | | | |

| (viii) average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration; | No major increase in the Managerial remuneration. Also there is no such exceptional circumstances for increase in the Managerial remuneration. | | | | | | | | | | | | | | |
|--|--|--|----------------------|----------------------|-------|-----------------------|------|-----------------|-------|------------------------|------|-----------------------------------|--------------|----------------------------------|--------------|
| (ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the company | <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Salary in Lakhs (pa)</th> </tr> </thead> <tbody> <tr> <td>1. Mr. R. Chellappan</td> <td style="text-align: right;">35.38</td> </tr> <tr> <td>2. Mr. V.C. Raghunath</td> <td style="text-align: right;">7.12</td> </tr> <tr> <td>3. Mr. P. Jagan</td> <td style="text-align: right;">22.17</td> </tr> <tr> <td>4. Mrs. J.Bhuvaneswari</td> <td style="text-align: right;">6.32</td> </tr> <tr> <td>Profit before tax for the year is</td> <td style="text-align: right;">498.03 lakhs</td> </tr> <tr> <td>Profit after tax for the year is</td> <td style="text-align: right;">132.93 lakhs</td> </tr> </tbody> </table> | | Salary in Lakhs (pa) | 1. Mr. R. Chellappan | 35.38 | 2. Mr. V.C. Raghunath | 7.12 | 3. Mr. P. Jagan | 22.17 | 4. Mrs. J.Bhuvaneswari | 6.32 | Profit before tax for the year is | 498.03 lakhs | Profit after tax for the year is | 132.93 lakhs |
| | Salary in Lakhs (pa) | | | | | | | | | | | | | | |
| 1. Mr. R. Chellappan | 35.38 | | | | | | | | | | | | | | |
| 2. Mr. V.C. Raghunath | 7.12 | | | | | | | | | | | | | | |
| 3. Mr. P. Jagan | 22.17 | | | | | | | | | | | | | | |
| 4. Mrs. J.Bhuvaneswari | 6.32 | | | | | | | | | | | | | | |
| Profit before tax for the year is | 498.03 lakhs | | | | | | | | | | | | | | |
| Profit after tax for the year is | 132.93 lakhs | | | | | | | | | | | | | | |
| (x) the key parameters for any variable component of remuneration availed by the directors; | Recommended by the Board of Directors and approved by the Shareholders. | | | | | | | | | | | | | | |
| (xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; | NA | | | | | | | | | | | | | | |
| (xii) affirmation that the remuneration is as per the remuneration policy of the company. | It is affirmed that the remuneration is as per the remuneration policy of the Company. | | | | | | | | | | | | | | |

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

The Company does not have employee who is drawing more than Rs 60 lakhs per annum during the year .

ANNEXURE 5

Corporate Social Responsibility (CSR)

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

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

The Company formed the Corporate social responsibility committee on 06.02.2014 which comprises of the following Directors.

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

Note: No sitting fees are paid for the CSR committee meetings.

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 required to spend 2% of the average net profit of the Company as per section 135 of the Companies Act 2013. The amount arrived for the CSR activities was Rs 69,23,644/- for the financial year 2014-2015 .

| Particulars | Financial year | | |
|--------------------------|----------------|---------------|--------------|
| | 2011-12 | 2012-13 | 2013-14 |
| Net Profit | 34,63,10,988 | 510,79,64,513 | 24,94,51,119 |
| Less : | | | |
| Sale of Undertaking | | 615,11,76,802 | |
| Add : | | | |
| Income Tax | 8,92,73,796 | 139,67,23,016 | - |
| Total | 43,55,84,784 | 35,35,10,727 | 24,94,51,119 |
| Average Profit for 3 yrs | | | 34,61,82,210 |
| 2% on above | | | 69,23,644 |

Various proposals were evaluated and the Company decided to participate in the renovation of Government Boys Higher Secondary School, Sangagiri and spent Rs 34,69,334/-.

As the Alumni Association members of the school came forward to contribute the balance amount for the project, the Company could not spend the entire amount of Rs 69,23,644/-. 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 March 2015 to discuss and reviewed the amount spent on CSR during the year.

ANNEXURE 6

FORM NO. AOC.2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
2. Details of material contracts or arrangement or transactions at arm's length basis: NIL
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any:
 - (e) Date(s) of approval by the Board, if any:
 - (f) Amount paid as advances, if any:

For **SWELECT ENERGY SYSTEMS LIMITED**

R.CHELLAPPAN
Managing Director

V.C.RAGHUNATH
Director

Report on Corporate Governance

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company upholds the core values of transparency, integrity and accountability in all facets of its operations and maintains the highest standards of Corporate Governance in its conduct towards the shareholders, customers, suppliers and the Government. The Company believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of 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 : 2

Non-Executive Director : 4

| Name of Director | Designation | Category | | No. of Directorship in other companies | | Committee Membership in other companies | Committee Chairmanship in other companies |
|---------------------------|---------------------|----------------|---------------------------|--|------------------------|---|---|
| | | | | Private Limited Company | Public Limited Company | | |
| Mr. V.M. Sivasubramaniam | Chairman | Non-Promoter | Non-Executive Independent | 1 | - | - | - |
| Mr. R. Chellappan | Managing Director | Promoter | Executive | 11 | 2 | 1 | - |
| Mr. N. Natarajan | Director | Non Promoter | Non-Executive Independent | - | 1 | - | 1 |
| Mrs. Vasantha Balan | Director | Promoter Group | Non – Executive | 4 | - | - | - |
| Mrs. Jayashree Nachiappan | Director | Promoter Group | Non – Executive | 3 | - | - | - |
| Mr. V.C. Raghunath | Whole-time Director | Promoter Group | Executive | 6 | - | - | - |

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

Key Management Personnel:

| Name | Designation | Category | No. of Directorship in other companies | | Committee Membership in other companies | Committee Chairmanship in other companies |
|----------------------|-------------------------|-----------|--|------------------------|---|---|
| | | | Private Limited Company | Public Limited Company | | |
| Ms. J. Bhuvaneshwari | Company Secretary | Executive | - | - | - | - |
| Mr. P.Jagan | Chief Financial officer | Executive | - | - | - | - |

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

ii) Appointment and Reappointment of Directors

Appointment of Mr R. Chellappan, Managing Director

At the Board Meeting held on 12.2.2015, Mr. R. Chellappan was appointed as the Managing Director of the Company for a period of 5 years from 1.5.2015 to 30.4.2020 subject to the approval of shareholders at the ensuing Annual General Meeting.

Reappointment of Directors retiring by rotation.

Pursuant to sec 152 of the Companies Act 2013, Mr. V. C. Raghunath, Mrs. Vasantha Balan and Mrs. Jayashree Nachiappan retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Information pursuant to Clause 49 VIII (E) of the Listing Agreement:-

1. Brief resume of Mr. R. Chellappan and nature of his expertise in specific functional areas:

| | |
|-----------------------------------|--|
| AGE & DOB | 62 years, 08 th MAY 1953 |
| EDUCATIONAL QUALIFICATION | DEE and qualified Engineer in Electrical and Electronics from Thiagarajar Polytechnic College, Salem – April 1972 BE (EEE) from Coimbatore Institute of Technology with University rank – Nov 1979 An active Senior Member of Institute of Electrical & Electronics Engineers Inc. – USA (IEEE) for the last 20 years |
| EXPERIENCE | 8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore 5 Years with Ashok Leyland Ltd, Chennai |
| CREDENTIALS | One of the Founder Members / Trustee of National Solar Energy Federation of India (NSEFI), South Chapter Appointed as chairman of IEEE – Madras Chapter, PELS society Bonafide member of MAIT – Manufacturers' Associate for Information Technology Received special achievement award from the Hon'ble Governor of Tamil Nadu for being one of Elite group of ten outstanding entrepreneurs in the field of IT and ITES "TRAIL BLAZERS – PATH FINDERS 2011" - a recognition and appreciation for the efforts of entrepreneurs who are part of the competitive IT and ITES Industry and whose contribution to the growth of the economy has been significant In November 2013, awarded the winner of the TiECon Award 2013 as "The Entrepreneur of the Year 2013". |
| ACHIEVEMENTS UNDER HIS LEADERSHIP | Started the business (in 1984) with a team of just six members, and then built the company to 2600 employees (in 2012) across its branches in India and overseas. In May 2012, Numeric transferred the UPS division to Novateur Electrical & Digital Systems Pvt Ltd, a wholly owned subsidiary of LEGRAND S.A. FRANCE under a BTA (Business Transfer Agreement). In Aug 2012, SWELECT was empanelled by BEE (Bureau of Energy Efficiency) as ESCO (Energy Service Company). In Dec 2012, SWELECT was recognized as the No.1* Solar Solution Provider (Integrator) company of the Year 2012. In Dec 2012, SWELECT was adjudged as the winner of Soft Disk (SD) Awards 2012 for Leadership in Roof Top Solar Installations. In Jan 2013, SWELECT got a CRISIL rating of SP1A (highest for Technical and Financial Superiority) and was accredited by MNRE as the authorized Channel Partner for Off-grid and Decentralized Solar PV systems under JNNSM scheme. Amex Alloys was awarded as Export Excellence Award for FY(12-13). SD's No.1 off Grid / Roof Top Solar PV power solution provider of the year 2013. A++ SD's star green rating. Winner of the largest numbers of roof top installation in the country in 2012-13. |

Mr. R. Chellappan holds directorship in the following companies:

| Sr. No. | Name of the Companies / Firms | Position held |
|---------|---|-------------------|
| 1 | HHV Solar Technologies Limited | Managing Director |
| 2 | Amex Alloys Private Limited | Director |
| 3 | Amex Irons Private Limited | Director |
| 4 | SWELECT Technologies Private Limited | Director |
| 5 | SWELECT Solar Energy Private Limited | Director |
| 6 | Gem Sugars Limited | Director |
| 7 | SWELECT Green Energy Solutions Private Limited | Director |
| 8 | SWELECT Energy Systems Pte. Limited, Singapore | Director |
| 9 | SWELECT Electronics Private Limited | Director |
| 10 | BS Powertech Solutions Private Limited | Director |
| 11 | SWELECT Power Systems Private Limited | Director |
| 12 | Novateur Electrical & Digital Solutions Private Limited | Director |
| 13 | NOEL Media & Advertising Private Limited | Director |

Chairperson of Board of other Companies : 1

Member of Board Committees of Other Companies : 1

Shareholding in the Company:

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

Disclosure of relationships between directors inter-se: Mr. V.C. Raghunath, Whole-time Director is the son of Mr. R. Chellappan.

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

| | |
|---------------------------|---|
| AGE & DOB | 33 years, 11 th JULY 1981 |
| EDUCATIONAL QUALIFICATION | <ul style="list-style-type: none"> • BE (EEE) • Master of Science (Electrical Engineering) |
| EXPERIENCE | • 8 Years in the Power Electronics and Solar Industry, Started his career in 2006 |
| CERTIFICATION | • Certified SAP Solution Consultant for Supply Chain Management / Order Fulfilment |
| PORTFOLIO | <p>Handling of all India Level Solar Power Project Management and Solutions</p> <p>Contributes to the development of marketing strategy of the Company and communication.</p> <p>Training and Guiding the Sales team in achieving their target.</p> <p>Key function is to negotiate complex, high-value contracts for the supply of Solar Power products and solutions.</p> <p>Meet key customers and give presentations of new products and proposals, besides maintaining relations with the existing ones.</p> <p>Project Execution and Management</p> <p>Ensuring that customers' requirements related to the products and solutions are made available within shortest possible time.</p> <p>Work closely with other members of the sales team and other departments within the company to ensure customer and company expectations are met.</p> <p>Cost working for all Tenders and Quotes</p> <p>Service Escalation Management and support to all the Service team</p> |

| | |
|------------------|--|
| PROJECTS HANDLED | <p>Co-ordination with internal team members and the customers for the on time procurement, supply and installation for all the MW projects, and several smaller, but complex projects, till the end of plant energising.</p> <p>Few Major MW Range projects to mention:</p> <p>1.65MW SPV Solar Park at Hosur for Exide Industries Ltd as a Turnkey EPC Project</p> <p>1MW SPV Power Plant at TADA for Nippo Batteries with Engineering and Installations</p> <p>1MW SPV Power Plant at Sivagangai for Noel Media</p> <p>1MW SPV Park at Karur for Yajur Energy, USA</p> <p>2MW SPV Park at Karur for Amex Alloys Pvt Ltd</p> <p>Ensured for the highest number of installations for the year and was adjudged as the winner of the SD Award 2014 for having completed the largest numbers of Roof Top Installations in the Country.</p> |
|------------------|--|

Mr. V.C. Raghunath also holds directorship in the following companies:

| Sr. No. | Name of the Companies/ Firms | Position held |
|---------|--|---------------|
| 1 | Amex Alloys Private Limited | Director |
| 2 | Amex Irons Private Limited | Director |
| 3 | BS Powertech Solutions Private Limited | Director |
| 4 | SWELECT Energy Systems Pte. Limited | Director |
| 5 | SWELECT Technologies Private Limited | Director |
| 6 | NOEL Media & Advertising 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 : 38,800 Shares
- ii) Held by / for other persons on a beneficial basis : Nil

Disclosure of relationships between directors inter-se : Mr. V. C. Raghunath is the Son of Mr. R. Chellappan, Managing Director.

3. Brief resume of Mrs. Vasantha Balan and nature of her expertise in specific functional areas:

Mrs. Vasantha Balan is 55 years of age and is a non-executive Director of the Company. She is a science graduate from Madras University and holds directorship in the following companies:

| Sr. No. | Name of the Companies / Firms | Position held |
|---------|--|---------------|
| 1 | SWELECT Solar Energy Private Limited | Director |
| 2 | SWELECT Green Energy Solutions Private Limited | Director |
| 3 | SWELECT Electronics Private Limited | Director |
| 4 | SWELECT Power Systems 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: 7,056 Shares
- ii) Held by / for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se : None

4. Brief resume of Mrs. Jayashree Nachiappan and nature of her expertise in specific functional areas:

Mrs. Jayashree Nachiappan is 48 years of age and is a non-executive Director of the Company. She holds an Engineering degree in Printing Technology from College of Engineering, Guindy affiliated to Anna university, Chennai and runs her own Offset printing press for the past 21 years.

Mrs. Jayashree Nachiappan holds directorship in the following companies.

| Sr. No. | Name of the Companies / Firms | Position held |
|---------|--|---------------|
| 1 | Swelect Solar Energy Private Limited | Director |
| 2 | Swelect Green Energy Solutions Private Limited | Director |
| 3 | BS Powertech Solutions 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: 100 Shares

ii) Held by/for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

iii) Pursuant to Clause 49 VIII (E) (1) (d) of the Listing Agreement, shareholding of non-executives directors as on 31.3.2015, is given below

| Name of the Director | Category | Number of shares held own | Held by / for other persons on a beneficial basis |
|---------------------------|--|---------------------------|---|
| Mr. V.M. Sivasubramaniam | Chairman – Non Executive - Independent | 200 | Nil |
| Mr. N. Natarajan | Director - Non Executive - Independent | 25 | Nil |
| Mrs. Vasantha Balan | Director - Non Executive | 7056 | Nil |
| Mrs. Jayashree Nachiappan | Director - Non- Executive | 100 | Nil |

The Company has not issued any convertible instruments.

iv) Details of Board Meetings:

No of Board meetings held during the Financial Year 2014-2015: 7

| Date of Meeting | | | | | | |
|-----------------|------------|------------|------------|------------|------------|------------|
| 29.05.2014 | 11.06.2014 | 28.07.2014 | 07.08.2014 | 07.11.2014 | 10.01.2015 | 12.02.2015 |

v) Attendance of Directors at the Board Meetings during the year 2014-2015 and last AGM

| Name | No. of Meetings Attended | Sitting fees paid Rs. | Attended Last AGM |
|---------------------------|--------------------------|-----------------------|-------------------|
| Mr. R. Chellappan | 7 | Nil | Yes |
| Mr. V.M. Sivasubramaniam | 6 | 90,000 | Leave |
| Mr. N. Natarajan | 6 | 1,00,000 | Yes |
| Mrs. Vasantha Balan | 5 | 80,000 | Yes |
| Mrs. Jayashree Nachiappan | 4 | 70,000 | Yes |
| Mr. V. C. Raghunath | 7 | Nil | Yes |
| Total: | | 3,40,000 | |

Note: With effect from 07.11.2014, sitting fees to Independent and Non-Executive Directors for attending each Board Meeting has been revised as Rs.10,000/- instead of Rs.20,000/-. The Sitting fees payable to Independent and Non-Executive Directors for the meetings of Audit Committee, Stakeholders Relationship Committee are Rs. 5000/- per meeting.

3. DETAILS OF COMMITTEES

(a) Audit Committee

i) Composition of Audit Committee :

The Audit Committee comprises of the Directors as mentioned below:

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

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

- ii) The Audit Committee looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and provisions of Section 177 of the Companies Act, 2013.

Terms of Reference in brief:

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.
- Review of risk management policies especially enterprise level risk management.

Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- 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 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.

iii) Details of the Audit Committee Meetings

| Date of Meeting | No. of Members attended |
|-----------------|-------------------------|
| 27.05.2014 | 2 |
| 06.08.2014 | 3 |
| 05.11.2014 | 2 |
| 10.02.2015 | 3 |

| Name | No. of Meetings Attended | Sitting fees paid Rs. |
|---------------------------|--------------------------|-----------------------|
| Mr. V.M. Sivasubramaniam | 4 | 20,000 |
| Mr. N. Natarajan | 4 | 20,000 |
| Mrs. Jayashree Nachiappan | 2 | 10,000 |
| Total: | | 50,000 |

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

The Audit Committee adheres to the SEBI Guidelines in terms of quorum for its meetings, functioning, role and powers as also set out in the Companies Act, 2013.

(B) Stakeholders relationship Committee

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

Terms of reference of the Committee includes the following

- Oversee and review all matters connected with the transfer of the Company's securities
- Approve issue of the Company's duplicate share certificates.
- Monitor, redressal of Investor/ Shareholder grievances.
- Monitor implementation of the Company's Code of Conduct for prohibition of Insider Trading
- The composition of the Committee is as follows:-
 1. Mr. V. M. Sivasubramaniam, Chairman
 2. Mrs. Jayashree Nachiappan, Director
 3. Mrs. J. Bhuvanewari, Company Secretary

Details of Meetings held:

| Date of Meeting | No. of Members attended |
|-----------------|-------------------------|
| 24.05.2014 | 3 |
| 05.08.2014 | 3 |
| 04.11.2014 | 3 |
| 10.02.2015 | 3 |

| Name | No. of Meetings Attended | Sitting fees paid Rs. |
|---------------------------|--------------------------|-----------------------|
| Mr. V.M. Sivasubramaniam | 4 | 20,000 |
| Mrs. Jayashree Nachiappan | 4 | 20,000 |
| Total: | | 40,000 |

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

- (ii) Name of non-executive director heading the committee : Mr. V.M. Sivasubramaniam, Chairman
- (iii) Name and designation of compliance officer : Mrs. J. Bhuvanewari, Company Secretary
- (iv) Details of Investor Complaints received and resolved during the year 2014-2015 are as follows:

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| 0 | 4 | 4 | 0 |

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

(C) Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprising of the following Directors

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

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

The Committee met on 25th March 2015 to discuss and reviewed the amount spent on CSR during the year.

(D). Nomination and Remuneration Committee

The Nomination and remuneration committee which comprises of the following Directors were met on 12.02.2015.

1. Mr. N. Natarajan – Chairman
2. Mr. V.M. Sivasubramaniam – Director
3. Mrs. Vasantha Balan – Director

The terms of reference / role of the Committee includes:

1. 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.
2. Formulation of criteria for evaluation of Independent Directors and the Board.
3. Devising a policy on Board diversity,
4. 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.

Details of remuneration paid / payable to Directors for the year ended 31st March 2015:

(in Rupees)

| Name of Directors | Sitting fees | Commission on profits | Salary | Contribution to PF | Perquisites | Total |
|---------------------------|-----------------|-----------------------|------------------|--------------------|-----------------|------------------|
| Mr. R. Chellappan | - | 6,22,596 | 24,15,000 | - | 5,01,250 | 35,38,846 |
| Mr. V.M. Sivasubramaniam | 1,30,000 | 10,95,500 # | - | - | - | 12,25,500 |
| Mr. N. Natarajan | 1,20,000 | 10,95,500 # | - | - | - | 12,15,500 |
| Mrs. Vasantha Balan | 80,000 | - | - | - | - | 80,000 |
| Mrs. Jayashree Nachiappan | 1,00,000 | - | - | - | - | 1,00,000 |
| Mr.V.C.Raghunath | - | - | 6,65,988 | 45,828 | - | 7,11,816 |
| Total | 4,30,000 | 28,13,596 | 30,80,988 | 45,828 | 5,01,250 | 68,71,662 |

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

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.

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

Ms. Aarthi Balan, Daughter of Mrs. Vasantha Balan, Director, is employed in the Company as an Assistant Vice President, Marketing and Communication. Ms. Preetha Balan, Daughter of Mrs. Vasantha Balan, Director, is also engaged as a Project consultant / Advisor of the Company.

Except Mrs. Vasantha Balan, none of the non-executive Directors have pecuniary relationship with the Company.

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

(E) Risk Management Committee

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Clause 49 of the listing agreement, the Company has constituted a risk management committee.

The Risk management Committee comprises of

1. Mr. R. Chellappan – Chairman
2. Mr. V.C Raghunath – Director
3. Mrs. Jayashree Nachiappan – Director

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

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 Clause 49 of the listing agreement:

- (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

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

The Details of Other Committees of the Company

| | | |
|------------------------|-----------------------------------|-------------------------|
| Name of the Committee: | INVESTMENT COMMITTEE | |
| Member: | 1. Mr. R. Chellappan | Managing Director |
| | 2. Mr. N. Natarajan | Independent Director |
| | 3. Mr. V. C. Raghunath | Whole-time Director |
| Name of the Committee: | BORROWING COMMITTEE | |
| Members: | 1. Mr. R. Chellappan | Managing Director |
| | 2. Mr. V. C. Raghunath | Whole-time Director |
| | 3. Mrs. Vasantha Balan | Non Executive Director |
| Name of the Committee: | FOREX MANAGEMENT COMMITTEE | |
| Members: | 1. Mr. R. Chellappan | Managing Director |
| | 2. Mr. V. C. Raghunath | Whole-time Director |
| | 3. Mr.P. Jagan | Chief Financial officer |

4. CODE OF CONDUCT

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

5. DETAILS OF GENERAL MEETINGS

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

| Year | Venue | Day & Date | Time |
|--|---|---------------------------------------|-----------|
| 17 th AGM- 01.04.2011 to 31.03.2012 | Savera Hotel No. 146, Dr. Radhakrishnan Road, Chennai - 600 004 | Saturday, 21 st July 2012 | 4.00 P.M |
| 18 th AGM- 01.04.2012 to 31.03.2013 | Savera Hotel No. 146, Dr. Radhakrishnan Road, Chennai - 600 004 | Wednesday, 24 th July 2013 | 2.30 P.M |
| 19 th AGM- 01.04.2013 to 31.03.2014 | Savera Hotel No. 146, Dr. Radhakrishnan Road, Chennai - 600 004 | Wednesday, 28 th July 2014 | 11.00 A.M |

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

| S.No. | Financial year | Nature of Dividend | Date of Declaration | Class of shares | Dividend Amount Per share Rs. | Percentage of Dividend declared |
|-------|-------------------------------------|--------------------|---------------------|-----------------|-------------------------------|---------------------------------|
| 1 | 01.10.1996 - 30.09.1997 | Final | 20.03.1998 | Equity | 1 | 10 |
| 2 | 01.10.1997 - 30.09.1998 | Final | 27.03.1999 | Equity | 1 | 10 |
| 3 | 01.10.1998 - 30.09.1999 | Final | 03.03.2000 | Equity | 1 | 10 |
| 4 | 01.10.1999 - 30.09.2000 | Final | 10.02.2001 | Equity | 2 | 20 |
| 5 | 01.10.2000 - 30.09.2001 | Final | 16.02.2002 | Equity | 1.5 | 15 |
| 6 | 01.10.2001 - 30.09.2002 | Final | 21.12.2002 | Equity | 2 | 20 |
| 7 | 01.10.2002 - 30.09.2003 | Final | 29.11.2003 | Equity | 3 | 30 |
| 8 | 01.10.2003 - 31.03.2005 (18 months) | Interim | 27.10.2004 | Equity | 2 | 20 |
| | | Final | 28.05.2005 | Equity | 3 | 30 |
| 9 | 01.04.2005 - 31.03.2006 | Final | 08.07.2006 | Equity | 4 | 40 |
| 10 | 01.04.2006 - 31.03.2007 | Final | 04.08.2007 | Equity | 4.5 | 45 |
| 11 | 01.04.2007 - 31.03.2008 | Final | 14.08.2008 | Equity | 5 | 50 |
| 12 | 01-04.2008 - 31.03.2009 | Final | 22.08.2009 | Equity | 5 | 50 |
| 13 | 01-04-2009 - 31.03.2010 | Final | 07.08.2010 | Equity | 3 | 30 |
| 14 | 01-04-2010 - 31.03.2011 | Final | 06.08.2011 | Equity | 3 | 30 |
| 15 | 01-04-2011 - 31.03.2012 | Final | 21.07.2012 | Equity | 3 | 30 |
| 16 | 01-04-2012 - 31-03-2013 | Interim | 09.07.2012 | Equity | 120 | 1200 |
| 17 | 01-04-2012 - 31-03-2013 | Final | 24.07.2013 | Equity | 8 | 80 |
| 18 | 01-04-2013 - 31-03-2014 | Final | 28.07.2014 | Equity | 9 | 90 |

Pursuant to Section 205C of the Companies Act, 1956, (Section 125 of the Companies Act, 2013) the following unclaimed dividend has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

| S.No. | Financial year | Date of Declaration | Amount Rs. | Date of remittance to IEPF |
|-------|---|---------------------|------------|----------------------------|
| 1 | 1.10.1996 - 30.9.1997 | 20.03.1998 | 5,850 | 29.04.2005 |
| 2 | 1.10.1997 - 30.9.1998 | 27.03.1999 | 6,050 | 27.04.2006 |
| 3 | 1.10.1998 - 30.9.1999 | 03.03.2000 | 7,050 | 09.04.2007 |
| 4 | 1.10.1999 - 30.9.2000 | 10.02.2001 | 13,300 | 12.03.2008 |
| 5 | 1.10.2000 - 30.9.2001 | 16.02.2002 | 10,575 | 17.03.2009 |
| 6 | 1.10.2001 – 30.9.2002 | 21.12.2002 | 15,400 | 22.01.2010 |
| 7 | 1.10.2002 – 30.9.2003 | 29.11.2003 | 21,450 | 03.01.2011 |
| 8 | 1.10.2003 - 31.3.2005 (18 Months) – Interim | 27.10.2004 | 13,300 | 29.11.2011 |
| 9 | 1.10.2003 – 31.3.2005 (18 month) – Final | 28.05.2005 | 17,853 | 05.07.2012 |
| 10 | 1.4.2005 – 31.3.2006 | 08.07.2006 | 24,884 | 31.07.2013 |
| 11 | 1.4.2006 – 31.3.2007 | 04.08.2007 | 1,30,338 | 08.09.2014 |

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on 28.07.2014 (date of last Annual General Meeting) on the website of the Company www.swelectes.com and also on the website of the Ministry of Corporate Affairs.

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

6. DISCLOSURES

- (i) Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the Company's interest. The Company's major related party transactions are generally with its wholly owned subsidiaries. All related party transactions are negotiated on arm's length basis and are in the ordinary course of business which are intended to further the Company's interest.
- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years : NIL

(iii) Vigil Mechanism / Whistle Blower Policy

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

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

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

In preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.

Business risk evaluation and managing such risks is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.

The Company complied with all mandatory requirements of Corporate Governance as per Clause 49 of the Listing Agreement. The Company adopted the following non-mandatory requirements of this clause:

Audit qualifications

Company made effort to move towards a regime of unqualified financial statements.

Separate posts of Chairman and CEO

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

Reporting of Internal Auditor

The Internal auditor is directly reporting to the Audit Committee.

7. MEANS OF COMMUNICATION

The Quarterly Unaudited financial results and the Audited Financial result is normally published in the newspapers viz. one national daily and vernacular newspaper Business Line and Dinamani (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 agreement 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 www.swelectes.com

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

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

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

8. GENERAL SHAREHOLDERS' INFORMATION

| | | |
|------|--|--|
| i. | AGM | TWENTIETH ANNUAL GENERAL MEETING |
| | Day, Date and time | Wednesday the 29th July 2015 at 3.30 P.M |
| | Venue | Savera Hotel, 'Samavesh Hall' No. 146, Dr. Radhakrishnan Road, Chennai - 600 004 |
| ii. | Financial year | 01.04.2014 to 31.3.2015 |
| iii. | Date of Book closure | From: Friday 24 th July 2015 To: Wednesday 29 th July 2015 [Both days inclusive] |
| iv. | Dividend Payment Date | Between 3 rd August 2015 and 12 th August 2015. |
| v. | The Company's equity shares are listed on the following Stock Exchanges: | |

BSE Limited

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

National Stock Exchange of India Limited

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

vi. Stock Code

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

vii. (a) Market Price Data: High, Low during each month in the last financial year 01.04.2014 - 31.3.2015

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

| Month | BSE Limited | | National Stock Exchange of India Limited | |
|--------|-------------|--------|--|--------|
| | High | Low | High | Low |
| Apr-14 | 303.95 | 222.10 | 306.00 | 220.00 |
| May-14 | 396.00 | 271.30 | 398.00 | 270.00 |
| Jun-14 | 447.00 | 336.05 | 446.20 | 332.05 |
| Jul-14 | 528.95 | 395.00 | 527.00 | 400.50 |
| Aug-14 | 446.10 | 339.85 | 447.25 | 336.30 |
| Sep-14 | 541.00 | 371.00 | 497.20 | 365.00 |
| Oct-14 | 475.00 | 401.00 | 474.70 | 401.40 |
| Nov-14 | 469.95 | 407.40 | 471.00 | 401.00 |
| Dec-14 | 447.95 | 370.00 | 454.50 | 370.00 |
| Jan-15 | 549.40 | 397.00 | 549.80 | 392.00 |
| Feb-15 | 687.75 | 507.60 | 688.00 | 505.05 |
| Mar-15 | 661.00 | 510.25 | 660.00 | 502.40 |

(b) Performance in comparison to BSE Sensex and NSE Nifty:

| Date | BSE LIMITED | | NATIONAL STOCK EXCHANGE OF INDIA LIMITED | |
|-----------|--|-----------------------|--|----------------------|
| | Company's Market Price (Close) per share Rs. | Sensex points (Close) | Company's Market Price (Close) per share Rs. | Nifty points (Close) |
| 30-Apr-14 | 287.35 | 22,417.80 | 288.30 | 6,696.40 |
| 30-May-14 | 342.00 | 24,217.34 | 342.25 | 7,229.95 |
| 30-Jun-14 | 429.60 | 25,413.78 | 433.45 | 7,611.35 |
| 31-Jul-14 | 435.50 | 25,894.97 | 437.50 | 7,721.30 |
| 28-Aug-14 | 371.98 | 26,638.11 | 375.70 | 7,954.35 |
| 30-Sep-14 | 413.65 | 26,630.51 | 415.55 | 7,964.80 |
| 31-Oct-14 | 420.65 | 27,865.83 | 421.15 | 8,322.20 |
| 28-Nov-14 | 416.55 | 28,693.99 | 417.65 | 8,588.25 |
| 31-Dec-14 | 421.20 | 27,499.42 | 420.35 | 8,282.70 |
| 30-Jan-15 | 525.80 | 29,182.95 | 526.95 | 8,808.90 |
| 28-Feb-15 | 622.25 | 29,361.50 | 623.50 | 8,901.85 |
| 31-Mar-15 | 532.75 | 27,957.49 | 536.70 | 8,491.00 |

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

ix) **Share transfer system:**

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

Mr. R. Chellappan, Managing Director

Mrs. J. Bhuvaneshwari, Company Secretary

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

x) a) Distribution of Shareholding as on 31.03.2015

| Shareholding of nominal value of Rs. | No. of shareholders | | | | | | Share Amount (Rs.) | | | | | |
|--------------------------------------|---------------------|-------------|--------------|--------------|--------------|------------|--------------------|-------------|---------------------|--------------|---------------------|------------|
| | Physical | % | Demat | % | Total | % | Physical | % | Demat | % | Total | % |
| 10 - 5,000 | 243 | 2.44 | 8,830 | 88.55 | 9,073 | 90.98 | 4,35,550 | 0.43 | 73,68,030 | 7.29 | 78,03,580 | 7.72 |
| 5,001 - 10,000 | 23 | 0.23 | 463 | 4.64 | 486 | 4.87 | 1,75,000 | 0.17 | 35,19,520 | 3.48 | 36,94,520 | 3.66 |
| 10,001 - 20,000 | 8 | 0.08 | 197 | 1.98 | 205 | 2.06 | 1,40,000 | 0.14 | 30,04,790 | 2.97 | 31,44,790 | 3.11 |
| 20,001 - 30,000 | 0 | 0.00 | 62 | 0.62 | 62 | 0.62 | 0 | 0.00 | 15,79,160 | 1.56 | 15,79,160 | 1.56 |
| 30,001 - 40,000 | 1 | 0.01 | 25 | 0.00 | 26 | 0.26 | 40,000 | 0.04 | 8,98,780 | 0.89 | 9,38,780 | 0.93 |
| 40,001 - 50,000 | 1 | 0.01 | 14 | 0.14 | 15 | 0.15 | 50,000 | 0.05 | 6,52,350 | 0.65 | 7,02,350 | 0.69 |
| 50,001 - 1,00,000 | 1 | 0.01 | 43 | 0.43 | 44 | 0.44 | 78,000 | 0.08 | 31,68,600 | 3.14 | 32,46,600 | 3.21 |
| 1,00,001 and above | 0 | 0 | 61 | 0.61 | 61 | 0.61 | 0 | 0.00 | 7,99,48,620 | 79.11 | 7,99,48,620 | 79.11 |
| Total: | 277 | 2.78 | 9,695 | 96.97 | 9,972 | 100 | 9,18,550 | 0.91 | 10,01,39,850 | 99.09 | 10,10,58,400 | 100 |

b) Shareholding pattern as on 31.03.2015

Scrip Code- BSE: 532051 ; NSE: SWELECTES ; Name of the scrip: Swelect Energy Systems Limited

Class of security : Equity Shares

| Sr. no. | Category of shareholder | Number of shareholders | Total number of shares | Number of shares held in dematerialized form | Total shareholding as a percentage of total number of shares | | Shares Pledged or otherwise encumbered | |
|------------|--|------------------------|------------------------|--|--|----------------------------|--|----------------------------|
| | | | | | As a percentage of (A+B) | As a percentage of (A+B+C) | Number of shares | As a percentage |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII) / (IV) * 100 |
| (A) | Promoter and Promoter Group | | | | | | | |
| (1) | Indian | | | | | | | |
| (a) | Individuals / Hindu Undivided Family | 18 | 5705142 | 5705142 | 56.45 | 56.45 | 0 | 0.00 |
| (b) | Central Government/State Government(s) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (c) | Bodies Corporate | 1 | 30 | 30 | 0.00 | 0.00 | 0 | 0.00 |
| (d) | Financial Institutions/Banks | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (e) | Any Other (Total) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total (A)(1) | 19 | 5705172 | 5705172 | 56.45 | 56.45 | 0 | 0.00 |
| (2) | Foreign | | | | | | | |
| (a) | Individuals (Non-Resident Individuals / Foreign Individuals) | 16 | 810770 | 810770 | 8.02 | 8.02 | 0 | 0.00 |
| (b) | Bodies Corporate | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (c) | Institutions | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (d) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| (e) | Any Other (Total) | 0 | 0 | 0 | 0.00 | 0.00 | 0 | 0.00 |
| | Sub-Total (A)(2) | 16 | 810770 | 810770 | 8.02 | 8.02 | 0 | 0.00 |
| | Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2) | 35 | 6515942 | 6515942 | 64.48 | 64.48 | 0 | 0.00 |
| (B) | Public shareholding ³ | | | | | | | |
| (1) | Institutions | | | | | | | |
| (a) | Mutual Funds / UTI | 1 | 136780 | 136780 | 1.35 | 1.35 | N.A. | N.A. |
| (b) | Financial Institutions/Banks | 3 | 2745 | 2745 | 0.03 | 0.03 | N.A. | N.A. |
| (c) | Central Government / State Government(s) | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (d) | Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (e) | Insurance Companies | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (f) | Foreign Institutional Investors | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (g) | Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (h) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (i) | Any Other (Total) | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| | Sub-Total (B)(1) | 4 | 139525 | 139525 | 1.38 | 1.38 | N.A. | N.A. |

| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) | (VIII) | (IX) = (VIII) / (IV) * 100 |
|------------|---|-------------|-----------------|-----------------|-------------|---------------|----------|----------------------------|
| (2) | Non-institutions | | | | | | | |
| (a) | Bodies Corporate | 256 | 209292 | 208492 | 2.07 | 2.07 | N.A. | N.A. |
| (b) | Individuals - i. Individual Shareholders Holding Nominal Share Capital upto >Rs. 1 Lakh. | 9006 | 1692692 | 1601638 | 16.75 | 16.75 | N.A. | N.A. |
| | Individuals - ii. Individual Shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh | 27 | 1160437 | 1160437 | 11.48 | 11.48 | N.A. | N.A. |
| (c) | Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0.00 | N.A. | N.A. |
| (d) | Any Other (Total) | 644 | 387952 | 387951 | 3.84 | 3.84 | N.A. | N.A. |
| (d1) | Clearing Members | 40 | 8065 | 8065 | 0.08 | 0.08 | N.A. | N.A. |
| (d2) | Directors and their relatives | 2 | 225 | 225 | 0.00 | 0.00 | N.A. | N.A. |
| (d3) | Hindu Undivided Families | 278 | 106086 | 106085 | 1.05 | 1.05 | N.A. | N.A. |
| (d4) | Non Resident Indians | 322 | 155975 | 155975 | 1.54 | 1.54 | N.A. | N.A. |
| (d5) | Trust | 2 | 117601 | 117601 | 1.16 | 1.16 | N.A. | N.A. |
| | Sub-Total (B)(2) | 9933 | 3450373 | 3358518 | 34.14 | 34.14 | N.A. | N.A. |
| | Total Public Shareholding (B)= (B)(1)+(B)(2) | 9937 | 3589898 | 3498043 | 35.52 | 35.52 | N.A. | N.A. |
| | TOTAL (A)+(B) | 9972 | 10105840 | 10013985 | 100.00 | 100.00 | 0 | 0.00 |
| (C) | Shares held by Custodians and against which Depository Receipts have been issued | 0 | 0 | 0 | N.A. | 0.00 | N.A. | N.A. |
| C1 | Promoter and Promoter Group | 0 | 0 | 0 | N.A. | 0.00 | N.A. | N.A. |
| C2 | Public | 0 | 0 | 0 | N.A. | 0.00 | N.A. | N.A. |
| | GRAND TOTAL (A)+(B)+(C) | 9972 | 10105840 | 10013985 | N.A. | 100.00 | 0 | 0.00 |

xi) The position regarding dematerialisation / rematerialisation of shares as on 31.03.2015 as reported by the Registrars and Transfers Agents, M/s. Cameo Corporate Services Limited, Chennai, is as under:-

a. Dematerialisation

| | National Securities Depository Limited | Central Depository Services (India) Limited | Total |
|--------------|--|---|------------------------|
| Demat | as on 31.03.2015 | as on 31.3.2015 | as on 31.3.2015 |
| requests | 460 | 98 | 558 |
| shares | 51,51,703 | 1,63,800 | 53,15,503 |
| certificates | 46,893 | 1,364 | 48,257 |

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

b. Rematerialisation

| | National Securities Depository Limited | Central Depository Services (India) Limited | Total |
|--------------|--|---|------------------------|
| Remat | as on 31.3.2015 | as on 31.3.2015 | as on 31.3.2015 |
| requests | 57 | 10 | 67 |
| shares | 412 | 59 | 471 |
| certificates | 57 | 10 | 67 |

| Shareholding details as on 31/03/2015 | No. of shareholders | No. of Shares | Percentage |
|---|---------------------|--------------------|------------|
| Physical form of shares: | 277 | 91,855 | 0.91 |
| National Securities Depository Limited | 6,731 | 92,25,022 | 91.28 |
| Central Depository Services (India) Limited | 2,964 | 7,88,963 | 7.81 |
| Total: | 9,972 | 1,01,05,840 | 100 |

As on 31.03.2015, 1,00,13,985 equity shares representing 99.09% in the Equity Share Capital is in dematerialized form.

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

xiii) Plant Locations:

| No | Location of Plant | Details of the plant |
|----|---|--|
| 1 | Coimbatore Kuppaepalayam SF No 166 & 169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore 641107 | SWELECT 1.1 MW Solar Plant |
| 2 | Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District | SWELECT 1.5 MW Wind Mill Power Unit |
| 3 | 58/3 (14 D, D/1) Salem Main Road, Veerappampalayam PO Idappadi-637105, Salem District. | UNIT 3S |
| 4 | Monjanur Village, Aravakurichi Taluk, Karur District | SWELECT 12 MW Solar Plant |
| 5 | Kollakkudi, Thottiyam Taluk, Trichy District | SWELECT 10 MW Solar plant |

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

For and on behalf of the Board of Directors

Chennai
28 May, 2015

R. Chellappan
Managing Director

V.C. Raghunath
Whole-time Director

CORPORATE GOVERNANCE CERTIFICATE

To

The Members, SWELECT ENERGY SYSTEMS LIMITED

We have examined the compliance of conditions of Corporate Governance by **SWELECT ENERGY SYSTEMS LIMITED**, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Chennai

28 May, 2015

R Kannan

Practising Company Secretary
C.P. No. 3363
Door No. 6, Plot 11A,
10th Street, New Colony,
Adambakkam,
Chennai-600088

INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Energy Systems Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Swelect Energy Systems Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) 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 the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company..

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: 28 May 2015

Annexure referred to in our report of even date

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) Fixed assets have been physically verified by the management during the year in accordance with a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
 - (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventory
- (iii) (a) The Company has granted loans to Companies or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of principal is in accordance with stipulations, if any, and the payment of interest has been regular.
 - (b) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge, the Central Government have not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/services of the Company.

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

| S/N | Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|-----|-----------------------------|--------------------------------------|--------------|------------------------------------|---------------------------------------|
| 1 | Kerala Sales Tax Act, 1963' | Penalty | 666,665 | 2000-2001 | Deputy Commissioner, Commercial taxes |
| 2 | Delhi Vat Act, 2004 | Disputed turnover | 1,200,684 | 2006-2007 | Commissioner, Appeals |
| 3 | TN VAT Act | Differential tax payment and penalty | 49,294,891 | 2012-2013 | Madras High Court |
| 4 | Service tax Act# | Differential tax and Interest | 595,546 | 2011-2012 | Commissioner of service tax |
| 5 | Direct Taxes @ | Disallowances of items | 500,000 | 2009-2010 | Commissioner of Income tax Appeals |

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

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

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

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company.
- (xi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year other than an amount of Rs.20,311,785, being cost of land, written off in the statement of profit and loss on account of defective title and for which the Company is pursuing a legal claim against certain individuals.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature : Chennai

Date : 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Balance Sheet as at 31 March 2015

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

| | Notes | 31 March 2015 | 31 March 2014 |
|--|-------|----------------------|----------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 101,058,400 | 101,058,400 |
| Reserves and surplus | 4 | 6,346,329,273 | 6,363,443,512 |
| | | 6,447,387,673 | 6,464,501,912 |
| Non-current liabilities | | | |
| Long-term borrowings | 6 | 891,129,810 | 752,083,000 |
| Other long-term liabilities | 5 | 6,143,758 | 19,380,856 |
| Deferred tax liabilities (net) | 11 | 138,444,369 | 122,246,706 |
| Long-term provisions | 7 | 800,000 | 800,000 |
| | | 1,036,517,937 | 894,510,562 |
| Current liabilities | | | |
| Short-term borrowings | 6 | 79,942,299 | 171,462,501 |
| Trade payables | 8 | 24,358,860 | 40,727,099 |
| Other current liabilities | 8 | 234,536,401 | 154,778,813 |
| Short-term provisions | 7 | 34,958,620 | 110,109,641 |
| | | 373,796,180 | 477,078,054 |
| Total | | 7,857,701,790 | 7,836,090,528 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 9 | 1,529,267,717 | 1,444,368,522 |
| Intangible assets | 10 | 1,849,592 | 1,961,266 |
| Capital work-in-progress | | 150,840,287 | 112,493,054 |
| Non-current investments | 12 | 1,147,911,543 | 1,070,385,843 |
| Long-term loans and advances | 14 | 831,430,354 | 449,180,082 |
| Other assets | 15.2 | 11,356,819 | 563,977,534 |
| | | 3,672,656,312 | 3,642,366,301 |
| Current assets | | | |
| Current investments | 17 | 2,517,425,875 | 2,859,720,313 |
| Inventories | 13 | 117,459,067 | 173,346,120 |
| Trade receivables | 15.1 | 224,258,713 | 340,622,281 |
| Cash and bank balances | 16 | 1,273,776,630 | 748,375,700 |
| Short-term loans and advances | 14 | 22,475,566 | 35,280,101 |
| Other assets | 15.2 | 29,649,627 | 36,379,712 |
| | | 4,185,045,478 | 4,193,724,227 |
| Total | | 7,857,701,790 | 7,836,090,528 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan

Managing Director

J. Bhuvaneshwari

Company Secretary

Place: Chennai

Date: 28 May 2015

V. C. Raghunath

Director

P. Jagan

Chief Financial Officer

Place: Chennai

Date: 28 May 2015

Place: Chennai

Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Statement of profit and loss for the year ended 31 March 2015

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

| | Notes | 31 March 2015 | 31 March 2014 |
|--|-------|--------------------|--------------------|
| Income | | | |
| Revenue from operations (gross) | 18 | 488,750,112 | 524,029,631 |
| Less: Excise duty | | 5,449,364 | 15,817,195 |
| Revenue from operations (net) | | 483,300,748 | 508,212,436 |
| Other income | 19 | 247,857,996 | 293,600,447 |
| Total revenue | | 731,158,744 | 801,812,883 |
| Expenses | | | |
| Cost of raw material and components consumed | 20 | 82,100,383 | 165,631,054 |
| Purchase of traded goods | 21 | 116,503,746 | 200,394,407 |
| (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods | 21 | 72,152,375 | (50,282,477) |
| Employee benefits expense | 22 | 66,575,253 | 59,768,968 |
| Other expenses | 23 | 150,031,292 | 119,488,103 |
| Depreciation and amortisation expense | 24 | 87,170,924 | 44,622,786 |
| Finance costs | 25 | 106,821,701 | 12,738,923 |
| Total expenses | | 681,355,674 | 552,361,764 |
| Profit before tax and exceptional items | | 49,803,070 | 249,451,119 |
| Exceptional items (Also refer note 40) | | (20,311,785) | - |
| Profit before tax | | 29,491,285 | 249,451,119 |
| Tax expenses | | | |
| Current tax | | 638,213 | 43,647,811 |
| Less: MAT credit entitlement | | (638,213) | (43,647,811) |
| Deferred tax | | 16,197,663 | - |
| Total tax expense | | 16,197,663 | - |
| Profit for the year | | 13,293,622 | 249,451,119 |
| Earnings per equity share (nominal value of share Rs.10/- (31 March 2014: Rs.10/-)) | 26 | | |
| Basic and diluted earnings per share | | 1.32 | 24.68 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

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

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director
J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director
P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| A. Cash flow from operating activities: | | |
| Profit before taxation | 29,491,285 | 249,451,119 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation / amortisation | 87,170,924 | 44,622,786 |
| Loss on sale of tangible assets | 1,253,799 | - |
| Unrealised foreign exchange loss / (gain), net | 2,282,954 | (1,931,075) |
| Net gain from the sale of current investment | (57,767,367) | (100,062,714) |
| Dividend income - mutual fund | (22,551,454) | (37,462,711) |
| Remission and write off of debts | - | 1,443,100 |
| Liability no longer required written back | (2,258,735) | (1,284,227) |
| Interest expense | 105,989,962 | 11,609,030 |
| Cost of Land written off (exceptional item) | 20,311,785 | - |
| Interest income | (155,472,817) | (143,999,180) |
| Operating profit before working capital changes | 8,450,336 | 22,386,128 |
| Movement in working capital : | | |
| Decrease/ (Increase) in trade receivables | 116,363,568 | (206,451,393) |
| (Increase) in loans and advances | (321,639,161) | (104,746,481) |
| Decrease / (Increase) in inventories | 55,887,052 | (54,551,611) |
| (Decrease) in trade payables, other current and long term liabilities | (27,004,808) | (22,472,387) |
| Increase in provisions | 851,066 | 1,254,276 |
| Cash used in operations | (167,091,947) | (364,581,468) |
| Taxes paid, net | (47,806,575) | (270,601,545) |
| Net cash flow used in operating activities (A) | (214,898,522) | (635,183,013) |
| B. Cash flow from investing activities: | | |
| Capital expenditure (refer note 1 below) | (315,964,686) | (690,424,420) |
| Proceeds from sale of tangible assets | 13,200,447 | - |
| Redemption / (Investment) in current investments | 400,061,804 | (108,681,469) |
| Investment in subsidiaries | (77,525,700) | (70,445,900) |
| Redemption in bank deposits (having original maturity of more than three months) | 20,897,565 | 481,596,641 |
| Interest received | 162,902,902 | 205,723,784 |
| Dividend received on mutual fund | 23,396,829 | 179,110,179 |
| Net cash flow generated from / (used in) investing activities (B) | 226,969,161 | (3,121,185) |

SWELECT ENERGY SYSTEMS LIMITED

Cash flow statement for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|---|---------------------|---------------------|
| C. Cash flow from financing activities: | | |
| (Repayment) of short-term borrowings | (91,520,202) | (98,615,955) |
| Proceeds from long-term borrowings | 283,671,810 | 752,083,000 |
| Interest paid | (103,289,145) | (11,232,397) |
| Dividend paid | (90,952,560) | (80,846,720) |
| Dividend tax paid | (15,457,388) | (13,739,900) |
| Net cash flow (used in) /generated from financing activities (C) | (17,547,485) | 547,648,028 |
| Net decrease in cash and cash equivalents (A + B + C) | (5,476,846) | (90,656,170) |
| Cash and cash equivalents at the beginning of the year | 15,198,814 | 105,854,984 |
| Closing cash and cash equivalents (Refer Note 2 below) | 9,721,968 | 15,198,814 |

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

| | 31 March 2015 | 31 March 2014 |
|---|------------------|-------------------|
| Cash and bank balances including non-current bank balance | 1,285,133,449 | 1,312,353,234 |
| Less: Term deposit placed with the banks | (1,260,812,452) | (729,089,302) |
| Less: Non-current bank balance (refer note 15.2) | (11,356,819) | (563,977,534) |
| Less: Unpaid dividend accounts* | (3,242,210) | (4,087,585) |
| Cash and cash equivalent at the end of the year | 9,721,968 | 15,198,813 |

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

b) Components of cash and cash equivalents

| | | |
|----------------------|-----------|------------|
| Balances with banks: | | |
| On current accounts | 9,553,479 | 15,095,153 |
| Cash on hand | 168,489 | 103,660 |

Notes :

- Increase in capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months amounting to Rs.1,272,169,271 (Previous year Rs. 1,293,066,836) are not included under Cash and Cash equivalents. These fixed deposits include deposits amounting to Rs.486,529,343 (Previous year Rs. 480,055,421) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.
- The accompanying notes are an integral part of the financial statement.

As per our report of even date

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

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director
J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director
P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

1. Nature of operations

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

2. Summary of significant accounting policies

(a) Basis of preparation

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

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

(c) Use of estimates

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

(d) Tangible and intangible fixed assets

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

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

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

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

(e) Depreciation and amortization:

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 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| | |
|--|--------------------|
| Office equipment | 5 years |
| Electrical equipment | 10 years |
| Computers | 3 years |
| Furniture and fittings | 10 years |
| Vehicles (Motor cars / Motor Vehicles) | 8 years / 10 years |

Useful lives / depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the current year Schedule VI has been replaced by Schedule II to the Companies Act, 2013. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has reestimated 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 lives and residual values of fixed assets, though these rates in certain cases are different from the lives prescribed under Schedule II. As a result of change in the estimated useful life the Profit before taxes for the current year is lower by Rs.4,391,061.

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

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

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

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

(f) 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.

(g) Investments

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

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

(h) 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.

(i) Revenue recognition

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

Sale of goods

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

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

Sale of power

Income from sale of power

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

Income from Sale of Renewable Energy Certificates

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

Income from service

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

Interest

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

Dividend

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

(j) Foreign currency transactions

Initial recognition

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

Conversion

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

Exchange differences

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

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.

(k) Retirement and other employee benefits

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

(l) Income taxes

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

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than those arising from undertakings enjoying tax holiday benefits, are recognised and carried forward only

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against the future taxable profits.

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

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

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

(m) 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.

(n) Leases

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

(o) Provision

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

Provision for warranty:

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

(p) Contingent liabilities

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

(q) Cash and Cash equivalents

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

(r) Borrowing costs

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

(s) Cash flow statement

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|---------------------------|---------------------------|
| 3 Share capital | | |
| Authorised shares | | |
| 20,000,000 (Previous year - 20,000,000) equity shares of Rs.10/- each | <u>200,000,000</u> | <u>200,000,000</u> |
| Issued, subscribed and fully paid-up shares | | |
| 10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each | <u>101,058,400</u> | <u>101,058,400</u> |
| Total issued, subscribed and fully paid-up share capital | <u>101,058,400</u> | <u>101,058,400</u> |

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

Equity shares

| | <u>31 March 2015</u> | | <u>31 March 2014</u> | |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
| | <u>Number of shares</u> | <u>Rupees</u> | <u>Number of shares</u> | <u>Rupees</u> |
| At the beginning of the year | 10,105,840 | 101,058,400 | 10,105,840 | 101,058,400 |
| Movement during the year | - | - | - | - |
| Outstanding at the end of the year | <u>10,105,840</u> | <u>101,058,400</u> | <u>10,105,840</u> | <u>101,058,400</u> |

b. Terms / rights attached to equity shares

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

During the year ended 31 March 2015, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs. Nil (31 March 2014 Rs.Nil/-) and proposed dividend was Rs.2.50 /- (31 March 2014: Rs. 9/-).

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

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|-------------------------|-------------------------|
| | <u>Number of shares</u> | <u>Number of shares</u> |
| Equity shares allotted as fully paid bonus shares by capitalisation of securities premium (during the year ended March 2010) | - | 5,052,920 |
| Equity shares allotted as fully paid up pursuant to the merger of UPS division of Swelect Electronics Private Limited for consideration other than cash (during the year ended March 2010). | - | 52,920 |

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

| | <u>31 March 2015</u> | | <u>31 March 2014</u> | |
|---|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | <u>Number of shares</u> | <u>% holding in the class</u> | <u>Number of shares</u> | <u>% holding in the class</u> |
| Equity shares of Rs.10/- each fully paid | | | | |
| R. Chellappan, Managing Director | 4,747,054 | 46.97% | 4,747,054 | 46.97% |

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

4 Reserves and surplus

| | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| Capital reserve | | |
| Balance as per the last financial statements | 15,263,880 | 15,263,880 |
| Movement during the year | - | - |
| Closing balance | 15,263,880 | 15,263,880 |
| Securities premium account | | |
| Balance as per the last financial statements | 18,268,300 | 18,268,300 |
| Movement during the year | - | - |
| Closing balance | 18,268,300 | 18,268,300 |
| General reserve | | |
| Balance as per the last financial statements | 1,786,628,003 | 1,761,682,891 |
| Add: amount transferred from surplus balance in the statement of profit and loss | 1,329,362 | 24,945,112 |
| Closing balance | 1,787,957,365 | 1,786,628,003 |
| Surplus in the statement of profit and loss | | |
| Balance as per last financial statements | 4,543,283,329 | 4,425,187,270 |
| Profit for the year | 13,293,622 | 249,451,119 |
| <u>Less: Appropriations</u> | | |
| Proposed final equity dividend (amount per share: Rs.2.5/- (31 March 2014: Rs. 9/-)) | (25,264,600) | (90,952,560) |
| Tax on proposed equity dividend | (5,143,261) | (15,457,388) |
| Transferred to general reserve | (1,329,362) | (24,945,112) |
| Total appropriations | (31,737,223) | (131,355,060) |
| Net surplus in the statement of profit and loss | 4,524,839,728 | 4,543,283,329 |
| Total reserves and surplus | 6,346,329,273 | 6,363,443,512 |

5 Other long-term liabilities

| | | |
|----------------|------------------|-------------------|
| Rental deposit | 6,143,758 | 19,380,856 |
| | 6,143,758 | 19,380,856 |

6 Borrowings

| | Long-term | | Short-term | |
|------------------------------|--------------------|--------------------|-------------------|--------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Secured borrowings | | | | |
| Overdraft facility from bank | - | - | 79,942,299 | 171,462,501 |
| Term loan from Banks | 891,129,810 | 752,083,000 | - | - |
| | 891,129,810 | 752,083,000 | 79,942,299 | 171,462,501 |

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

Term loans from Bank I amounting to Rs. 598,000,000 (Previous year Rs. 578,500,000) are repayable in 16 installments of Rs. 29,406,250 (Previous year Rs. 29,406,250 of 16 installments each) each per quarter starting from June 2015 onwards and ends on March 2019, 16 installments of Rs. 4,343,750 (Previous year Nil) each per quarter starting from June 2016 and ends on March 2020 and 8 installments of Rs. 6,750,000 each per quarter (Previous year - 16 installments of Rs. 6,750,000 each per quarter) starting from May 2015 till May 2017 and 1 installment of Rs.4,000,000 (Previous year - Nil) payable on May 2017. These loans are secured by a pledge on the investments in mutual funds of the Company.

Term loans from Bank II amounting to Rs. 437,754,810 (Previous year Rs. 173,583,000) are for a period of three years with bullet repayment terms. These loans are secured by investments in mutual funds of the Company.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| 7 Provisions | Long-term | | Short-term | |
|--|----------------|----------------|----------------------|----------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Provision for employee benefits | | | | |
| Provision for gratuity (refer note 27) | - | - | - | 577,686 |
| Provision for leave benefits | - | - | 3,650,759 | 2,222,007 |
| Total (A) | - | - | 3,650,759 | 2,799,693 |
| Other provisions | | | | |
| Provision for warranties | 800,000 | 800,000 | 900,000 | 900,000 |
| Proposed equity dividend | | | 25,264,600 | 90,952,560 |
| Provision for tax on proposed equity dividend | | | 5,143,261 | 15,457,388 |
| Total (B) | 800,000 | 800,000 | 31,307,861 | 107,309,948 |
| Total (A)+(B) | 800,000 | 800,000 | 34,958,620 | 110,109,641 |
| Provision for warranties | | | 31 March 2015 | 31 March 2014 |
| At the beginning of the year | | | 1,700,000 | 1,000,000 |
| Arising during the year | | | - | 700,000 |
| Utilised during the year | | | - | - |
| At the end of the year | | | 1,700,000 | 1,700,000 |
| 8 Trade payables and other current liabilities | | | | |
| Trade payables | | | 24,358,860 | 40,727,099 |
| (refer note below regarding dues to micro, small and medium enterprises) | | | | |
| Other current liabilities | | | | |
| Interest accrued and due on borrowings | | | 3,855,907 | 1,155,090 |
| Current Maturities of Long-term Debt | | | 144,625,000 | - |
| Deferred service income | | | 212,657 | - |
| Unpaid dividend | | | 3,242,211 | 4,087,585 |
| Payables for capital purchases | | | 58,378,065 | 132,460,422 |
| Advance from customers | | | 7,656,641 | 3,117,435 |
| Statutory dues payables | | | 3,371,860 | 13,958,281 |
| Rental Deposits Received | | | 13,194,060 | - |
| | | | 234,536,401 | 154,778,813 |
| | | | 258,895,261 | 195,505,912 |

Note:

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

9 Tangible assets

| Particulars | Land | Buildings (Refer 9(a & c)) | Plant and machinery (Refer 9 (b & d)) | Office & Electrical equipment | Computers | Furniture and fittings | Vehicles | Leasehold improvements | Total |
|----------------------------|--------------------|-------------------------------|---|-------------------------------------|------------------|---------------------------|-------------------|---------------------------|----------------------|
| Cost | | | | | | | | | |
| At 1 April 2013 | 125,143,329 | 339,524,093 | 393,500,795 | 43,722,017 | 3,606,138 | 45,614,879 | 15,455,300 | 4,169,751 | 970,736,302 |
| Additions | - | 1,052,105 | 704,303,608 | 3,296,967 | 717,849 | 221,050 | 703,667 | 212,704 | 710,507,950 |
| Deletions | - | - | - | - | - | - | - | - | - |
| At 31 March 2014 | 125,143,329 | 340,576,198 | 1,097,804,403 | 47,018,984 | 4,323,987 | 45,835,929 | 16,158,967 | 4,382,455 | 1,681,244,252 |
| Additions | 8,782,380 | - | 198,307,096 | 3,243,416 | 1,006,038 | 84,453 | 97,668 | - | 211,521,051 |
| Deletions/Adjustment | (23,042,996) | (2,892,807) | (6,686,364) | (13,878,403) | - | - | - | - | (46,500,570) |
| At 31 March 2015 | 110,882,713 | 337,683,391 | 1,289,425,135 | 36,383,997 | 5,330,025 | 45,920,382 | 16,256,635 | 4,382,455 | 1,846,264,733 |
| Depreciation | | | | | | | | | |
| At 1 April 2013 | - | 63,174,419 | 82,961,123 | 14,774,140 | 1,782,549 | 19,359,924 | 8,126,200 | 2,597,601 | 192,777,956 |
| Charge for the year | - | 11,375,245 | 24,568,034 | 2,204,224 | 664,426 | 2,896,659 | 1,521,732 | 867,454 | 44,097,774 |
| Deletions | - | - | - | - | - | - | - | - | - |
| At 31 March 2014 | - | 74,549,664 | 107,529,157 | 16,978,364 | 2,446,975 | 22,256,583 | 9,649,932 | 3,465,055 | 236,875,730 |
| Charge for the year | - | 11,157,917 | 58,146,150 | 7,234,316 | 1,436,433 | 6,382,204 | 1,788,271 | 459,831 | 86,605,122 |
| Deletions/Adjustment | - | (354,030) | (918,871) | (5,210,935) | - | - | - | - | (6,483,836) |
| As at 31 March 2015 | - | 85,353,551 | 164,756,436 | 19,001,745 | 3,883,408 | 28,638,787 | 11,438,203 | 3,924,886 | 316,997,016 |
| Net Block | | | | | | | | | |
| At 31 March 2014 | 125,143,329 | 266,026,534 | 990,275,246 | 30,040,620 | 1,877,012 | 23,579,346 | 6,509,035 | 917,400 | 1,444,368,522 |
| At 31 March 2015 | 110,882,713 | 252,329,840 | 1,124,668,699 | 17,382,252 | 1,446,617 | 17,281,595 | 4,818,432 | 457,569 | 1,529,267,717 |

Notes:

| Particulars | Gross block | Depreciation charge for the year | Accumulated Depreciation | Net book value |
|--|-------------|-------------------------------------|-----------------------------|-------------------|
| a. Buildings includes those constructed on leasehold land As at 31 March 2015 | 1,052,105 | 35,140 | 70,280 | 981,825 |
| As at 31 March 2014 | 1,052,105 | 35,140 | 35,140 | 1,016,965 |
| b. Plant and machinery includes assets given on operating lease (Represent plant and machinery leased for a term of 11 months to the subsidiaries of the company) As at 31 March 2015 | 65,448,865 | 4,433,521 | 9,032,793 | 56,416,072 |
| As at 31 March 2014 | 46,633,726 | 2,051,328 | 4,599,272 | 42,034,454 |
| c. Buildings include assets given on operating lease As at 31 March 2015 | 255,238,872 | 6,808,832 | 62,581,420 | 192,657,452 |
| As at 31 March 2014 | 255,238,872 | 6,808,832 | 55,772,588 | 199,466,284 |
| d. Additions to plant and machinery includes asset amounting to Rs.160,112,495 (Previous year Rs. 645,576,693) related to solar plant constructed on lease hold land taken for a period of 25 years from Swelect Green Energy Solutions Private Limited and interest on borrowing amounting to Rs.715,305 (Previous year Rs. 9,926,484) has been capitalised. | | | | |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

10 Intangible assets

| Particulars | Goodwill | Computer software | Total |
|-------------------------|-------------------|-------------------|-------------------|
| Gross block | | | |
| At 1 April 2013 | 13,816,060 | 2,518,899 | 16,334,959 |
| Additions | - | 134,633 | 134,633 |
| Disposals | - | - | - |
| At 31 March 2014 | 13,816,060 | 2,653,532 | 16,469,592 |
| Additions | - | 454,128 | 454,128 |
| Disposals / Adjustment | - | - | - |
| At 31 March 2015 | 13,816,060 | 3,107,660 | 16,923,720 |
| Amortisation | | | |
| At 1 April 2013 | 13,816,060 | 167,254 | 13,983,314 |
| Charge for the year | - | 525,012 | 525,012 |
| Disposals | - | - | - |
| At 31 March 2014 | 13,816,060 | 692,266 | 14,508,326 |
| Charge for the year | - | 565,802 | 565,802 |
| Disposals | - | - | - |
| At 31 March 2015 | 13,816,060 | 1,258,068 | 565,802 |
| Net block | | | |
| At 31 March 2014 | - | 1,961,266 | 1,961,266 |
| At 31 March 2015 | - | 1,849,592 | 1,849,592 |

11 Deferred tax liabilities (net)

| | 31 March 2015 | 31 March 2014 |
|---|----------------------|--------------------|
| Deferred tax liability | | |
| Fixed assets: Impact on difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 375,671,903 | 129,379,923 |
| Gross deferred tax liability | 375,671,903 | 129,379,923 |
| 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 | (7,783,533) | (1,523,685) |
| Carry forward business loss and unabsorbed depreciation | (229,444,001) | (5,609,532) |
| Gross deferred tax asset | (237,227,534) | (7,133,217) |
| Deferred tax liabilities (net) | 138,444,369 | 122,246,706 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

12 Non-current investments

| | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| Trade investments (valued at cost unless stated otherwise) | | |
| Investment in equity instruments of subsidiaries (unquoted) | | |
| 244,000 (Previous year - 244,000) equity shares of Swelect Solar Energy Private Limited, Rs.100/- each fully paid | 24,400,000 | 24,400,000 |
| 12,232,500 (Previous year - 12,232,500) equity shares of Singapore Dollar 1/- each fully paid in Swelect Energy Systems Pte. Limited. | 437,290,241 | 437,290,241 |
| 5,500,000 (Previous year - 4,500,000) of equity shares of Amex Irons Private Limited, Rs.10/- each fully paid | 109,500,000 | 99,500,000 |
| 1,000,000 (Previous year - 1,000,000) of equity shares of Amex Alloys Private Limited, Rs.10/- each fully paid | 54,118,000 | 54,118,000 |
| 3,739,716 (Previous year - 1,832,400) of equity shares of HHV Solar Technologies Limited, Rs.10/- each fully paid | 267,443,172 | 218,602,602 |
| 135,000 (Previous year - 70,000) of equity shares of Swelect Green Energy Solutions Private Limited, Rs.100/- each fully paid | 13,500,000 | 7,000,000 |
| Investment in preference shares instruments of subsidiaries (unquoted) | | |
| 125,000 (Previous year - 250,000) of 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, Rs.100/- each fully paid | 12,500,000 | 25,000,000 |
| 17,616,013 (Previous year - 15,000,000) of 10% Cumulative redeemable preference shares of HHV Solar Technologies Limited, Rs.10/- each fully paid | 176,160,130 | 150,000,000 |
| Investment in joint ventures (unquoted) | | |
| Nil (Previous year - 2,500) equity shares of Rs 100/- each fully paid in Swelect Infrastructure Services Private Limited | - | 250,000 |
| | 1,094,911,543 | 1,016,160,843 |
| Non trade investments (valued at cost unless stated otherwise) | | |
| Investment in equity instruments (unquoted) | | |
| 300,000 (Previous year - 300,000) equity shares of Rs 10/- each fully paid in Gem Sugars Limited | 3,000,000 | 3,000,000 |
| Investment in tax free bonds (unquoted) | | |
| 50,000 (Previous year - 50,000) bonds of Rs.1,000/- each fully paid in Housing and Urban Development Corporation Limited | 50,000,000 | 50,000,000 |
| Investment in associates (unquoted) | | |
| Nil (Previous year - 12,250) equity shares of Rs 100/- each fully paid in Swelect - Sunpac Power Protection Private Limited | - | 1,225,000 |
| | 53,000,000 | 54,225,000 |
| | 1,147,911,543 | 1,070,385,843 |
| Aggregate amount of unquoted investments | 1,147,911,543 | 1,070,385,843 |
| 13 Inventories (valued at lower of cost and net realisable value) | | |
| Raw materials and components | 81,379,728 | 65,114,406 |
| Work-in-progress | 4,686,405 | 4,935,530 |
| Finished goods | 84,789 | 650,076 |
| Traded goods | 31,308,145 | 102,646,108 |
| | 117,459,067 | 173,346,120 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| 14 Loans and advances | Non-current | | Current | |
|--|--------------------|--------------------|-------------------|-------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Capital advances | | | | |
| Unsecured, considered good | 92,827,979 | 9,590,369 | - | - |
| (A) | 92,827,979 | 9,590,369 | - | - |
| Security deposit | | | | |
| Unsecured, considered good | 8,225,876 | 9,374,943 | 3,654,482 | 21,721,033 |
| (B) | 8,225,876 | 9,374,943 | 3,654,482 | 21,721,033 |
| Loan and advances to related parties (refer note 31) | | | | |
| Unsecured, considered good | 567,541,233 | 302,671,230 | - | - |
| (C) | 567,541,233 | 302,671,230 | - | - |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | - | - | 3,511,884 | 9,940,587 |
| (D) | - | - | 3,511,884 | 9,940,587 |
| Other loans and advances | | | | |
| <u>Unsecured, considered good:</u> | | | | |
| Advance income-tax (net of provision for taxation) | 107,582,689 | 60,414,327 | - | - |
| MAT credit entitlement | 44,286,024 | 43,647,811 | - | - |
| Prepaid expenses | 8,452,506 | 8,803,849 | 2,226,007 | 1,901,761 |
| Loans to employees | 690,751 | 789,399 | 500,600 | 617,802 |
| Balances with government authorities | 1,823,296 | 13,888,154 | 12,582,592 | 1,098,918 |
| (E) | 162,835,266 | 127,543,540 | 15,309,200 | 3,618,481 |
| <u>Unsecured, considered doubtful:</u> | | | | |
| Balances with government authorities | - | - | 3,159,000 | 3,159,000 |
| Provision for doubtful advance | - | - | (3,159,000) | (3,159,000) |
| (F) | - | - | - | - |
| Total (A+ B + C + D + E + F) | 831,430,354 | 449,180,082 | 22,475,566 | 35,280,101 |

Loans and advances to related parties include:

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

| | Non-current | | Maximum amount outstanding | |
|---|---------------|---------------|----------------------------|---------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| -- Amex Alloys Private Limited | 96,221,775 | 74,724,844 | 96,221,775 | 76,759,861 |
| -- Amex Irons Private Limited | 153,334,583 | 78,512,689 | 153,334,583 | 78,512,689 |
| -- BS Powertech Solutions Private Limited | 63,912,363 | 47,081,899 | 101,414,633 | 47,081,899 |
| -- Swelect Solar Energy Private Limited | 38,905,011 | 38,677,609 | 38,905,011 | 40,805,699 |
| -- Swelect Green Energy Solutions Private Limited | 11,877,371 | 6,210,501 | 11,877,371 | 13,744,026 |
| -- HHV Solar Technologies Limited | 203,290,130 | 57,463,688 | 205,774,143 | 111,666,951 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

15 Trade receivables and other assets

15.1 Trade receivables

| | Current | |
|---|--------------------|--------------------|
| | 31 March 2015 | 31 March 2014 |
| Outstanding for a period exceeding six months from the date they are due for payment | | |
| - Unsecured, considered good | 145,832,549 | 93,269,300 |
| (A) | 145,832,549 | 93,269,300 |
| Other receivables | | |
| - Unsecured, considered good | 78,426,164 | 247,352,981 |
| (B) | 78,426,164 | 247,352,981 |
| Total (A + B) | 224,258,713 | 340,622,281 |

Included in trade receivables are:

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

| | | |
|---|-------------|-------------|
| -- BS Powertech Solutions Private Limited | 17,175,781 | 54,309,371 |
| -- Amex Alloys Private Limited | 104,568,372 | 176,314,109 |
| -- Amex Irons Private Limited | 2,773,305 | - |
| -- Swelect Energy Systems Pte. Limited | 1,185,138 | 1,188,332 |

15.2 Other assets

| | Non-Current | | Current | |
|--|-------------------|--------------------|-------------------|-------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Unsecured, considered good | | | | |
| Non - current bank balance (note 16) # | 11,356,819 | 563,977,534 | - | - |
| Interest accrued on fixed deposits | - | - | 28,949,627 | 36,379,712 |
| Others | - | - | 700,000 | - |
| | 11,356,819 | 563,977,534 | 29,649,627 | 36,379,712 |

Includes deposits amounting to Rs. NIL (Previous year Rs. 480,055,420) retained in the Escrow account pursuant to the transfer of uninterruptible power supply systems business.

16 Cash and bank balances

Cash and cash equivalents

Balances with banks:

| | | | | |
|-----------------------------|--|--|-------------------|-------------------|
| On current accounts | | | 9,553,479 | 15,095,153 |
| On unpaid dividend accounts | | | 3,242,210 | 4,087,585 |
| Cash on hand | | | 168,489 | 103,660 |
| Total (A) | | | 12,964,178 | 19,286,398 |

Other bank balances

| | | | | |
|--|---------------------|----------------------|----------------------|--------------------|
| Deposits with original maturity for more than 12 months (Refer note below) | 11,356,819 | 563,977,534 | 486,529,343 | - |
| Deposits with original maturity for more than 3 months but less than 12 months (Refer note below)* | - | - | 774,283,109 | 729,089,302 |
| Total (B) | 11,356,819 | 563,977,534 | 1,260,812,452 | 729,089,302 |
| Amount disclosed under other assets (note 15.2) | (11,356,819) | (563,977,534) | - | - |
| Total cash and bank balances (A+B) | - | - | 1,273,776,630 | 748,375,700 |

* Deposits to the extent of Rs.734,251,097 (Previous year Rs 50,000,000) have been given as collateral to the banks to facilitate the availment of working capital, packing credit, letter of credit and term loans for the Company and Subsidiaries.

Note :

Current bank balance include deposits amounting to Rs. 486,529,343 (net) (Previous Year: Rs.480,055,420), disclosed under Note 15.2 Other Assets) retained in the Escrow account pursuant to the transfer of uninterruptible power supply systems business, which would mature on May 29, 2015.

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

17 Current investments

| | 31 March 2015 | 31 March 2014 |
|---|---------------|---------------|
| Current investments (valued at lower of cost and fair value, unless stated otherwise) Unquoted mutual funds | | |
| NIL (Previous year - 1,114,602) unit of Rs. 100/- each fully paid up ICICI Prudential Liquid Super Institutional Fund - daily dividend plan | - | 111,515,612 |
| NIL (Previous year - 202,936) unit of Rs. 1000/- each fully paid up Templeton India Treasury Management Account Super Institutional Plan - Daily dividend reinvestment plan | - | 203,072,441 |
| NIL (Previous year - 660,344) unit of Rs. 100/- each fully paid up Birla Sunlife Saving Fund daily dividend reinvestment plan | - | 66,230,532 |
| NIL (Previous year - 8,972) unit of Rs.10/- each fully paid up UTI Money Market Fund | - | 12,072,728 |
| 202 (Previous year - 190) unit of Rs. 1000/- each fully paid up SBI Premier Liquid Fund - daily dividend growth plan | 202,751 | 190,914 |
| 91,319 (Previous year - 85,726) unit of Rs. 100/- each fully paid up ICICI Prudential Flexible Income Daily Dividend Reinvestment plan | 9,655,772 | 9,064,266 |
| NIL (Previous year - 55,375) of Rs.10/- each fully paid up SBI Premier Liquid Fund - daily dividend plan | - | 55,555,100 |
| 12,000,000 (Previous year - 12,000,000) unit of Rs.10/- each fully paid up SBI Debt fund series -380 Days - Regular growth plan | 120,000,000 | 120,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan* | 210,000,000 | 210,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan* | 210,000,000 | 210,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan* | 210,000,000 | 210,000,000 |
| 8,201,872 (Previous year - 8,201,872) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular growth plan* | 82,018,720 | 82,018,720 |
| 3,000,000 (Previous year - 3,000,000) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan* | 300,000,000 | 300,000,000 |
| 5,000,000 (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year | 50,000,000 | 50,000,000 |
| 20,000,000 (Previous year - 20,000,000) unit of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series* | 200,000,000 | 200,000,000 |
| 5,000,000 (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan* | 50,000,000 | 50,000,000 |
| 22,000,000 (Previous year - 22,000,000) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan* | 220,000,000 | 220,000,000 |
| 21,000,000 (Previous year - 21,000,000) Unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan | 250,000,000 | 250,000,000 |
| NIL (Previous year - 50,000,000) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 366 Days direct growth plan | - | 500,000,000 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|----------------------|----------------------|
| 594,612.305 (Previous year - Nil) Unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment | 59,637,830 | - |
| 979,078.074 (Previous year- Nil) Unit of Rs.10/- each fully paid up ICICI Prudential Liquid -Regular Plan - Daily Dividend | 97,970,076 | - |
| 195,912.084 (Previous year - Nil) Unit of Rs.10/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend | 196,052,435 | - |
| 250,138.76 (Previous year - Nil) Unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend | 251,388,291 | - |
| LIC Endowment Plus | 500,000 | - |
| | <u>2,517,425,875</u> | <u>2,859,720,313</u> |
| Aggregate cost of unquoted investments | 2,517,425,875 | 2,859,720,313 |

Note:

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

18 Revenue from operations (net)

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| Revenue from operations | | |
| Sale of products | | |
| Manufactured goods | 129,615,957 | 223,253,054 |
| Traded goods | 186,928,658 | 203,674,108 |
| Sale of services | 21,157,694 | 18,938,780 |
| Sale of power | 89,178,535 | 17,588,877 |
| Other operating revenue | | |
| Scrap sales | 1,822,992 | 1,829,969 |
| Rental Income (Refer Note 28) | 60,046,276 | 58,744,843 |
| Revenue from operations (gross) | <u>488,750,112</u> | <u>524,029,631</u> |
| Less: Excise duty | 5,449,364 | 15,817,195 |
| Revenue from operations (net) | <u>483,300,748</u> | <u>508,212,436</u> |
| Details of products sold | | |
| Manufactured goods sold | | |
| --Contract manufacturing | 46,324,654 | 145,927,761 |
| --Solar Energy Systems | 83,291,303 | 77,325,293 |
| | <u>129,615,957</u> | <u>223,253,054</u> |
| Traded goods sold | | |
| --Solar Energy Systems | 186,928,658 | 203,674,108 |
| | <u>186,928,658</u> | <u>203,674,108</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| 19 Other income | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| Interest income | 155,472,817 | 143,999,180 |
| Dividend income from: | | |
| Investment in subsidiaries | 3,750,000 | 3,750,000 |
| Exchange differences (net) | - | 3,320,812 |
| Net gain from the sale of current investments | 57,767,367 | 100,062,714 |
| Dividend income on current investments - mutual fund | 22,551,454 | 37,462,711 |
| Rental income | 15,000 | 30,000 |
| Liabilities no longer required, written back | 2,258,735 | 1,284,227 |
| Other non-operating income | 6,042,623 | 3,690,803 |
| | 247,857,996 | 293,600,447 |

20 Cost of raw material and components consumed

| | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| Inventory at the beginning of the year | 65,114,406 | 60,845,272 |
| Purchases | 98,365,705 | 169,900,188 |
| | 163,480,111 | 230,745,460 |
| Less: inventory at the end of the year | 81,379,728 | 65,114,406 |
| Cost of raw material and components consumed | 82,100,383 | 165,631,054 |

Details of raw material and components consumed

| | | |
|------------------------------|-------------------|--------------------|
| Batteries | 1,588,736 | 19,372,501 |
| Semi-knocked down components | 6,419,469 | 26,003,049 |
| Solar panel and accessories | 59,847,851 | 64,772,188 |
| Others | 14,244,327 | 55,483,316 |
| | 82,100,383 | 165,631,054 |

Details of inventory at the end of the year

Raw materials and components

| | | |
|------------------------------|-------------------|-------------------|
| Batteries | 811,532 | 1,840,188 |
| Semi-knocked down components | 8,771,957 | 12,956,557 |
| Solar panel and accessories | 58,944,782 | 35,400,459 |
| Others | 12,851,457 | 14,917,202 |
| | 81,379,728 | 65,114,406 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

21 (Increase) / decrease in inventories

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|---------------------------|----------------------------|
| Inventories at the end of the year | | |
| Traded goods | 31,308,145 | 102,646,108 |
| Work-in-progress | 4,686,405 | 4,935,530 |
| Finished goods | 84,789 | 650,076 |
| | <u>36,079,339</u> | <u>108,231,714</u> |
| Inventories at the beginning of the year | | |
| Traded goods | 102,646,108 | 52,941,246 |
| Work-in-progress | 4,935,530 | 4,041,753 |
| Finished goods | 650,076 | 966,238 |
| | <u>108,231,714</u> | <u>57,949,237</u> |
| | <u>72,152,375</u> | <u>(50,282,477)</u> |
| Details of purchase of traded goods | | |
| Batteries | 53,186 | 105,923 |
| Solar Energy Systems | 111,376,118 | 140,830,944 |
| Others | 5,074,442 | 59,457,540 |
| | <u>116,503,746</u> | <u>200,394,407</u> |
| Details of inventory | | |
| Traded goods | | |
| Batteries | 12,739,107 | - |
| Solar Energy Systems | 11,397,419 | 101,577,197 |
| Others | 7,171,619 | 1,068,911 |
| | <u>31,308,145</u> | <u>102,646,108</u> |
| Work-in-progress | | |
| Semi-manufactured UPS Systems | 2,695,079 | 3,540,375 |
| Others | 1,991,326 | 1,395,155 |
| | <u>4,686,405</u> | <u>4,935,530</u> |
| Finished goods | | |
| Manufactured UPS Systems | 84,789 | 259,260 |
| Others | - | 390,816 |
| | <u>84,789</u> | <u>650,076</u> |

22 Employee benefit expense

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|--------------------------|--------------------------|
| Salaries, wages and bonus | 58,461,333 | 51,958,535 |
| Contribution to provident and other funds | 3,393,797 | 2,764,209 |
| Gratuity expense (refer note 27) | 1,148,134 | 977,748 |
| Staff welfare expenses | 3,571,989 | 4,068,476 |
| | <u>66,575,253</u> | <u>59,768,968</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

23 Other expenses

| | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| Sub-contracting and processing expenses | 24,325,718 | 41,715,890 |
| Service and maintenance charges | 1,154,565 | 353,592 |
| Power and fuel | 1,955,863 | 2,218,054 |
| Wheeling Charges | 5,159,110 | - |
| Freight and forwarding charges | 2,296,853 | 2,708,829 |
| Rent (refer note 28) | 5,300,390 | 3,935,679 |
| Rates and taxes | 7,164,833 | 4,689,580 |
| Insurance | 2,858,150 | 1,682,509 |
| Repairs and maintenance | | |
| - Plant & Machinery | 3,081,434 | 1,036,893 |
| - Buildings | 568,685 | 277,402 |
| - Others | 4,394,720 | 5,161,326 |
| Corporate social responsibility | 3,469,334 | - |
| Sales promotion | 5,218,974 | 4,393,919 |
| Advertisement | 3,599,323 | 9,143,503 |
| Travelling and conveyance | 10,916,526 | 10,246,083 |
| Communication costs | 3,359,207 | 1,987,466 |
| Printing and stationery | 2,253,708 | 1,924,521 |
| Exchange differences (net) | 2,004,386 | - |
| Legal and professional fees | 13,388,393 | 8,503,880 |
| Payment to auditor (Refer details below) | 3,600,674 | 3,227,384 |
| Bad debts/advances written off | - | 1,443,100 |
| Investments written off | 1,475,000 | - |
| Loss on Sale of Assets | 1,253,799 | - |
| Provision for warranties (net of reversals) | - | 700,000 |
| Miscellaneous expenses | 41,231,647 | 14,138,493 |
| | 150,031,292 | 119,488,103 |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 2,100,000 | 2,100,000 |
| Limited review | 900,000 | 900,000 |
| In other capacity: | | |
| Reimbursement of expenses | 600,674 | 227,384 |
| | 3,600,674 | 3,227,384 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

24 Depreciation and amortisation expense

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|-----------------------------------|----------------------|----------------------|
| Depreciation of tangible assets | 86,605,122 | 44,097,774 |
| Amortisation of intangible assets | 565,802 | 525,012 |
| | <u>87,170,924</u> | <u>44,622,786</u> |

25 Finance costs

| | | |
|------------------------|--------------------|-------------------|
| Interest | 105,989,962 | 11,609,030 |
| Bank and other charges | 831,739 | 1,129,893 |
| | <u>106,821,701</u> | <u>12,738,923</u> |

26 Earnings price per share (EPS)

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|-------------------------|-------------------------|
| The following reflects the profit and share data used in the basic and diluted EPS computations: | | |
| Profit after tax as per Statement of Profit & Loss, before exceptional item - (A) | 33,605,407 | 249,451,119 |
| Less: Exceptional item - (B) | 20,311,785 | - |
| Net profit attributable to the equity share holders excluding exceptional items (A - B) = C | <u>13,293,622</u> | <u>249,451,119</u> |
| | <u>Number of shares</u> | <u>Number of shares</u> |
| Weighted average number of equity shares - (D) | 10,105,840 | 10,105,840 |
| Basic and diluted earnings per share - total Profit - (C/D) | 1.32 | 24.68 |

27 Employee benefit plans

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

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

Net employee benefit expense (recognised in personnel expenses)

| Particulars | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|----------------------|----------------------|
| Current service cost | 619,495 | 375,423 |
| Interest cost on benefit obligations | 302,046 | 180,594 |
| Expected return on plan assets | (400,624) | (194,233) |
| Net actuarial loss recognised in the year | 627,217 | 615,964 |
| Net benefit expense | <u>1,148,134</u> | <u>977,748</u> |
| Actual return on plan assets | (400,624) | (194,233) |
| Details of provision for gratuity | | |
| Present value of obligations at the end of the year | 4,408,025 | 2,903,387 |
| Less : Fair value of plan assets at the end of the year | (4,565,675) | (2,325,701) |
| Plan liability/(asset) | <u>(157,650)</u> | <u>577,686</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

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

| | 31 March 2015 | 31 March 2014 |
|--|------------------|------------------|
| Present value of obligations at the beginning of the year | 2,903,387 | 2,257,421 |
| Interest cost | 302,046 | 180,594 |
| Current service cost | 619,495 | 375,423 |
| Benefits paid | (44,120) | (526,015) |
| Actuarial loss on obligations | 627,217 | 615,964 |
| Present value of obligations at the end of the year | 4,408,025 | 2,903,387 |

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

| | | |
|---|------------------|------------------|
| Fair value of planned assets at the beginning of the year | 2,325,701 | 1,230,149 |
| Expected return on plan assets | 400,624 | 194,233 |
| Contributions | 1,883,470 | 1,427,334 |
| Benefits paid | (44,120) | (526,015) |
| Fair value of plan assets at the end of the year | 4,565,675 | 2,325,701 |

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

| Year ended | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligations | 4,408,025 | 2,903,387 | 2,257,421 | 45,149,623 | 35,595,878 |
| Plan assets | 4,565,675 | 2,325,701 | 1,230,149 | 36,164,797 | 29,698,026 |
| Deficit / (Surplus) | (157,650) | 577,686 | 1,027,272 | 8,984,826 | 5,897,852 |
| Experience adjustments on plan liabilities / (asset) | 627,217 | 615,964 | (6,508,704) | 4,189,414 | 2,839,441 |

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

| Particulars | 31 March 2015 | 31 March 2014 |
|---|---------------|---------------|
| Discount rate (p.a) | 8.0% | 8.0% |
| Salary Escalation rate (p.a) | 5.0% | 5.0% |
| Expected return on plan assets (p.a) | 8.0% | 8.0% |
| Employee turnover | 1% - 3% | 1% - 3% |
| Contribution expected to be paid during the next year | 47,650 | 44,120 |

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

28 Leases

Operating leases: Company as lessee

| Particulars | 31 March 2015 | 31 March 2014 |
|--|----------------|------------------|
| Lease payments for the year | 5,300,390 | 3,935,679 |
| Future minimum rentals payable under operating leases are as follows: | | |
| Not later than one year | 486,217 | 2,285,390 |
| Later than one year but not later than five years | - | 486,217 |
| Later than five years | - | - |
| | 486,217 | 2,771,607 |

Operating leases: Company as lessor

| Particulars | 31 March 2015 | 31 March 2014 |
|---|-------------------|--------------------|
| Lease rent received for the year | 60,046,276 | 58,744,843 |
| Future minimum lease rental receivable under operating lease are as follows: | | |
| Not later than one year | 26,886,673 | 57,542,639 |
| Later than one year but not later than five years | 13,523,214 | 92,821,536 |
| Later than five years | - | - |
| | 40,409,887 | 150,364,175 |

The Company has entered into non - cancellable operating lease of its buildings (remaining term 2 months).

29 Segment information

A. Primary segment information (By Business segments)

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

Business (Primary) segments of the Company are:

- Contract manufacturing - UPS Systems
- Solar Energy Systems / Services
- Others

| Particulars | 31 March 2015 | 31 March 2014 |
|------------------------------------|--------------------|--------------------|
| 1. Segment revenue | | |
| -- Contract manufacturing | 42,794,871 | 130,110,566 |
| -- Solar Energy Systems / Services | 380,459,601 | 317,527,058 |
| -- Others | 60,046,276 | 60,574,812 |
| Total revenue (net) | 483,300,748 | 508,212,436 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statement for the year ended 31 March 2015

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| 2. Segment results | | |
| Segment profits before finance charges and tax | | |
| -- Contract manufacturing | 5,953,954 | 14,339,766 |
| -- Solar Energy Systems / Services | (64,702,220) | (35,934,571) |
| -- Others | 20,710,546 | 48,355,723 |
| Exceptional items (refer note 40) | (20,311,785) | - |
| Other unallocable income | 193,830,752 | 234,299,231 |
| Finance Charges | (105,989,962) | (11,609,030) |
| Total profits before tax | 29,491,285 | 249,451,119 |
| Tax expenses | (16,197,663) | - |
| Total profits after tax | 13,293,622 | 249,451,119 |
| 3. Segment assets | | |
| -- Contract manufacturing | 106,962,130 | 110,155,556 |
| -- Solar Energy Systems / Services | 3,533,904,704 | 3,245,273,485 |
| -- Others | 3,994,893,109 | 4,281,195,202 |
| -- Un-allocable assets | 221,941,850 | 199,466,285 |
| Total assets | 7,857,701,793 | 7,836,090,528 |
| 4. Segment liabilities | | |
| -- Contract manufacturing | 9,300,226 | 2,877,816 |
| -- Solar Energy Systems / Services | 902,117,874 | 1,059,830,922 |
| -- Others | 498,896,020 | 308,879,878 |
| Total liabilities | 1,410,314,120 | 1,371,588,616 |
| 5. Additions to tangible and intangible fixed assets | | |
| -- Solar Energy Systems / Services | 349,147,383 | 694,205,639 |
| -- Others | 13,668,083 | 16,436,944 |
| Total additions to tangible & intangible fixed assets | 362,815,466 | 710,642,583 |
| 6. Depreciation / Amortisation | | |
| -- Contract manufacturing | 2,378,394 | 2,378,394 |
| -- Solar Energy Systems / Services | 44,040,600 | 32,395,102 |
| -- Others | 40,751,930 | 9,849,290 |
| Total depreciation / amortisation | 87,170,924 | 44,622,786 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

B. Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2015 and year ended 31 March 2014. All tangible and intangible assets are located only in India except trade receivable and investment.

| Particulars | Geographical segment | | | |
|---|----------------------|---------------|---------------|---------------|
| | 31 March 2015 | | 31 March 2014 | |
| | Outside India | India | Outside India | India |
| Revenues | | | | |
| Sale to external customer | - | 483,300,748 | - | 508,212,436 |
| Additions to tangible and intangible assets | - | 362,815,466 | - | 710,642,583 |
| Segment assets | 1,185,138 | 7,856,516,652 | 440,614,754 | 7,395,475,773 |

30 Information in respect of Joint Venture in terms of Accounting Standard 27 -

Financial Reporting of Interests in Joint Ventures

Name of the Joint Venture: Swelect Infrastructure Services Private Limited

Nature of business: Providing infrastructure services.

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

Date of incorporation: 02 April 2004

Country of incorporation: India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in Joint Venture)

The Joint Venture has been wound up during the current year and hence the entire amount of investment has been written off

| | 31 March 2015 | 31 March 2014 |
|--------------------------------|---------------|----------------|
| Equity and liabilities | | |
| Shareholders' funds | | |
| Share capital | - | 250,000 |
| Reserves and surplus | - | 520,928 |
| | - | 770,928 |
| Non-current liabilities | | |
| Deferred tax liabilities (net) | - | 22,549 |
| Current liabilities | | |
| Trade payables | - | - |
| Other current liabilities | - | 5,618 |
| | - | 5,618 |
| Total | - | 799,095 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|-------------------------------|---------------|----------------|
| Asset | | |
| Non-current assets | | |
| Fixed assets | | |
| Tangible assets | - | 48,179 |
| | - | 48,179 |
| Current assets | | |
| Trade receivables | - | - |
| Cash and bank balances | - | 750,916 |
| Short-term loans and advances | - | - |
| | - | 750,916 |
| Total | - | 799,095 |

Summary of income and expenditure:

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

| | 31 March 2015 | 31 March 2014 |
|----------------------------------|------------------|-----------------|
| Other Income | 28,167 | 896,489 |
| Expenses | | |
| Personnel expenses | - | - |
| Manufacturing and other expenses | 750,917 | 966,582 |
| Depreciation | 48,179 | 10,000 |
| Financial expenses | - | - |
| | (770,929) | (80,093) |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

31 Related party transactions

1. Names of related parties and nature of relationship

| | |
|--|--|
| Subsidiaries | Swelect Energy Systems Pte. Limited |
| | Swelect Solar Energy Private Limited |
| | Amex Alloys Private Limited |
| | Amex Irons Private Limited |
| | HHV Solar Technologies Limited (Formerly known as 'HHV Solar Technologies Private Limited') |
| | BS Powertech Solutions Private Limited |
| | Swelect Green Energy Solutions Private Limited |
| Associate | Swelect Sunpac Power Protection Private Limited (Upto September 2014) |
| Joint Venture | Swelect Infrastructure Services Private Limited (Upto September 2014) |
| Enterprises owned or significantly influenced by key management personnel or their relatives | Swelect Electronics Private Limited |
| | Swelect Technologies Private Limited |
| Key Management Personnel | Mr. R Chellappan - Managing Director |
| | Mr. V. C. Raghunath -Director (w.e.f July 2014) |
| Relatives of key management personnel | Mrs. Gunasundari Chellappan |
| | Mrs. V. C. Mirunalini |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

31 Related party transactions

| Particulars | Subsidiaries | | Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives | | Key Management Personnel | | Relatives of key management personnel | | Total | |
|--|--------------|-------------|--|-----------|--------------------------|-----------|---------------------------------------|-----------|------------|-------------|
| | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 |
| Sale of goods | | | | | | | | | | |
| -- Amex Alloys Private Limited | 2,275,260 | 170,842,318 | - | - | 305,277 | - | - | - | 2,580,537 | 170,842,318 |
| -- Amex Irons Private Limited | 176,400 | 170,828,428 | - | - | - | - | - | - | 176,400 | 170,828,428 |
| -- BS Powertech Solutions Private Limited | 88,200 | - | - | - | - | - | - | - | 88,200 | - |
| -- HHV Solar Technologies Limited | 1,164,065 | - | - | - | - | - | - | - | 1,164,065 | - |
| -- Swelect Green Energy Solutions Private Limited | 420,000 | 13,890 | - | - | - | - | - | - | 420,000 | 13,890 |
| -- Mr. R Chellappan | 426,595 | - | - | - | 305,277 | - | - | - | 426,595 | - |
| Sale of Fixed Assets | | | | | | | | | | |
| -- BS Powertech Solutions Private Limited | 7,371,716 | - | - | - | - | - | - | - | 7,371,716 | - |
| Sale of Services | | | | | | | | | | |
| -- Amex Alloys Private Limited | - | 6,318,347 | - | - | - | - | - | - | - | 6,318,347 |
| Purchases of traded goods | | | | | | | | | | |
| -- Amex Irons Private Limited | 16,992,125 | 24,275,956 | - | - | - | - | - | - | 16,992,125 | 24,275,956 |
| -- Swelect Energy Systems Pte Limited, Singapore | - | 10,736 | - | - | - | - | - | - | - | 10,736 |
| -- HHV Solar Technologies Limited | 3,194 | - | - | - | - | - | - | - | 3,194 | - |
| Sale of Power | | | | | | | | | | |
| -- Amex Irons Private Limited | 16,988,931 | 24,265,220 | - | - | - | - | - | - | 16,988,931 | 24,265,220 |
| Reimbursement of expenses | | | | | | | | | | |
| -- Amex Irons Private Limited | 27,985,160 | 474,946 | - | - | - | - | - | - | 27,985,160 | 474,946 |
| Management services | | | | | | | | | | |
| -- Swelect Infrastructure Services Private Limited | 2,730,0481 | - | - | - | - | - | - | - | 27,300,481 | - |
| -- Swelect Sunpac Power Protection Private Limited | 684,679 | 474,946 | - | - | - | - | - | - | 684,679 | 474,946 |
| Rental income | | | | | | | | | | |
| -- Amex Alloys Private Limited | 5,013,060 | - | - | - | - | - | - | - | 5,013,060 | - |
| -- Amex Irons Private Limited | 5,013,060 | - | - | - | - | - | - | - | 5,013,060 | - |
| Management services | | | | | | | | | | |
| -- Swelect Infrastructure Services Private Limited | - | - | 5,195,629 | - | - | - | - | - | 5,195,629 | - |
| -- Swelect Sunpac Power Protection Private Limited | - | - | 1,325,079 | - | - | - | - | - | 1,325,079 | - |
| Rental income | | | | | | | | | | |
| -- Amex Alloys Private Limited | - | - | 3,870,550 | - | - | - | - | - | 3,870,550 | - |
| -- Amex Irons Private Limited | 12,400,810 | 11,161,871 | - | - | - | - | - | - | 12,400,810 | 11,161,871 |
| -- BS Powertech Solutions Private Limited | 7,817,708 | 7,661,384 | - | - | - | - | - | - | 7,817,708 | 7,661,384 |
| -- HHV Solar Technologies Limited | 3,830,736 | 3,136,896 | - | - | - | - | - | - | 3,830,736 | 3,136,896 |
| Other income | | | | | | | | | | |
| -- Amex Alloys Private Limited | 15,000 | 30,000 | - | - | - | - | - | - | 15,000 | 30,000 |
| -- Amex Irons Private Limited | 737,366 | 333,591 | - | - | - | - | - | - | 737,366 | 333,591 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

31 Related party transactions

| Particulars | Subsidiaries | | Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives | | Key Management Personnel | | Relatives of key management personnel | | Total | |
|--|--------------|------------|--|-----------|--------------------------|-----------|---------------------------------------|-----------|------------|------------|
| | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 |
| Interest income | | | | | | | | | | |
| -- Amex Alloys Private Limited | 40,955,756 | 29,780,538 | - | - | - | - | - | - | 40,955,756 | 29,780,538 |
| -- Amex Irons Private Limited | 6,837,000 | 5,852,823 | - | - | - | - | - | - | 6,837,000 | 5,852,823 |
| -- BS Powertech Solutions Private Limited | 11,072,519 | 7,042,032 | - | - | - | - | - | - | 11,072,519 | 7,042,032 |
| -- HHV Solar Technologies Limited | 6,925,296 | 10,616,711 | - | - | - | - | - | - | 6,925,296 | 10,616,711 |
| -- Swelect Solar Energy Private Limited | 11,722,745 | 2,230,068 | - | - | - | - | - | - | 11,722,745 | 2,230,068 |
| -- Swelect Green Energy Solutions Private Limited | 3,744,452 | 3,872,594 | - | - | - | - | - | - | 3,744,452 | 3,872,594 |
| | 653,744 | 166,310 | - | - | - | - | - | - | 653,744 | 166,310 |
| Rent expense | | | | | | | | | | |
| -- Mr. R Chellappan | 510,001 | 68,396 | - | - | - | 192,935 | 182,250 | - | 702,936 | 250,646 |
| -- Swelect Green Energy Solutions Private Limited | 510,001 | 68,396 | - | - | - | 192,935 | 182,250 | - | 192,935 | 182,250 |
| Investment written off | | | | | | | | | | |
| -- Swelect Infrastructure Services Private Limited | - | - | 1,475,000 | - | - | - | - | - | 1,475,000 | - |
| -- Swelect Sunpac Power Protection Private Limited | - | - | 250,000 | - | - | - | - | - | 250,000 | - |
| | - | - | 1,225,000 | - | - | - | - | - | 1,225,000 | - |
| Facility management fees | | | | | | | | | | |
| -- Swelect Green Energy Solutions Private Limited | 5,015,748 | - | - | - | - | - | - | - | 5,015,748 | - |
| | 5,015,748 | - | - | - | - | - | - | - | 5,015,748 | - |
| Remuneration | | | | | | | | | | |
| -- Mr. R Chellappan | - | - | - | - | 4,309,990 | 5,704,256 | - | 1,283,697 | 4,951,311 | 6,987,953 |
| -- Mr. V.C.Raghunath | - | - | - | - | 3,538,846 | 5,003,903 | - | - | 3,538,846 | 5,003,903 |
| -- Mrs. V.C.Mirunalini | - | - | - | - | 771,144 | 700,353 | - | 700,353 | 771,144 | 1,400,706 |
| | - | - | - | - | - | - | 641,321 | 583,344 | 641,321 | 583,344 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

31 Related party transactions

| Particulars | Subsidiaries | | Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives | | Key Management Personnel | | Relatives of key management personnel | | Total | |
|---|--------------|-------------|--|-----------|--------------------------|------------|---------------------------------------|-----------|-------------|-------------|
| | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 |
| Dividend paid | | | | | | | | | | |
| -- Mr. R Chellappan | - | - | - | - | 43,072,686 | 38,032,880 | 1,103,346 | 3,747,064 | 44,176,032 | 41,779,944 |
| -- Others | - | - | - | - | 42,723,486 | 37,976,432 | 1,103,346 | 3,747,064 | 42,723,486 | 37,976,432 |
| Management fees | | | | | 349,200 | 56,448 | - | - | 1,452,546 | 3,803,512 |
| -- BS Powertech Solutions Private Limited | - | 2,400,000 | - | - | - | - | - | - | - | 2,400,000 |
| Dividend received | | | | | - | - | - | - | 3,750,000 | 3,750,000 |
| -- Amex Alloys Private Limited- Preference shares | 3,750,000 | 3,750,000 | - | - | - | - | - | - | 3,750,000 | 3,750,000 |
| Non-current investments made | | | | | - | - | - | - | 91,500,700 | 82,946,600 |
| -- Swelect Solar Energy Private Limited - Equity shares | - | 14,000,000 | - | - | - | - | - | - | - | 14,000,000 |
| -- Amex Alloys Private Limited - Equity shares | - | 11,946,600 | - | - | - | - | - | - | - | 11,946,600 |
| -- Amex Irons Private Limited - Equity shares | 10,000,000 | - | - | - | - | - | - | - | 10,000,000 | - |
| -- HHV Solar Technologies Limited - Equity shares | 48,840,570 | - | - | - | - | - | - | - | 48,840,570 | - |
| -- HHV Solar Technologies Limited - Preference shares | 26,160,130 | 50,000,000 | - | - | - | - | - | - | 26,160,130 | 50,000,000 |
| -- Swelect Green Energy Solutions Private Limited | 6,500,000 | 7,000,000 | - | - | - | - | - | - | 6,500,000 | 7,000,000 |
| Non-current investments - Redemption | | | | | - | - | - | - | 12,500,000 | 12,500,700 |
| -- Amex Alloys Private Limited - Preference shares | 12,500,000 | 12,500,000 | - | - | - | - | - | - | 12,500,000 | 12,500,000 |
| -- HHV Solar Technologies Limited - Equity shares | - | 700 | - | - | - | - | - | - | - | 700 |
| Advances made | | | | | | | | | | |
| -- Swelect Solar Energy Private Limited | 452,835,043 | 214,942,740 | - | - | - | - | - | - | 452,835,043 | 214,942,740 |
| -- Amex Irons Private Limited | 2,719,717 | 11,200,275 | - | - | - | - | - | - | 2,719,717 | 11,200,275 |
| -- Amex Alloys Private Limited | 93,636,107 | 20,185,282 | - | - | - | - | - | - | 93,636,107 | 20,185,282 |
| -- Swelect Green Energy Solutions Private Limited | 35,781,323 | 36,934,433 | - | - | - | - | - | - | 35,781,323 | 36,934,433 |
| -- HHV Solar Technologies Limited | 21,546,098 | 22,603,640 | - | - | - | - | - | - | 21,546,098 | 22,603,640 |
| -- HHV Solar Technologies Limited (Capital Advance) | 275,226,588 | 111,666,951 | - | - | - | - | - | - | 275,226,588 | 111,666,951 |
| -- BS Powertech Solutions Private Limited | 14,000,000 | - | - | - | - | - | - | - | 14,000,000 | - |
| | 9,925,210 | 12,352,159 | - | - | - | - | - | - | 9,925,210 | 12,352,159 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

31 Related party transactions

| Particulars | Subsidiaries | | Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives | | Key Management Personnel | | Relatives of key management personnel | | Total | |
|---|--------------|-------------|--|-----------|--------------------------|-----------|---------------------------------------|-----------|-------------|-------------|
| | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 |
| Repayment of advances | | | | | | | | | | |
| -- Amex Alloys Private Limited | 237,545,949 | 156,216,571 | - | - | - | - | - | - | 237,545,949 | 156,216,571 |
| -- Amex Irons Private Limited | 30,476,964 | 49,968,516 | - | - | - | - | - | - | 30,476,964 | 49,968,516 |
| -- Amex Irons Private Limited - Loan converted to equity shares | 33,909,000 | 20,210,727 | - | - | - | - | - | - | 33,909,000 | 20,210,727 |
| -- Swelect Green Energy Solutions Private Limited | 10,000,000 | - | - | - | - | - | - | - | 10,000,000 | - |
| -- HHV Solar Technologies Limited | 16,532,972 | 16,559,449 | - | - | - | - | - | - | 16,532,972 | 16,559,449 |
| -- BS Powertech Solutions Private Limited | 140,370,204 | 4,030,453 | - | - | - | - | - | - | 140,370,204 | 4,030,453 |
| -- Swelect Solar Energy Private Limited | 20,042 | 1,369,999 | - | - | - | - | - | - | 20,042 | 1,369,999 |
| -- HHV Solar Technologies Limited - Loan converted to preference shares | 6,236,767 | 14,077,427 | - | - | - | - | - | - | 6,236,767 | 14,077,427 |
| Balance outstanding at year end: | | | | | | | | | | |
| Trade payables | | | | | | | | | | |
| -- HHV Solar Technologies Limited | - | 163,418 | - | - | - | - | - | - | - | 163,418 |
| Amounts receivable from related parties | | | | | | | | | | |
| -- HHV Solar Technologies Limited | 707,243,829 | 534,483,042 | - | - | - | - | - | - | 707,243,829 | 534,483,042 |
| Trade receivables | | | | | | | | | | |
| -- Amex Irons Private Limited | 2,773,305 | - | - | - | - | - | - | - | 2,773,305 | - |
| -- Amex Alloys Private Limited | 104,568,372 | 176,314,109 | - | - | - | - | - | - | 104,568,372 | 176,314,109 |
| -- Swelect Energy Systems Pte. Limited., Singapore | 1,185,138 | 1,188,332 | - | - | - | - | - | - | 1,185,138 | 1,188,332 |
| -- BS Powertech Solutions Private Limited | 17,175,781 | 54,309,371 | - | - | - | - | - | - | 17,175,781 | 54,309,371 |
| Advances | | | | | | | | | | |
| -- Swelect Solar Energy Private Limited | 38,905,011 | 38,677,609 | - | - | - | - | - | - | 38,905,011 | 38,677,609 |
| -- Amex Irons Private Limited | 153,334,583 | 78,512,689 | - | - | - | - | - | - | 153,334,583 | 78,512,689 |
| -- HHV Solar Technologies Limited | 203,290,130 | 57,463,688 | - | - | - | - | - | - | 203,290,130 | 57,463,688 |
| -- HHV Solar Technologies Limited - Capital Advance | 14,000,000 | - | - | - | - | - | - | - | 14,000,000 | - |
| -- BS Powertech Solutions Private Limited | 63,912,363 | 47,081,899 | - | - | - | - | - | - | 63,912,363 | 47,081,899 |
| -- Amex Alloys Private Limited | 96,221,775 | 74,724,844 | - | - | - | - | - | - | 96,221,775 | 74,724,844 |
| -- Swelect Green Energy Solutions Private Limited | 11,877,371 | 6,210,501 | - | - | - | - | - | - | 11,877,371 | 6,210,501 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| 32 Directors' remuneration | | |
| Salaries | 3,687,394 | 2,415,000 |
| Commission | 622,596 | 2,588,903 |
| | 4,309,990 | 5,003,903 |
| 33 Contingent liabilities | | |
| Claims against the Company not acknowledged as debts | | |
| a) Cenvat related matters | 595,546 | 2,630,000 |
| b) Sales tax related matters | 51,495,575 | 17,382,361 |
| c) Income tax related matters | 14,575,600 | 14,575,600 |
| | 66,666,721 | 34,587,961 |

34 Derivative instruments and foreign currency exposures

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

| Particulars | 31 March 2015 | | | 31 March 2014 | |
|-------------------|------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| | Foreign Currency | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees |
| Trade receivables | USD | 13,225 | 672,740 | 23,418 | 1,361,264 |
| | SGD | 15,000 | 512,398 | - | - |
| Payables | USD | 1,070 | 66,972 | 27,534 | 1,600,628 |
| | EUR | 83,672 | 5,648,737 | 592,673 | 48,831,473 |

35 Value of imports calculated on CIF basis

| | 31 March 2015 | 31 March 2014 |
|---------------|----------------------|----------------------|
| Raw materials | 13,316,644 | 28,312,384 |
| Traded goods | 88,268,194 | 141,737,640 |
| Capital goods | 14,794,510 | 548,354,602 |
| | 116,379,348 | 718,404,626 |

36 Expenditure in foreign currency (on accrual basis)

| | 31 March 2015 | 31 March 2014 |
|------------|----------------------|----------------------|
| Travelling | 1,123,284 | 1,024,559 |
| | 1,123,284 | 1,024,559 |

37 Imported and indigenous raw materials

| | % of total consumption | | Value | |
|------------|------------------------|---------------|-------------------|--------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Imported | 14% | 12% | 11,114,662 | 20,045,331 |
| Indigenous | 86% | 88% | 70,985,721 | 145,585,723 |
| | 100% | 100% | 82,100,383 | 165,631,054 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to financial statements for the year ended 31 March 2015

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

38 Net dividend remitted in foreign exchange

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| Final equity dividend | | |
| Period to which it relates | 2013-2014 | 2012-2013 |
| Number of non-resident shareholders | 7 | 7 |
| Number of equity shares of Rs 10/- each held on which dividend was due | 527,000 | 527,000 |
| Amount remitted | 4,743,000 | 4,216,000 |

39 Capital and other commitments

- a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.413,059,895 (31 March 2014: Rs.48,662,043).
- b) Commitments relating to lease arrangements, please refer to note 28.

40 Exceptional Item

Exceptional item represents cost of land written off amounting to Rs.20,311,785 (net of recovery) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

- 41 The Company acquired 51% of the equity share capital of HHV Solar Technologies Limited on August 01, 2014, hence HHV Solar Technologies Limited has become 100% subsidiary of the Company, with effect from August 01, 2014.

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

As per our report of even date

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

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 28 May 2015

For and on behalf of the board of directors

R. Chellappan
Managing Director
J. Bhuvanewari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director
P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

INDEPENDENT AUDITOR'S REPORT

To

The Members of Swelect Energy Systems Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Swelect Energy Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and a jointly controlled company, comprising of the Consolidated Balance Sheet as at 31st March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at 31st March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate company and jointly controlled company incorporated in India to whom this order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and jointly controlled company incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled company incorporated in India is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and jointly controlled company – Refer Note 34 to the consolidated financial statements;
 - ii. The Group, its associate and jointly controlled company did not have any material foreseeable losses on long-term contracts including derivative contracts
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate company and jointly controlled company incorporated in India.

Other Matters

- (a) The accompanying consolidated financial statements include total assets of Rs. 11,267.19 lakhs as at 31st March 2015, total revenues of Rs. 2,821.92 lakhs and net cash flows amounting to Rs. 181.55 lakhs for the year ended on that date in respect of four subsidiaries and a jointly controlled entity which have been audited by other auditors, whose financial statements, other information and auditor's reports have been furnished to us by the Management. The consolidated financial statements also include the Company's share of net loss of Rs. 11.79 Lakhs for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of an associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled company and the associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled company and associate, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory

Requirements above, is not modified in respect of the above matter 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

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature : Chennai

Date : 28 May 2015

Annexure referred to in our report of even date

The Group referred herein comprises Swelect Energy Systems Limited ('Holding Company'), and its subsidiaries, a jointly controlled company and an associate incorporated in India and to whom the provisions of the Order apply (referred to as "the Covered entities" in this report)

- (i) (a) According to the information and explanations given to us, the Holding Company and the Covered entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management of the Holding Company and covered entities during in accordance with a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management of the Holding Company and the Covered entities have conducted physical verification of inventory during the year.
- (b) According to the information and explanations given to us, the procedures of physical verification of inventory followed by the management of the Holding Company and the covered entities are reasonable and adequate in relation to the size of the Holding Company and the Covered entities, and the nature of their business.
- (c) The Holding Company and other Covered entities are maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Holding Company and one of the covered entity has granted loans to companies/other parties covered in the register maintained under section 189 of the Companies Act, 2013. In respect of loans granted, repayment of principal is in accordance with stipulations, if any and the payment of interest has been regular.

The other Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable to such Covered entities of the Group and hence not commented upon.
- (b) There is no overdue amount of loans granted by the Holding Company to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us and as reported by the other auditor who audited the financial statements of the certain Covered entities, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit and as reported by the other auditor who audited the financial statements of the Covered entities, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities in respect of these areas.
- (v) The Holding Company and the Covered entity have not accepted any deposits from the public.
- (vi) To the best of our knowledge and as reported by the other auditor who audited the financial statements of Covered entities, the Central Government have not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the products/ services of the Holding Company and the Covered entities.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay, in a few cases in respect of certain Covered entities.
- (b) 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 for the Holding Company and the covered entities.
- (c) According to the records of the Holding Company and the Covered entities as reported by other auditors who audited the financial statements and financial information of certain Covered entities of the Group, the dues outstanding of income-tax, wealth-tax, service tax, customs duty, value added tax and cess on account of any dispute, are as follows:

| S/N | Name of the statute | Nature of dues | Amount (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|-----|---|--------------------------------------|--------------|------------------------------------|---------------------------------------|
| 1 | Kerala Sales Tax Act, 1963 [*] | Penalty | 666,665 | 2000-2001 | Deputy Commissioner, Commercial taxes |
| 2 | Delhi Vat Act, 2004 | Disputed turnover | 1,200,684 | 2006-2007 | Commissioner, Appeals |
| 3 | TN VAT Act | Differential tax payment and penalty | 49,294,891 | 2012-2013 | Madras High Court |
| 6 | Finance Act 1994 (Service tax) [#] | Differential tax and Interest | 595,546 | 2011-2012 | Commissioner of service tax |
| 7 | Direct Taxes [@] | Disallowances of items | 500,000 | 2009-2010 | Commissioner of Income tax Appeals |
| 8 | The Central Excise Act, 1944 ¹ ^{**} | Excise Duty | 45,937,547 | 2009-2013 | The Excise Appellate Tribunal |
| 9 | The Central Excise Act, 1944 ¹ | Excise Duty | 47,617,162 | 2013-2015 | Commissioner of Central Excise |

Excludes interest portion on the disputed amount

^{**} Excludes amount paid under protest Rs.1,467,044

[#] Excludes amount paid under protest Rs. 303,210

[@] Excludes amount paid under protest Rs. 14,075,600

^{*} Excludes amount paid under protest Rs. 333,335

(d) According to the information and explanations given to us and as reported by the other auditor who audited the financial statements of certain covered entities, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.

- (viii) The Holding Company has no accumulated losses at the end of the financial year and it has not incurred cash loss in the current and immediately preceding financial year. As reported by the other auditors who audited the financial statements of the Covered entities, the accumulated losses at the end of the financial year of certain entities was more than fifty percent of the net worth and certain entities has incurred cash losses in the current and /or immediately preceding financial year.
- (ix) The holding Company and the Covered entities have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.
- (x) The Holding Company has given guarantee for loans taken by others from banks and financial institutions, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. The Covered entities have not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management and the report other auditors who audited the financial statements of Covered entities, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the Covered entities of the Group.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements, we report that no fraud on or by the Holding Company and the Covered entities have been noticed or reported during the year, other than an amount of Rs.20,311,785, being cost of land, was written off in the statement of profit and loss of the Holding Company on account of defective title and for which the Holding Company is pursuing a legal claim against certain individuals.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature : Chennai

Date : 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Consolidated Balance sheet as at 31 March 2015

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

| | Notes | 31 March 2015 | 31 March 2014 |
|--|-------|----------------------|----------------------|
| Equity and liabilities | | | |
| Shareholders' funds | | | |
| Share capital | 3 | 101,058,400 | 101,058,400 |
| Reserves and surplus | 4 | 6,678,923,063 | 6,683,103,655 |
| | | 6,779,981,463 | 6,784,162,055 |
| Minority interest | 4.1 | - | (50,000,000) |
| Preference shares in subsidiary held outside the group | | 40,000,000 | 26,160,130 |
| Non-current liabilities | | | |
| Long-term borrowings | 5a | 947,383,703 | 753,021,972 |
| Other long-term liabilities | 5b | 6,143,758 | 19,380,856 |
| Deferred tax liabilities (net) | 11 | 176,137,842 | 150,704,017 |
| Long-term provisions | 7 | 22,700,564 | 14,040,102 |
| | | 1,152,365,867 | 937,146,947 |
| Current liabilities | | | |
| Short-term borrowings | 6 | 280,221,439 | 258,477,353 |
| Trade payables | 8 | 426,191,539 | 430,639,265 |
| Other current liabilities | 8 | 293,890,740 | 261,066,720 |
| Short-term provisions | 7 | 37,354,334 | 138,589,833 |
| | | 1,037,658,052 | 1,088,773,171 |
| Total | | 9,010,005,382 | 8,786,242,303 |
| Assets | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Tangible assets | 9 | 2,452,928,922 | 2,304,584,882 |
| Intangible assets | 10 | 3,847,274 | 17,488,909 |
| Capital work-in-progress | | 165,935,665 | 117,343,544 |
| Goodwill on consolidation | 36 | 442,880,333 | 344,039,763 |
| Non-current investments | 12 | 53,000,000 | 56,075,802 |
| Long-term loans and advances | 14 | 312,521,853 | 212,588,737 |
| Other assets | 15.2 | 11,356,819 | 563,977,534 |
| | | 3,442,470,866 | 3,616,099,171 |
| Current assets | | | |
| Current investments | 16 | 2,517,425,875 | 2,859,720,313 |
| Inventories | 13 | 344,184,155 | 368,695,273 |
| Trade receivables | 15.1 | 552,409,727 | 432,707,135 |
| Cash and bank balances | 17 | 2,011,014,045 | 1,318,085,119 |
| Short-term loans and advances | 14 | 108,712,208 | 152,579,207 |
| Other assets | 15.2 | 33,788,506 | 38,356,085 |
| | | 5,567,534,516 | 5,170,143,132 |
| Total | | 9,010,005,382 | 8,786,242,303 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Consolidated statement of profit and loss for the year ended 31 March 2015

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

| | Notes | 31 March 2015 | 31 March 2014 |
|--|-------|----------------------|----------------------|
| Income | | | |
| Revenue from operations (gross) | 18 | 2,275,604,369 | 1,830,979,325 |
| Less: Excise duty | | 57,145,128 | 66,510,233 |
| Revenue from operations (net) | | 2,218,459,241 | 1,764,469,092 |
| Other income | 19 | 267,820,931 | 268,511,498 |
| Total revenue | | 2,486,280,172 | 2,032,980,590 |
| Expenses | | | |
| Cost of raw material and components consumed | 20 | 1,095,368,484 | 850,705,240 |
| Purchase of traded goods | | 322,802,155 | 307,846,166 |
| (Increase) / decrease in inventories of finished goods, work-in-progress and traded goods | 21 | 39,570,944 | (51,733,693) |
| Employee benefits expense | 22 | 182,426,394 | 154,576,402 |
| Other expenses | 23 | 504,083,408 | 441,353,265 |
| Depreciation and amortisation expense | 24 | 169,308,095 | 99,998,082 |
| Finance costs | 25 | 129,548,317 | 45,253,119 |
| Total expenses | | 2,443,107,797 | 1,847,998,581 |
| Share in loss of associate company | | (1,179,233) | (1,376) |
| Net profit before tax, minority interest and exceptional items | | 41,993,142 | 184,980,633 |
| Exceptional items (refer note 38) | | (20,311,785) | - |
| Net profit before tax and minority interest | | 21,681,357 | 184,980,633 |
| Tax expense | | | |
| Current tax | | 6,204,694 | 57,092,562 |
| Less: MAT credit entitlement | | (6,204,694) | (57,092,562) |
| Deferred tax | | 25,433,825 | 19,894,171 |
| Total tax expense | | 25,433,825 | 19,894,171 |
| Net (loss) / profit after tax before minority interest | | (3,752,468) | 165,086,462 |
| Minority interest (refer note 4.1) | | - | (3,288,963) |
| Net Loss / profit for the year | | (3,752,468) | 161,797,499 |
| Earnings per equity share (nominal value of share Rs.10/- (31 March 2014: Rs.10/-)) | 32 | | |
| Basic and diluted earnings per share | | (0.41) | 15.95 |
| Summary of significant accounting policies | 2 | | |

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

As per our report of even date

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

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Consolidated cash flow statement for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|--|---------------------|----------------------|
| A. Cash flow from operating activities: | | |
| Profit before taxation excluding minority interest | 21,681,357 | 184,980,633 |
| Adjustments to reconcile profit before tax to net cash flows: | | |
| Depreciation / amortisation | 169,308,095 | 99,998,082 |
| Share of loss in associate company | 1,179,233 | 1,376 |
| Cost of land written off (Exceptional Item) | 20,311,785 | - |
| Loss on sale of tangible assets | 2,506,988 | 109,575 |
| Provision for bad/doubtful receivables including advances | 25,853,100 | 18,161,794 |
| Unrealised foreign exchange (gain) / loss, net | (10,486,686) | 14,173,999 |
| Liabilities no longer required written back | (40,724,563) | (4,574,413) |
| Net gain from sale of current investment | (57,767,367) | (100,062,714) |
| Dividend income - mutual fund | (22,551,454) | (37,462,711) |
| Interest expense | 120,529,877 | 34,176,893 |
| Interest income | (121,980,690) | (120,838,532) |
| Operating profit before working capital changes | 107,859,675 | 88,663,982 |
| Adjustments for changes in working capital: | | |
| (Increase) in trade receivables | (160,944,281) | (116,010,885) |
| Decrease / (Increase) in loans and advances | 1,610,127 | (79,336,663) |
| Decrease / (Increase) in inventories | 24,511,118 | (77,180,556) |
| Increase in trade payables, current and long term liabilities | 58,382,514 | 32,524,429 |
| (Decrease) in provisions | (20,260,841) | (1,133,651) |
| Cash generated from / (used in) operations | 11,158,312 | (152,473,344) |
| Taxes paid, net | (58,809,712) | (287,328,730) |
| Net cash flow used in operating activities (A) | (47,651,400) | (439,802,074) |
| B. Cash flow from investing activities: | | |
| Capital expenditure (refer note 1 below) | (483,120,650) | (896,642,581) |
| Redemption / (Investment) in current investments | 400,061,804 | (108,681,469) |
| Investment in subsidiaries (net) | (95,764,768) | (16,761,826) |
| Proceeds from sale of tangible assets | 37,036,574 | 1,536,484 |
| (Investment) / Redemption in bank deposits (having original maturity of more than 3 months) | (41,912,031) | 778,288,747 |
| Interest received | 127,115,003 | 181,578,946 |
| Dividend received from mutual funds | 22,551,454 | 179,418,085 |
| Net cash flow (used in) /generated from investing activities (B) | (34,032,614) | 118,736,386 |

SWELECT ENERGY SYSTEMS LIMITED

Consolidated cash flow statement for the year ended 31 March 2015

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

| | 31 March 2015 | 31 March 2014 |
|---|--------------------|--------------------|
| C. Cash flow from financing activities: | | |
| Proceeds / (Repayment) of short-term borrowings | 21,744,086 | (141,728,796) |
| Proceeds from long-term borrowings | 354,786,259 | 705,721,972 |
| Interest paid | (123,255,245) | (27,632,976) |
| Dividend paid | (90,952,560) | (80,846,720) |
| Dividend tax paid | (15,457,388) | (13,739,900) |
| Net cash flow generated from financing activities (C) | 146,865,152 | 441,773,580 |
| Exchange differences on translation of foreign currency cash and cash equivalents (D) | 34,060,417 | 73,230,193 |
| Net increase in cash and cash equivalents (A + B + C + D) | 99,241,555 | 193,938,085 |
| Cash and cash equivalents at the beginning of the year | 578,491,229 | 384,553,144 |
| Closing cash and cash equivalents (Refer note 2 below) | 677,732,784 | 578,491,229 |

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

| | 31 March 2015 | 31 March 2014 |
|---|--------------------|--------------------|
| Cash and bank balances including non-current bank balance | 2,022,370,864 | 1,882,062,653 |
| Less: Term deposit placed with the banks | (1,330,039,051) | (735,506,305) |
| Less: Non-current bank balance (refer note 15.2) | (11,356,819) | (563,977,534) |
| Less: unpaid dividend accounts* | (3,242,210) | (4,087,585) |
| Cash and cash equivalents at the end of the year | 677,732,784 | 578,491,229 |

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

b) Components of cash and cash equivalents

| | 31 March 2015 | 31 March 2014 |
|----------------------|---------------|---------------|
| Balances with banks: | | |
| On current accounts | 195,633,634 | 105,831,469 |
| On deposit accounts | 481,691,348 | 471,597,662 |
| Cash on hand | 407,802 | 1,062,098 |

Notes:

- Capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months amounting to Rs.1,341,395,870 (Previous year Rs. 1,299,483,839) are not included under cash and cash equivalents. Fixed deposits include deposits amounting to Rs. 486,529,343 (Previous year Rs. 480,055,421) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.
- The accompanying notes are an integral part of the financial statements.

As per our report of even date

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

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

Company overview

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

1. Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements are prepared in accordance with Indian GAAP under the historical cost convention and on an accrual basis. GAAP comprises mandatory accounting standards notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and relevant requirements / guidelines issued by SEBI. The consolidated financial statements ('CFS') have been prepared in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2014, (as amended). The accounting policies have been consistently applied by the Group and are consistent with those used in the previous years.

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

| Name | Country of incorporation | Percentage holding as at 31 March 2015 | Percentage holding as at 31 March 2014 |
|---|--------------------------|--|--|
| Swelect Energy Systems Pte. Ltd. | Singapore | 100 | 100 |
| Swelect Solar Energy Private Limited | India | 100 | 100 |
| Subsidiary of Swelect Solar Energy Private Limited - BS Powertech Solutions Private Limited | India | 100 | 100 |
| Amex Alloys Private Limited | India | 100 | 100 |
| Amex Irons Private Limited | India | 100 | 100 |
| HHV Solar Technologies Limited (Formerly known as HHV Solar Technologies Private Limited)* | India | 100 | 49 |
| Swelect Green Energy Solutions Private Limited | India | 100 | 100 |

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

a) Acquisition of remaining 51% in HHV Solar Technologies Limited

The company acquired 51% of the equity share capital of HHV Solar Technologies Limited (HHVS) on August 01, 2014, resulting in HHVS becoming 100% subsidiary of the Company.

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

| Name | Country of incorporation | Percentage Holding as at 31 March 2015 | Percentage Holding as at 31 March 2014 |
|---|--------------------------|--|--|
| Swelect Infrastructure Services Private Limited | India | Nil | 50 |

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

| Name | Country of incorporation | Percentage Holding as at 31 March 2015 | Percentage Holding as at 31 March 2014 |
|---|--------------------------|--|--|
| Swelect Sunpac Power Protection Private Limited | India | Nil | 49 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

- (iv) The financial statements of the subsidiaries, joint venture and associate used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March 2015.
- (v) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealised profits/losses.
- (vi) Any excess/shortage of the cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment is recognised as goodwill/capital reserve in the CFS.
- (vii) The Company has prepared the accompanying CFS by including the Company's proportionate interest in the joint venture's assets, liabilities, income, expenses etc on a line by line basis. Intra-group balances, intra-group transactions and unrealised profits / losses have been eliminated to the extent of the Company's proportionate share.
- (viii) The investment in the associate company has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements'. The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's percentage holding in its share capital.
- (ix) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for like transactions and is presented to the extent possible, in the same manner as the Company's separate financial statements.

2. Summary of significant accounting policies

(a) Use of estimates

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

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

(b) Tangible and intangible fixed assets

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

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

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

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

(c) Depreciation and amortisation

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

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

(ii) Useful lives / depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. From the current year Schedule VI has been replaced by Schedule II to the Companies Act, 2013. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows Companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has reestimated useful lives and residual values of all its fixed assets. The management believes that the depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from the lives prescribed under Schedule II. Hence, this change in useful life of fixed assets has increased depreciation on fixed assets to the extent of Rs.28,536,729, out of which Rs.3,111,057 has been debited to the opening reserves and the profit for the current year has been reduced to the extent of Rs. 25,425,672

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.

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

(d) Impairment of tangible and intangible fixed assets

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

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Notes to consolidated financial statements for the year ended 31 March 2015

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

of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(e) Investments

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

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

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

(f) Inventories

Inventories are valued as follows:

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

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

(g) Revenue recognition

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

Sale of goods

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

Sale of power

Income from sale of power

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

Income from Sale of Renewable Energy Certificates

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

Income from service

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

Interest

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

Dividend

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

(i) Foreign currency transactions and translations

Initial recognition

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

Conversion

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

Exchange differences

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

Translation of Non-integral foreign operation

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

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

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

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

(h) Retirement and other employee benefits

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

(i) Income taxes

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

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

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

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

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

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

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

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Notes to consolidated financial statements for the year ended 31 March 2015

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

(k) Earnings per share

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

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

(l) Leases

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

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

(m) Provision

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

(n) Provision for warranty:

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

(o) Contingent liabilities

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

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

(p) Cash and cash equivalents

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

(q) Borrowing costs

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

(r) Statement of cash flows

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

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Notes to consolidated financial statements for the year ended 31 March 2015

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| 3 Share capital | | |
| Authorised shares | | |
| 20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each | 200,000,000 | 200,000,000 |
| Issued, subscribed and fully paid-up shares | | |
| 10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each | 101,058,400 | 101,058,400 |
| Total issued, subscribed and fully paid-up share capital | <u>101,058,400</u> | <u>101,058,400</u> |

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

Equity shares

| | <u>31 March 2015</u> | | <u>31 March 2014</u> | |
|---|----------------------|--------------------|----------------------|--------------------|
| | Number of shares | Rupees | Number of shares | Rupees |
| At the beginning of the year | 10,105,840 | 101,058,400 | 10,105,840 | 101,058,400 |
| Movement during the year | - | - | - | - |
| Outstanding at the end of the year | <u>10,105,840</u> | <u>101,058,400</u> | <u>10,105,840</u> | <u>101,058,400</u> |

b. Terms / rights attached to equity shares

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

During the year ended 31 March 2015, the amount of per share dividend recognised as distributions to equity shareholders for proposed final dividend was Rs. 2.50/- (31 March 2014: Rs. 9/-).

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

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|-------------------------|-------------------------|
| | <u>Number of shares</u> | <u>Number of shares</u> |
| Equity shares allotted as fully paid bonus shares by capitalisation of securities premium (during the year ended March 2010) | - | 5,052,920 |
| Equity shares allotted as fully paid up pursuant to the merger of UPS division of Swelect Electronics Private Limited for consideration other than cash (during the year ended March 2010). | - | 52,920 |

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

| | <u>31 March 2015</u> | | <u>31 March 2014</u> | |
|---|----------------------|------------------------|----------------------|------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class |
| Equity shares of Rs.10/- each fully paid | | | | |
| R. Chellappan, Managing Director | 4,747,054 | 46.97% | 4,747,054 | 46.97% |

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

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Notes to consolidated financial statements for the year ended 31 March 2015

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

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---|-----------------------------|-----------------------------|
| 4 Reserves and surplus | | |
| Capital reserve | | |
| Balance as per the last financial statements | 30,410,149 | 31,813,073 |
| Movement during the year | - | (1,402,924) |
| Closing balance# | <u>30,410,149</u> | <u>30,410,149</u> |
| # includes capital reserve arising on consolidation amounting to Rs.15,146,269, refer note 36 | | |
| Capital redemption reserve | | |
| Balance as per the last financial statements | 12,500,000 | - |
| Movement during the year | 12,500,000 | 12,500,000 |
| Closing balance | <u>25,000,000</u> | <u>12,500,000</u> |
| Securities premium account | | |
| Balance as per the last financial statements | 18,268,300 | 18,268,300 |
| Movement during the year | - | - |
| Closing balance | <u>18,268,300</u> | <u>18,268,300</u> |
| Revaluation reserve | | |
| Balance as per the last financial statements | 41,266,459 | 41,794,135 |
| Movement during the year | (528,373) | (527,676) |
| Closing balance | <u>40,738,086</u> | <u>41,266,459</u> |
| General reserve | | |
| Balance as per the last financial statements | 1,786,628,003 | 1,761,682,891 |
| Add: amount transferred from surplus balance in the consolidated statement of profit and loss | 1,329,362 | 24,945,112 |
| Closing balance | <u>1,787,957,365</u> | <u>1,786,628,003</u> |
| Foreign currency translation reserve | | |
| Balance as per the last financial statements | 107,625,193 | 28,536,747 |
| Add: Additions during the year | 34,060,417 | 79,088,446 |
| Closing balance | <u>141,685,610</u> | <u>107,625,193</u> |
| Surplus in the consolidated statement of profit and loss | | |
| Balance as per last financial statements | 4,686,405,551 | 4,669,100,425 |
| (Loss) / Profit for the year | (3,752,468) | 161,797,499 |
| Less: Appropriations | | |
| Impact of depreciation as per Schedule II of Companies Act, 2013 | (3,111,057) | - |
| Proposed final equity dividend | | |
| (amount per share: Rs.2.50/- (31 March 2014: Rs. 9/-)) | (25,264,600) | (90,952,560) |
| Tax on proposed equity dividend | (5,143,261) | (15,457,388) |
| Tax on Cumulative Redeemable Preference Share dividend | (441,250) | (637,313) |
| Transfer to capital redemption reserve | (12,500,000) | (12,500,000) |
| Transferred to general reserve | (1,329,362) | (24,945,112) |
| Total appropriations | <u>(47,789,530)</u> | <u>(144,492,373)</u> |
| Net surplus in the consolidated statement of profit and loss | <u>4,634,863,553</u> | <u>4,686,405,551</u> |
| Total reserves and surplus | <u>6,678,923,063</u> | <u>6,683,103,655</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

4.1 Minority interest

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--------------------------------------|----------------------|----------------------|
| Minority interest (refer note below) | - | (50,000,000) |
| | <u>-</u> | <u>(50,000,000)</u> |

Share of losses with regards to minority interests is restricted to Rs. Nil (Previous year Rs. 50,000,000) as agreed between the shareholders. The Company acquired 51% of the equity share capital of HHV Solar Technologies Limited on August 01, 2014, hence HHV Solar Technologies Limited has become 100% subsidiary of the Company, with effect from August 01, 2014.

5a Long-term borrowings

| | <u>Non-current</u> | | <u>Current</u> | |
|---|---------------------------|---------------------------|----------------------|----------------------|
| | <u>31 March 2015</u> | <u>31 March 2014</u> | <u>31 March 2015</u> | <u>31 March 2014</u> |
| Secured borrowings | | | | |
| Term loan from banks | 946,129,810 | 752,083,000 | 159,625,000 | - |
| Finance lease obligation | 1,253,893 | 938,972 | 799,528 | 469,486 |
| Less : amount disclosed under the head 'other current liabilities' (refer note 8) | - | - | (160,424,528) | (469,486) |
| Total | <u>947,383,703</u> | <u>753,021,972</u> | <u>-</u> | <u>-</u> |

Term loans from Bank I amounting to Rs. 598,000,000 (Previous year : Rs. 578,500,000) are repayable in 16 installments of Rs. 29,406,250 (Previous year: Rs. 29,406,250 of 16 installments each) each per quarter starting from June 2015 onwards and ends on March 2019, 16 installments of Rs.4,343,750 (Previous year : Nil) each per quarter starting from June 2016 and ends on March 2020 and 8 installments of Rs.6,750,000 each per quarter (Previous year : 16 installments of Rs.6,750,000 each per quarter) starting from May 2015 till May 2017 and 1 installment of Rs.4,000,000 (Previous year : Nil) payable in May 2017. These loans are secured by a pledge on the investments in mutual funds of the Company .

Term loans from Bank II amounting to Rs. 437,754,810 (Previous year: Rs. 173,583,000) are for a period of three years with bullet repayment terms. These loans are secured by investments in mutual funds of the Company.

Term loan from the Bank III amounts to Rs. 50,000,000 .The loan is repayable in 8 Quarterly installments of Rs. 6,250,000 each, from the end of the moratorium period of 12 months beginning October 2015. The term loan is secured by first charge on current assets of the Company, Movable Property of the Company present and future and further secured by the charge on the fixed deposits of Swelect Energy Systems Limited.

Term loan from the Bank IV amounts to Rs. 20,000,000. The loan is repayable in 8 Quarterly installments of Rs. 2,500,000 each, from the end of the moratorium period of 12 months beginning March 2016. The term loan is secured by first charge on current assets of the Company, Movable Property of the Company present and future and further secured by the charge on the fixed deposits of Swelect Energy Systems Limited.

Finance lease obligation

Finance lease obligation is secured by hypothecation of vehicles taken on lease. The interest rate implicit in the lease is 12% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 60 monthly installments. Hire purchase loan aggregating to Rs. 2,053,421 (Previous year Rs. 1,408,458) represents amount borrowed from the Bank for the purpose of vehicle financing.

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|---------------------------------------|-------------------------|--------------------------|
| 5b Other long-term liabilities | | |
| Rental deposits | 6,143,758 | 19,380,856 |
| | <u>6,143,758</u> | <u>19,380,856</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

6 Short-term borrowings

Secured borrowings

| | 31 March 2015 | 31 March 2014 |
|--|--------------------|--------------------|
| Overdraft from bank | 79,942,299 | 174,963,127 |
| Packing Credit Foreign Currency (PCFC) | 77,114,706 | - |
| Working capital loan | 98,995,546 | 80,500,679 |
| Buyer's credit | 24,168,888 | 3,013,547 |
| | 280,221,439 | 258,477,353 |

Overdraft from bank

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

Packing Credit Foreign Currency (PCFC) loan aggregating to Rs. 77,114,706 (Previous year: Rs. Nil-) are secured by first charge on the entire current assets and movable Property of the Company present and future and further secured by the charge on the Fixed deposits of Swelect Energy Systems Limited.

Working capital loans aggregating to Rs.47,686,616 (Previous year : Rs. 49,931,162) are secured by charge on the fixed deposits of Swelect Energy Systems Limited. Further working capital loans aggregating to Rs.51,308,930 (Previous year : Rs 30,659,517) are secured by pledge of fixed deposits of the Company.

Buyer's credit amounting to Rs. 24,168,888/- (Previous year : Rs. 3,013,547/-) are secured by charge on the fixed deposits of Swelect Energy Systems Limited.

7. Provisions

| | Long-term | | Short-term | |
|--|------------------|------------------|------------------|------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Provision for employee benefits | | | | |
| Provision for gratuity (refer note 26) | 4,021,490 | 1,509,436 | 186,823 | 693,778 |
| Provision for leave benefits | 2,381,409 | 1,769,137 | 3,762,399 | 2,333,647 |
| Total (A) | 6,402,899 | 3,278,573 | 3,949,222 | 3,027,425 |

Other provisions

| | | | | |
|---|-------------------|-------------------|-------------------|--------------------|
| Provision for income tax | - | - | - | 25,959,147 |
| Provision for warranties | 16,297,665 | 10,761,529 | 2,556,000 | 2,556,000 |
| Proposed equity dividend | - | - | 25,264,600 | 90,952,560 |
| Provision for tax on proposed equity dividend | - | - | 5,143,262 | 15,457,388 |
| Provision for tax on proposed preference dividend | - | - | 441,250 | 637,313 |
| Total (B) | 16,297,665 | 10,761,529 | 33,405,112 | 135,562,408 |
| Total (A) + (B) | 22,700,564 | 14,040,102 | 37,354,334 | 138,589,833 |

Provision for warranties

| | | |
|-------------------------------|-------------------|-------------------|
| At the beginning of the year | 13,317,529 | 10,008,779 |
| Arising during the year | 5,536,136 | 4,964,750 |
| Utilised during the year | - | (1,656,000) |
| At the end of the year | 18,853,665 | 13,317,529 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statements for the year ended 31 March 2015

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

8 Trade payables and other current liabilities

| | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| Trade payables | | |
| (refer note below regarding dues to micro, small and medium enterprises) | 426,191,539 | 430,639,265 |
| Other current liabilities | | |
| Interest accrued but not due on borrowings | 3,881,458 | 1,000 |
| Interest accrued and due on borrowings | - | 1,155,090 |
| Rental Deposits Received | 13,194,060 | - |
| Deferred service income | 212,657 | - |
| Unpaid dividend | 3,242,211 | 4,087,585 |
| Current maturities of long-term borrowings (Refer note 5a) | 160,424,528 | 469,486 |
| Payables for capital purchases | 91,931,598 | 158,412,927 |
| Retention money payables | - | 4,400,000 |
| Advance from customers | 8,686,062 | 57,206,357 |
| Statutory dues payables | 12,318,166 | 35,334,275 |
| | 293,890,740 | 261,066,720 |
| | 720,082,279 | 691,705,985 |

Note:

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

9 Tangible assets

| Particulars | Land | Buildings (Refer note 9 (a) and 9(c)) | Plant and machinery (Refer note 9(b) and 9(f)) | Office equipment | Computers | Furniture and fittings | Vehicles | Leas hold improvements | Total |
|---|--------------------|---|---|---------------------|-------------------|---------------------------|-------------------|---------------------------|----------------------|
| Cost | | | | | | | | | |
| At 1 April 2013 | 171,595,644 | 613,167,740 | 840,431,484 | 69,720,394 | 8,016,912 | 62,533,932 | 25,690,940 | 4,169,752 | 1,795,326,798 |
| Additions | 5,331,566 | 9,200,505 | 858,524,690 | 5,714,962 | 1,008,573 | 842,715 | 2,673,144 | 212,704 | 883,508,859 |
| Deletion | - | - | (30,000) | (50,962) | - | - | (671,812) | - | (752,774) |
| Other adjustment# | - | 19,696,359 | (2,000,000) | (470) | 10,193 | 563,222 | - | - | 18,269,304 |
| At 31 March 2014 | 176,927,210 | 642,064,604 | 1,696,926,174 | 75,383,924 | 9,035,678 | 63,939,869 | 27,692,272 | 4,382,456 | 2,696,352,187 |
| Additions | 33,690,167 | 54,929,633 | 252,524,855 | 12,601,321 | 1,698,187 | 419,480 | 2,215,803 | - | 358,079,446 |
| Deletion | (23,042,996) | (2,892,807) | (14,587,154) | (27,078,941) | - | - | - | - | (67,601,898) |
| Other adjustment# | - | 8,510,161 | - | 3,333 | 4,404 | 255,103 | - | - | 8,773,001 |
| At 31 March 2015 | 187,574,381 | 702,611,591 | 1,934,863,875 | 60,909,637 | 10,738,269 | 64,614,452 | 29,908,075 | 4,382,456 | 2,995,602,736 |
| Depreciation | | | | | | | | | |
| At 1 April 2013 | - | 73,668,319 | 161,544,756 | 20,161,298 | 5,094,517 | 29,928,912 | 12,701,124 | 2,597,597 | 305,696,523 |
| Charge for the year (Refer note 9(e) and 9(f)) | - | 16,309,225 | 56,026,808 | 3,866,149 | 998,164 | 5,236,850 | 2,400,522 | 867,455 | 85,705,173 |
| Deletions | - | - | - | (15,249) | - | - | (404,455) | - | (419,704) |
| Other adjustment# | - | 492,864 | - | (55) | 626 | 291,878 | - | - | 785,313 |
| At 31 March 2014 | - | 90,470,408 | 217,571,564 | 24,012,143 | 6,093,307 | 35,457,640 | 14,697,191 | 3,465,052 | 391,767,305 |
| Charge for the year (Refer note 9(e) and 9(f)) | - | 16,747,983 | 112,094,842 | 12,210,297 | 2,378,057 | 7,767,779 | 3,341,295 | 459,831 | 155,000,084 |
| Deletions | - | (354,030) | (1,055,371) | (6,337,150) | - | - | - | - | (7,746,551) |
| Adjustment to opening reserves (Refer note 9(e)) | - | - | 3,111,057 | - | - | - | - | - | 3,111,057 |
| Other adjustment# | - | 352,715 | - | 776 | 2,683 | 185,745 | - | - | 541,919 |
| At 31 March 2015 | - | 107,217,076 | 331,722,092 | 29,886,066 | 8,474,047 | 43,411,164 | 18,038,486 | 3,924,883 | 542,673,814 |
| Net Block | | | | | | | | | |
| At 31 March 2014 | 176,927,210 | 551,594,196 | 1,479,354,610 | 51,371,781 | 2,942,371 | 28,482,229 | 12,995,081 | 917,404 | 2,304,584,882 |
| At 31 March 2015 | 187,574,381 | 595,394,514 | 1,603,141,783 | 31,023,571 | 2,264,222 | 21,203,288 | 11,869,588 | 457,573 | 2,452,928,922 |

Other adjustment represents adjustment pursuant to foreign currency translation:

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

Notes to tangible assets schedule:

| | Particulars | Gross block | Depreciation charge for the year | Accumulated Depreciation | Net book value |
|---|---|-------------|----------------------------------|--------------------------|----------------|
| 9 | a. Buildings includes those constructed on leasehold land | | | | |
| | As at 31 March 2015 | 1,052,105 | 35,140 | 70,280 | 981,825 |
| | As at 31 March 2014 | 1,052,105 | 35,140 | 35,140 | 1,016,965 |
| | b. Plant and machinery includes assets given on operating lease (Represent plant and machinery leased for a term of 11 months to the subsidiaries of the company) | | | | |
| | As at 31 March 2015 | 65,448,865 | 4,433,521 | 9,032,793 | 56,416,072 |
| | As at 31 March 2014 | 46,633,726 | 2,051,328 | 4,599,272 | 42,034,454 |
| | c. Buildings include assets given on operating lease | | | | |
| | As at 31 March 2015 | 255,238,872 | 6,808,832 | 62,581,420 | 192,657,452 |
| | As at 31 March 2014 | 255,238,872 | 6,808,832 | 55,772,588 | 199,466,284 |

- d. Depreciation charge for the year in the consolidated statement of profit and loss, includes amount recouped from revaluation reserve of Rs. 528,373 (Previous year: Rs. 527,676)
- e. Effective from 1st April, 2014, the Company has revised useful life of assets pursuant to the requirement of Schedule II of the Companies Act, 2013. Based on the transitional provision provided in Schedule II, WDV of Rs.3,111,057 as on March 31, 2014 in respect of assets whose useful life is already exhausted have been charged to retained earnings.
- f. Additions to plant and machinery includes asset amounting to Rs.160,112,495 (previous year Rs. 645,576,693) related to solar plant constructed on lease hold land taken for a period of 25 years from Swelect Green Energy Solutions Private Limited and interest on borrowing amounting to Rs.715,305 (previous year Rs. 9,926,484) has been capitalised.

10 Intangible assets

| Particulars | Goodwill | Computer software | Certification Process | Total |
|-------------------------|-------------------|-------------------|-----------------------|-------------------|
| Gross block | | | | |
| At 1 April 2013 | 13,816,060 | 3,845,150 | 59,505,879 | 77,167,089 |
| Additions | - | 580,342 | 4,426,825 | 5,007,167 |
| Disposals | - | - | - | - |
| At 31 March 2014 | 13,816,060 | 4,425,492 | 63,932,704 | 82,174,256 |
| Additions | - | 454,128 | 740,625 | 1,194,753 |
| Disposals | - | - | - | - |
| At 31 March 2015 | 13,816,060 | 4,879,620 | 64,673,329 | 83,369,009 |
| Amortisation | | | | |
| At 1 April 2013 | 13,816,060 | 818,043 | 35,230,659 | 49,864,762 |
| Charge for the year | - | 752,545 | 14,068,040 | 14,820,585 |
| Disposals | - | - | - | - |
| At 31 March 2014 | 13,816,060 | 1,570,588 | 49,298,699 | 64,685,347 |
| Charge for the year | - | 791,388 | 14,045,000 | 14,866,388 |
| Disposals | - | - | - | - |
| At 31 March 2015 | 13,816,060 | 2,361,976 | 63,343,699 | 79,521,735 |
| Net block | | | | |
| At 31 March 2014 | - | 2,854,904 | 14,634,005 | 17,488,909 |
| At 31 March 2015 | - | 2,517,644 | 1,329,630 | 3,847,274 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

11 Deferred tax liabilities (net)

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| Deferred tax liability | | |
| Fixed assets: Impact on difference between tax depreciation and depreciation / amortisation charged for the financial reporting | 419,748,833 | 163,396,810 |
| Gross deferred tax liability | <u>419,748,833</u> | <u>163,396,810</u> |
| Deferred tax asset | | |
| Provision for doubtful debts and advances | - | (825,813) |
| Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowed for tax purposes on payment basis | (11,066,787) | (4,003,194) |
| Carry forward business loss and unabsorbed depreciation | (232,544,204) | (7,863,786) |
| Gross deferred tax asset | <u>(243,610,991)</u> | <u>(12,692,793)</u> |
| Deferred tax liabilities (net) | <u>176,137,842</u> | <u>150,704,017</u> |

12 Non-current investments

| | <u>31 March 2015</u> | <u>31 March 2014</u> |
|--|----------------------|----------------------|
| Non Trade investments (valued at cost unless stated otherwise) | | |
| Investment in equity instruments (unquoted) | | |
| 300,000 (Previous year - 300,000) equity shares of Rs. 10/- each fully paid in Gem Sugars Limited | 3,000,000 | 3,000,000 |
| Investment in tax free bonds (unquoted) | | |
| 50,000 (Previous year - 50,000) bonds of Rs. 1,000/- each fully paid in Housing and Urban Development Corporation Limited | 50,000,000 | 50,000,000 |
| Investment in associates (unquoted) | | |
| Nil (Previous year - 12,250) equity shares of Rs. 100/- each fully paid in Swelect Sunpac Power Protection Private Limited | - | 1,225,000 |
| Add: Share of accumulated profit in the Associate Company | - | 1,850,802 |
| The company has been wound up during the current year, hence the investment in the associate company has been written off | | |
| | <u>53,000,000</u> | <u>56,075,802</u> |

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

| | | |
|------------------------------|--------------------|--------------------|
| Raw materials and components | 179,638,398 | 166,597,040 |
| Stores and spares | 2,277,961 | 259,492 |
| Work-in-progress | 53,549,982 | 46,486,657 |
| Finished goods | 77,409,669 | 41,441,562 |
| Traded goods | 31,308,145 | 113,910,522 |
| | <u>344,184,155</u> | <u>368,695,273</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

| 14 Loans and advances | Non- current | | Current | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Capital advances | | | | |
| Unsecured, considered good | 79,749,213 | 12,378,430 | 3,798,822 | - |
| (A) | 79,749,213 | 12,378,430 | 3,798,822 | - |
| Security deposit | | | | |
| Unsecured, considered good | 31,176,677 | 32,150,545 | 8,913,703 | 21,777,887 |
| (B) | 31,176,677 | 32,150,545 | 8,913,703 | 21,777,887 |
| Advances recoverable in cash or kind | | | | |
| Unsecured, considered good | 3,187,531 | - | 27,945,296 | 89,926,494 |
| (C) | 3,187,531 | - | 27,945,296 | 89,926,494 |
| Other loans and advances | | | | |
| <u>Unsecured, considered good:</u> | | | | |
| Advance income-tax (net of provision for taxation) | 116,943,963 | 64,338,945 | - | - |
| MAT credit entitlement | 65,801,352 | 59,596,658 | - | - |
| Prepaid expenses | 8,823,607 | 8,807,449 | 6,346,164 | 3,860,182 |
| Loans to employees | 690,750 | 789,399 | 1,395,778 | 1,297,530 |
| Balances with government authorities | 8,652,856 | 34,527,311 | 60,312,445 | 35,717,114 |
| Provision for doubtful advance | (2,504,096) | - | - | - |
| (D) | 198,408,432 | 168,059,762 | 68,054,387 | 40,874,826 |
| <u>Unsecured, considered doubtful:</u> | | | | |
| Balances with government authorities | 31,373,720 | - | 3,159,000 | 13,292,392 |
| Provision for doubtful advance | (31,373,720) | - | (3,159,000) | (13,292,392) |
| (E) | - | - | - | - |
| Total (A + B + C + D + E) | 312,521,853 | 212,588,737 | 108,712,208 | 152,579,207 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

| 16 Current investments | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| 21,000,000 (Previous year - 21,000,000) unit of Rs.10/- each fully paid up HDFC Fixed Maturity plan 390 days Regular growth plan* | 210,000,000 | 210,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs. 10/- each fully paid up DWS Fixed maturity plan - regular growth plan* | 210,000,000 | 210,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs.10/- each fully paid up SBI debt fund 385 days - regular growth plan* | 210,000,000 | 210,000,000 |
| 8,201,872 (Previous year - 8,201,872) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Plan Series 499 days - regular growth plan* | 82,018,720 | 82,018,720 |
| 3,000,000 (Previous year - 3,000,000) unit of Rs. 10/- each fully paid up Birla Sunlife Fixed Term plan series 400 days - Regular growth plan* | 300,000,000 | 300,000,000 |
| 5,000,000 (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up HSBC Fixed term series 109 days - FMP - 1 year | 50,000,000 | 50,000,000 |
| 20,000,000 (Previous year - 20,000,000) unit of Rs.10/- each fully paid up Kotak Fixed Maturity Plan - growth series* | 200,000,000 | 200,000,000 |
| 5,000,000 (Previous year - 5,000,000) unit of Rs. 10/- each fully paid up Kotak Fixed Maturity Plan series 151 days - growth plan* | 50,000,000 | 50,000,000 |
| 22,000,000 (Previous year - 22,000,000) unit of Rs.10/- each fully paid up HDFC Mutual Fund fixed maturity plan 390 Days regular growth plan* | 220,000,000 | 220,000,000 |
| 21,000,000 (Previous year - 21,000,000) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 390 days - daily dividend plan | 250,000,000 | 250,000,000 |
| NIL (Previous year - 50,000,000) unit of Rs. 10/- each fully paid up SBI Debt Fund Series - 366 Days direct growth plan | - | 500,000,000 |
| 594,612.305 (Previous year - Nil) unit of Rs.10/- each fully paid up Birla Sunlife Savings Fund - Daily Dividend - Regular Plan Reinvestment | 59,637,830 | - |
| 979,078.074 (Previous year- Nil) unit of Rs.10/- each fully paid up ICICI Prudential Liquid -Regular Plan - Daily Dividend | 97,970,076 | - |
| 195,912.084 (Previous year - Nil) unit of Rs.10/- each paid up Franklin India Treasury Management Account - Super Institutional Plan Daily Dividend | 196,052,435 | - |
| 250,138.76 (Previous year - Nil) unit of Rs.10/- each fully paid up SBI Ultra short term debt fund - Direct Plan - Daily dividend | 251,388,291 | - |
| LIC Endowment Plus | 500,000 | - |
| Unquoted mutual funds | 2,517,425,875 | 2,859,720,313 |
| Aggregate cost of unquoted investments | 2,517,425,875 | 2,859,720,313 |

Note:

* Investments marked have been pledged as collateral securities with banks for availment of term loans. (Refer Note 5a).

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

17 Cash and bank balances

| | Non-Current | | Current | |
|--|---------------------|----------------------|----------------------|----------------------|
| | 31 March 2015 | 31 March 2014 | 31 March 2015 | 31 March 2014 |
| Cash and cash equivalents | | | | |
| Balances with banks: | | | | |
| On current accounts | - | - | 195,633,634 | 105,831,469 |
| On current accounts | - | - | 481,691,348 | 471,597,662 |
| On unpaid dividend accounts | | | 3,242,210 | 4,087,585 |
| Cash on hand | | | 407,802 | 1,062,098 |
| Total (A) | - | - | 680,974,994 | 582,578,814 |
| Other bank balances | | | | |
| Deposits with original maturity for more than 3 months but less than 12 months * | - | - | 1,330,039,051 | 735,506,305 |
| Deposits with original maturity for more than 12 months | 11,356,819 | 563,977,534 | - | - |
| Total (B) | 11,356,819 | 563,977,534 | 1,330,039,051 | 735,506,305 |
| Amount disclosed under Other Current Assets (refer note 15.2) | (11,356,819) | (563,977,534) | - | - |
| Total cash and bank balances (A+B) | - | - | 2,011,014,045 | 1,318,085,119 |

* Deposits to the extent of Rs. 734,251,097 (Previous year Rs. 50,000,000) have been given as collateral to the banks to facilitate the availment of working capital, packing credit, letter of credit and term loans for the Company and Subsidiaries.

* Current bank balance include deposits amounting to Rs. 486,529,343 (net) (Previous Year: Rs. 480,055,420), disclosed under Note 15.2 Other Assets retained in the Escrow account pursuant to the transfer of uninterruptible power supply systems business, which would mature on May 29, 2015.

18 Revenue from operations (net)

| | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| Revenue from operations | | |
| Sale of products | | |
| Manufactured goods | 1,891,996,528 | 1,680,147,695 |
| Traded goods | 196,539,054 | 38,573,761 |
| Sale of services | 21,529,696 | 12,560,965 |
| Sale of power | 87,402,895 | 37,687,658 |
| Other operating revenue | | |
| Scrap sales | 5,442,446 | 6,126,611 |
| Other | 72,693,750 | 55,882,635 |
| Revenue from operations (gross) | 2,275,604,369 | 1,830,979,325 |
| Less: Excise duty | 57,145,128 | 66,510,233 |
| Revenue from operations (net) | 2,218,459,241 | 1,764,469,092 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

| | | |
|--|----------------------|----------------------|
| 19 Other income | 31 March 2015 | 31 March 2014 |
| Interest income | 121,980,690 | 120,838,532 |
| Net gain from the sale of current investments | 57,767,367 | 100,062,714 |
| Dividend income on current investments - mutual fund | 22,551,454 | 37,462,711 |
| Rental income | 3,487,029 | 1,357,921 |
| Liabilities no longer required, written back | 40,724,563 | 4,574,413 |
| Other non-operating income | 21,309,828 | 4,215,207 |
| | 267,820,931 | 268,511,498 |
| 20 Cost of raw material and components consumed | 31 March 2015 | 31 March 2014 |
| Inventory at the beginning of the year | 166,597,040 | 141,409,669 |
| Add: Purchases | 1,108,409,842 | 875,892,611 |
| | 1,275,006,882 | 1,017,302,280 |
| Less: inventory at the end of the year | 179,638,398 | 166,597,040 |
| Cost of raw material and components consumed | 1,095,368,484 | 850,705,240 |
| 21 (Increase) / decrease in inventories | 31 March 2015 | 31 March 2014 |
| Inventories at the end of the year | | |
| Work-in-progress | 53,549,982 | 46,486,657 |
| Traded goods | 31,308,145 | 113,910,522 |
| Finished goods | 77,409,669 | 41,441,562 |
| (A) | 162,267,796 | 201,838,741 |
| Inventories at the beginning of the year | | |
| Work-in-progress | 46,486,657 | 54,186,098 |
| Traded goods | 113,910,522 | 57,946,234 |
| Finished goods | 41,441,561 | 37,972,716 |
| (B) | 201,838,740 | 150,105,048 |
| Total (B-A) | 39,570,944 | (51,733,693) |
| 22 Employee benefit expense | 31 March 2015 | 31 March 2014 |
| Salaries, wages and bonus | 155,965,592 | 134,061,876 |
| Contribution to provident and other funds | 9,996,911 | 7,291,918 |
| Gratuity expense (refer note 26) | 3,820,487 | 2,401,341 |
| Staff welfare expenses | 12,643,404 | 10,821,267 |
| | 182,426,394 | 154,576,402 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

| 23 Other expenses | 31 March 2015 | 31 March 2014 |
|---|----------------------|----------------------|
| Sub-contracting and processing expenses | 139,739,297 | 128,841,733 |
| Service and maintenance charges | 1,154,565 | 353,592 |
| Consumption of stores and spares | 13,839,687 | 6,612,283 |
| Power and fuel | 70,203,931 | 98,948,183 |
| Wheeling Charges | 5,159,110 | - |
| Freight and forwarding charges | 13,855,081 | 11,783,859 |
| Rent (refer note 27) | 21,570,028 | 19,437,225 |
| Rates and taxes | 13,726,352 | 11,254,864 |
| Insurance | 5,264,745 | 4,283,749 |
| Repairs and maintenance | | |
| - Plant & Machinery | 17,131,773 | 14,453,414 |
| - Buildings | 2,591,026 | 2,495,249 |
| - Others | 6,540,280 | 7,209,840 |
| Corporate social responsibility | 3,469,334 | - |
| Sales promotion | 7,494,846 | 7,049,155 |
| Advertisement | 3,654,779 | 9,143,503 |
| Travelling and conveyance | 20,980,843 | 19,507,104 |
| Communication costs | 4,688,634 | 3,394,475 |
| Printing and stationery | 3,528,698 | 3,204,149 |
| Exchange differences (net) | 40,017,487 | 25,369,109 |
| Legal and professional fees | 23,372,415 | 27,255,483 |
| Loss on sale of assets | 2,506,988 | 109,575 |
| Payment to auditor | 5,246,152 | - |
| Provision for bad/doubtful receivables including advances | 25,853,100 | 18,161,794 |
| Bad debts/advances written off | 16,740 | - |
| Provision for warranties (net of reversals) | 5,536,136 | 4,964,750 |
| Miscellaneous expenses | 46,941,381 | 17,520,177 |
| | 504,083,408 | 441,353,265 |
| 24 Depreciation and amortisation expense | | |
| Depreciation of tangible assets (refer note 9 (e)) | 154,471,707 | 85,177,497 |
| Amortisation of intangible assets | 14,836,388 | 14,820,585 |
| | 169,308,095 | 99,998,082 |
| 25 Finance costs | | |
| Interest | 120,529,877 | 34,176,893 |
| Bank and other charges | 9,018,440 | 11,076,226 |
| | 129,548,317 | 45,253,119 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

26 Employee benefit plans

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

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

| Net employee benefit expense (recognised in personnel expenses) | | |
|--|----------------------|----------------------|
| Particulars | 31 March 2015 | 31 March 2014 |
| Current service cost | 2,253,431 | 1,666,622 |
| Interest cost on benefit obligations | 684,827 | 497,175 |
| Expected return on plan assets | (685,253) | (414,818) |
| Net actuarial loss recognised in the year | 1,567,483 | 652,362 |
| Net benefit expense | 3,820,488 | 2,401,341 |
| Actual return on plan assets | (685,253) | (414,818) |
| Details of provision for gratuity | | |
| Present value of obligations at the end of the year | 11,996,780 | 7,639,939 |
| Less : Fair value of plan assets at the end of the year | (7,788,467) | (5,436,725) |
| Plan liability | 4,208,313 | 2,203,214 |
| Changes in the present value of the defined benefit obligations are as follows: | | |
| Present value of obligations at the beginning of the year | 7,639,939 | 4,791,775 |
| Interest cost | 684,827 | 497,175 |
| Current service cost | 2,253,431 | 1,666,622 |
| Benefits paid | (148,900) | 32,005 |
| Actuarial loss on obligations | 1,567,483 | 652,362 |
| Present value of obligations at the end of the year | 11,996,780 | 7,639,939 |
| Changes in the fair value of plan assets are as follows: | | |
| Fair value of planned assets at the beginning of the year | 5,436,726 | (18,324) |
| Other adjustment | - | 3,943,146 |
| Expected return on plan assets | 685,253 | 414,818 |
| Contributions | 1,815,388 | 829,160 |
| Benefits paid | (148,900) | 267,925 |
| Fair value of plan assets at the end of the year | 7,788,467 | 5,436,725 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

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

| Year ended | 31 March 2015 | 31 March 2014 | 31 March 2013 | 31 March 2012 | 31 March 2011 |
|--|---------------|---------------|---------------|---------------|---------------|
| Defined benefit obligations | 11,996,780 | 7,639,939 | 4,791,775 | 46,066,623 | 36,512,878 |
| Plan (liability) / assets | (7,788,467) | 5,436,725 | (18,324) | 36,164,797 | 29,698,026 |
| Deficit | 2,805,608 | 2,203,214 | 4,810,099 | 9,901,826 | 6,814,852 |
| Experience adjustments on plan (asset) / liabilities | 1,567,483 | 652,362 | (5,832,963) | 4,189,414 | 2,736,875 |

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

| Particulars | 31 March 2015 | 31 March 2014 |
|---|---------------|---------------|
| Discount rate | 8.0% | 8.0% |
| Expected return on plan assets (p.a) | 8.0% | 8.0% |
| Employee turnover | 1% - 3% | 1% - 5% |
| Contribution expected to be paid during the next year | 1,000,000 | 1,000,000 |

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

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

27 Leases

Operating leases: Company as lessee

| Particulars | 31 March 2015 | 31 March 2014 |
|-----------------------------|---------------|---------------|
| Lease payments for the year | 21,570,028 | 19,437,225 |

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

| | | |
|---|-------------------|-------------------|
| Not later than one year | 1,970,249 | 4,902,477 |
| Later than one year but not later than five years | 5,936,128 | 6,948,017 |
| Later than five years | 31,074,123 | 28,629,300 |
| | 38,980,500 | 40,479,794 |

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

Operating leases: Company as lessor

| Particulars | 31 March 2015 | 31 March 2014 |
|----------------------------------|---------------|---------------|
| Lease rent received for the year | 51,122,632 | 48,970,893 |

Future minimum lease rental receivable under operating lease are as follows:

| | | |
|---|-------------------|--------------------|
| Not later than one year | 31,151,768 | 57,542,639 |
| Later than one year but not later than five years | 16,517,190 | 70,275,929 |
| Later than five years | 868,217 | 920,000 |
| | 48,537,175 | 118,271,905 |

The Company has entered into non-cancellable operating lease of its buildings. Terms for lease of building include annual escalation rental charges from the second year of such lease.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

28. Information in respect of Joint Venture in terms of Accounting Standard 27 - Financial Reporting of Interests in Joint Ventures

| | | |
|----------------------------------|---|---|
| Name of the Joint Venture | : | Swelect Infrastructure Services Private Limited |
| Nature of business | : | Providing infrastructure services. |
| Proportion of ownership interest | : | Nil (Previous year 50%) |
| Date of incorporation | : | 02 April 2004 |
| Country of incorporation | : | India |

Summary of assets and liabilities :

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

The Joint Venture has been wound up during the current year and hence the entire amount of investment has been written off.

| | 31 March 2015 | 31 March 2014 |
|--|------------------|-----------------|
| Equity and liabilities | | |
| Shareholders' funds | | |
| Share capital | - | 250,000 |
| Reserves and surplus | - | 520,928 |
| | <u>-</u> | <u>770,928</u> |
| Non-current liabilities | | |
| Deferred tax liabilities (net) | - | 22,549 |
| | <u>-</u> | <u>22,549</u> |
| Current liabilities | | |
| Trade payables | - | 5,618 |
| Other current liabilities | - | - |
| | <u>-</u> | <u>5,618</u> |
| Total | <u>-</u> | <u>799,095</u> |
| Asset | | |
| Non-current assets | | |
| Fixed assets | | |
| Tangible assets | - | 48,179 |
| | <u>-</u> | <u>48,179</u> |
| Current assets | | |
| Trade receivables | - | - |
| Cash and bank balances | - | 750,916 |
| Short-term loans and advances | - | - |
| | <u>-</u> | <u>750,916</u> |
| Total | <u>-</u> | <u>799,095</u> |
| Summary of income and expenditure: | | |
| (Details given below represent proportionate amount of the Company's share in joint venture) | | |
| | 31 March 2015 | 31 March 2014 |
| Other Income | 28,167 | 896,489 |
| Expenses | | |
| Personnel expenses | - | - |
| Manufacturing and other expenses | 750,917 | 966,582 |
| Depreciation | 48,179 | 10,000 |
| Financial expenses | - | - |
| | <u>(770,929)</u> | <u>(80,093)</u> |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

29 Primary segment information (By Business segments)

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

Business (Primary) segments of the Group are:

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

| Particulars | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| 1 Segment revenue | | |
| --- Contract manufacturing | 42,794,871 | 130,110,566 |
| --- Foundry | 706,558,751 | 718,217,492 |
| --- Solar Energy Systems / Services | 1,649,645,135 | 1,275,619,063 |
| --- Others | 89,871,147 | 62,199,242 |
| Total | 2,488,869,904 | 2,186,146,363 |
| Less: Inter segment revenue | (270,410,663) | (421,677,271) |
| Total Revenue (net) | 2,218,459,241 | 1,764,469,092 |
| 2 Segment results | | |
| Segment profits before finance charges and tax | | |
| --- Contract manufacturing | 5,953,954 | 14,339,766 |
| --- Foundry | 27,176,403 | 72,271,254 |
| --- Solar Energy Systems / Services | (105,707,350) | (133,071,316) |
| --- Others | 19,911,451 | 47,369,140 |
| Other unallocable income | 216,367,795 | 214,961,095 |
| Exceptional items | (20,311,785) | - |
| Finance charges | (120,529,878) | (34,176,893) |
| Total profits before tax and share of loss in associate | 22,860,590 | 181,693,046 |
| Tax expense | (25,433,825) | (19,894,171) |
| Share of loss in associate | (1,179,233) | (1,376) |
| Total Loss / (Profit) after tax | (3,752,468) | 161,797,499 |
| 3 Segment assets | | |
| --- Contract manufacturing | 106,962,130 | 110,155,557 |
| --- Foundry | 1,169,981,832 | 403,047,005 |
| --- Solar Energy Systems / Services | 3,046,385,753 | 3,320,780,596 |
| --- Others | 692,808,819 | 4,752,792,861 |
| --- Un-allocable assets | 3,993,866,851 | 199,466,284 |
| Total assets | 9,010,005,385 | 8,786,242,303 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

| Particulars | 31 March 2015 | 31 March 2014 |
|--|----------------------|----------------------|
| 4 Segment liabilities | | |
| --- Contract manufacturing | 9,300,226 | 2,877,816 |
| --- Foundry | 971,232,406 | 209,302,035 |
| --- Solar Energy Systems / Services | 710,595,267 | 1,504,860,389 |
| --- Others | 498,896,020 | 258,879,878 |
| Total liabilities | 2,190,023,919 | 1,975,920,118 |
| 5 Capital expenditure (Tangible and Intangible) | | |
| --- Foundry | 136,872,003 | 196,142,747 |
| --- Solar Energy Systems / Services | 364,242,760 | 694,205,639 |
| --- Others | 22,900,348 | 16,436,944 |
| Total Capital expenditure (Tangible and Intangible) | 524,015,111 | 906,785,330 |
| 6 Depreciation / amortisation | | |
| --- Contract manufacturing | 2,378,394 | 2,378,394 |
| --- Foundry | 34,886,751 | 19,380,070 |
| --- Solar Energy Systems / Services | 91,291,019 | 68,390,328 |
| --- Others | 40,751,930 | 98,49,290 |
| Total depreciation / amortisation | 169,308,094 | 99,998,082 |

30 Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Group's segment revenues and additions to tangible and intangible assets for the year ended 31 March 2015 and year ended 31 March 2014.

| Particulars | Geographical segment | | | |
|---|----------------------|---------------|---------------|---------------|
| | 31 March 2015 | | 31 March 2014 | |
| | Outside India | India | Outside India | India |
| Revenues | 441,948,344 | 1,776,510,897 | 441,059,975 | 1,323,409,117 |
| Capital expenditure (Tangible and Intangible) | 8,773,001 | 515,242,110 | 20,619,016 | 886,166,314 |
| Segment assets | 90,162,628 | 8,919,842,757 | 309,141,022 | 8,477,101,281 |

31 Capital and other commitments

- The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 413,831,319 (31 March 2014: Rs. 48,662,043).
- Commitments relating to lease arrangements, please refer to note 27.

32 Earnings per share (EPS)

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

| | 31 March 2015 | 31 March 2014 |
|--|-------------------------|-------------------------|
| (Loss) / Profit after tax as per consolidated statement of profit and loss (A) | (3,752,468) | 161,797,499 |
| Preference dividend tax (B) | (441,250) | (637,313) |
| Net profit attributable to the equity share holders (A + B = C) | (4,193,718) | 161,160,186 |
| | Number of shares | Number of shares |
| Weighted average number of equity shares (D) | 10,105,840 | 10,105,840 |
| Basic and diluted earnings per share (C / D) | (0.41) | 15.95 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

33 Related party transactions

1. Names of related parties and nature of relationship

| | |
|--|--|
| Associate | Swelect Sunpac Power Protection Private Limited (Upto September 2014) |
| Joint Venture | Swelect Infrastructure Services Private Limited (Upto September 2014) |
| Enterprises owned or significantly influenced by key management personnel or their relatives | Swelect Electronics Private Limited Swelect Technologies Private Limited |
| Key Management Personnel | Mr. R Chellappan - Managing Director Mr. V. C. Raghunath -Director (with effect from July 2014) |
| Relatives of key management personnel | Mrs. Gunasundari Chellappan Mrs. V. C. Mirunalini |

Related party transactions

| Particulars | Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives | | Key Management Personnel | | Relatives of key management personnel | | Total | |
|--|--|-----------|--------------------------|-------------------|---------------------------------------|------------------|-------------------|-------------------|
| | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 | 31-Mar-15 | 31-Mar-14 |
| Sale of goods | - | - | 305,277 | - | - | - | 305,277 | - |
| -- Mr. R Chellappan | - | - | 305,277 | - | - | - | 305,277 | - |
| Rent expense | - | - | 192,935 | 182,250 | - | - | 192,935 | 182,250 |
| -- Mr. R Chellappan | - | - | 192,935 | 182,250 | - | - | 192,935 | 182,250 |
| Investment written off | 1,475,000 | - | - | - | - | - | 1,475,000 | - |
| -- Swelect Infrastructure Services Private Limited | 250,000 | - | - | - | - | - | 250,000 | - |
| -- Swelect Sunpac Power Protection Private Limited | 1,225,000 | - | - | - | - | - | 1,225,000 | - |
| Remuneration | - | - | 4,309,990 | 5,704,256 | 641,321 | 583,344 | 4,951,311 | 6,287,600 |
| -- Mr. R Chellappan | - | - | 3,538,846 | 5,003,903 | - | - | 3,538,846 | 5,003,903 |
| -- Mr. V.C.Raghunath | - | - | 771,144 | 700,353 | - | - | 771,144 | 700,353 |
| -- Mrs. V.C.Mirunalini | - | - | - | - | 641,321 | 583,344 | 641,321 | 583,344 |
| Dividend paid | - | - | 43,072,686 | 38,032,880 | 1,103,346 | 3,747,064 | 44,176,032 | 41,779,944 |
| -- Mr. R Chellappan | - | - | 42,723,486 | 37,976,432 | - | - | 42,723,486 | 37,976,432 |
| -- Others | - | - | 349,200 | 56,448 | 1,103,346 | 3,747,064 | 1,452,546 | 3,803,512 |

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

34 Contingent liabilities

| | 31 March 2015 | 31 March 2014 |
|--|--------------------|--------------------|
| Claims against the Company not acknowledged as debts | | |
| a) Excise, custom / Cenvat related matters | 95,617,299 | 128,191,582 |
| b) Sales tax related matters | 51,495,575 | 17,382,361 |
| c) Income tax related matters | 14,575,600 | 14,575,600 |
| | 161,688,474 | 160,149,543 |

35 Derivative instruments and foreign currency exposures

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

| Particulars | Foreign Currency | 31 March 2015 | | 31 March 2014 | |
|----------------|------------------|----------------------------|-------------------------|----------------------------|-------------------------|
| | | Amount in Foreign Currency | Amount in Indian Rupees | Amount in Foreign Currency | Amount in Indian Rupees |
| Receivables | USD | 595,551 | 37,275,532 | 425,752 | 25,587,585 |
| | EURO | 876,678 | 59,299,829 | 943,184 | 77,710,816 |
| | SGD | 53,823 | 2,455,434 | 30,102 | 1,436,385 |
| | GBP | 25,717 | 2,411,900 | 3,750 | 372,036 |
| Payables | USD | 1,447,361 | 90,590,327 | 1,188,562 | 71,432,320 |
| | EURO | 150,870 | 10,205,078 | 592,673 | 48,831,473 |
| | SGD | 22,908 | 1,045,079 | - | - |
| | GBP | 72,086 | 6,760,612 | 24,849 | 2,465,258 |
| Cash balance | USD | 516 | 32,296 | - | - |
| | NTS | 1,300 | 2,366 | - | - |
| | CNY/RNB | 17 | 159 | - | - |
| Bank balance | USD | 705 | 44,098 | 1,816 | 109,141 |
| | SGD | 3,856,020 | 175,912,069 | 4,226,704 | 201,686,455 |
| | EURO | 667 | 45,132 | 821 | 67,627 |
| Secured loans | USD | 378,840 | 23,711,596 | - | - |
| | EURO | 791,040 | 53,507,157 | - | - |
| Buyer's credit | USD | 386,146 | 24,168,888 | 36,494 | 3,013,547 |

36 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 2015.

Goodwill on consolidation as at 31 March 2015 stood at Rs. 4428.80 lakhs (previous year: Rs. 3440.40 lakhs). Significant acquisitions over the years which resulted in goodwill were Amex Irons Private Limited, HHV Solar Technologies Limited, BS Powetech Solutions Private Limited and Swelect Green Energy Solutions and the details of the same are given below:

- The Company acquired 100% equity share stake in Amex Irons Private Limited for a consideration of Rs. 995.00 lakhs on 14 November 2011. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 455.04 lakhs was recognised as goodwill.

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

- b. The Company acquired 49% equity share stake in HHV Solar Technologies Limited for a consideration of Rs. 2186.03 lakhs on 10 January 2013. The purchase consideration paid along with the net liability taken over amounting to Rs.2667.71 lakhs was recognised as goodwill. The balance 51% equity share stake was acquired on 1 August 2014 for a consideration of Rs. 488.40 lakhs. Consequently, HHV Solar Technologies Limited became a 100% subsidiary of the Company. The purchase consideration paid along with the net liabilities taken over amounting to Rs. 988.40 lakhs is recognised as goodwill.
- c. The Company's wholly owned subsidiary Swelect Solar Energy Private Limited acquired 76% equity share stake in BS Powertech Solutions Private Limited for a consideration of Rs. 150.00 lakhs on 25 January 2012. The excess purchase consideration paid over the net asset taken over to the extent of Rs. 150.02 lakhs was recognised as goodwill. The balance 24% equity share stake was acquired on 11 December 2013 for a consideration of Rs. 157.89 lakhs. Consequently, BS Powertech Solutions Private Limited became a 100% subsidiary of the Company. The purchase consideration paid along with the net liabilities taken over amounting to Rs. 167.07 lakhs is recognised as goodwill.
- d. The Company acquired 100% equity share stake in Swelect Green Energy Solutions Private Limited for a consideration of Rs. 70.00 lakhs on 11 November 2013. The excess purchase consideration paid over the net assets taken over to the extent of Rs. 0.56 lakhs is recognised as goodwill.

2 Capital reserve on consolidation

Capital reserve on consolidation represents excess net asset value of acquired subsidiary over the consideration paid on the date of such acquisition. Capital reserve on consolidation as at 31 March 2015 stood at Rs. 151.46 lakhs (Previous year Rs. 151.46 lakhs). The details of which is provided below:

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

SWELECT ENERGY SYSTEMS LIMITED

Notes to consolidated financial statement for the year ended 31 March 2015

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

37 Additional disclosure requirement under Section 129 of the Companies Act, 2013.

| Name of the entity | Net Assets | | Share in Profit or Loss | |
|---|---------------------------------------|----------------------|--|---|
| | As a % of the consolidated net assets | Amount | As a % of the consolidated profit/loss | As a % of the total consolidated Profit / (loss) after Taxation |
| Parent | | | | |
| Swelect Energy Systems Limited | 75% | 5,088,686,686 | -268% | 10,041,135 |
| Subsidiaries | | | | |
| Foreign | | | | |
| Swelect Energy Systems Pte. Limited, Singapore | 12% | 781,839,388 | -254% | 9,541,245 |
| Indian | | | | |
| HHV Solar Technologies Limited | 5% | 334,264,322 | 219% | (8,217,337) |
| Amex Alloys Private Limited | 5% | 339,621,671 | -527% | 19,793,113 |
| Amex Irons Private Limited | 2% | 158,876,129 | 813% | (30,516,244) |
| Swelect Solar Energy Private Limited | 0% | (338,358) | 31% | (1,163,887) |
| BS Powertech Solutions Private Limited | 1% | 96,172,630 | 15% | (554,731) |
| Swelect Green Energy Solutions Private Limited | 0% | 20,858,996 | 19% | (725,600) |
| Minority interest in HHV Solar Technologies Limited | -1% | (40,000,000) | | |
| Joint Venture - Indian | | | | |
| Swelect Infrastructure Services Private Limited | 0% | - | 21% | (770,928) |
| Associate - Indian | | | | |
| Sunpac Power Protection Private Limited | 0% | - | 31% | (1,179,233) |
| Total | | 6,779,981,463 | | (3,752,468) |

38 Exceptional Item

Exceptional item represents cost of land written off amounting to Rs.20,311,785 (net of recovery) on account of defective title and for which the company is pursuing a legal claim against certain individuals.

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

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

Place: Chennai
Date: 28 May 2015

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvanewari
Company Secretary

Place: Chennai
Date: 28 May 2015

V. C. Raghunath
Director

P. Jagan
Chief Financial Officer

Place: Chennai
Date: 28 May 2015

SWELECT ENERGY SYSTEMS LIMITED

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

Form AOC-1

Statement (Pursuant to first proviso to sub-Section 3 of section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries.

Part 'A': Subsidiaries

| Sl no. | Name of the Subsidiary | Reporting period | Reporting Currency | Exchange Rate | Share Capital | Reserves and surplus | Total Assets | Total Liabilities | Details of Investment (except in case of Investment in subsidiary) | Turnover (net) | Profit/ (loss) before Taxation | Provision for Taxation | Profit/ (loss) after Taxation | Proposed Dividend | % of shareholding |
|--------|--|------------------|--------------------|---------------|---------------|----------------------|--------------|-------------------|--|----------------|--------------------------------|------------------------|-------------------------------|-------------------|-------------------|
| 1 | Swelect Energy Systems Pte. Limited, Singapore | Apr-Mar | USD | 62.59 | 437,290,241 | 427,087,537 | 923,234,661 | 58,856,883 | - | 217,346,463 | 9,357,815 | (183,429) | 9,541,246 | - | 100.00% |
| 2 | HHV Solar Technologies Limited (Formerly HHV Solar Technologies Limited) | Apr-Mar | INR | 1.00 | 253,557,290 | (216,343,358) | 596,935,333 | 561,721,399 | - | 1,025,062,591 | (9,936,109) | - | (9,936,109) | - | 100.00% |
| 3 | Amex Alloys Private Limited | Apr-Mar | INR | 1.00 | 22,500,000 | 153,152,386 | 726,062,915 | 550,410,528 | - | 497,615,001 | 29,212,705 | 9,419,592 | 19,793,113 | 2,500,000 | 100.00% |
| 4 | Amex Irons Private Limited | Apr-Mar | INR | 1.00 | 55,000,000 | (52,248,400) | 246,073,478 | 253,321,879 | - | 238,174,621 | (30,516,244) | - | (30,516,244) | - | 100.00% |
| 5 | Swelect Solar Energy Private Limited | Apr-Mar | INR | 1.00 | 24,400,000 | (7,501,526) | 56,764,178 | 39,865,704 | - | - | (1,163,888) | - | (1,163,888) | - | 100.00% |
| 6 | BS Powertech Solutions Private Limited | Apr-Mar | INR | 1.00 | 100,000 | (7,007,237) | 123,308,755 | 130,215,993 | - | 21,196,481 | (554,731) | - | (554,731) | - | 100.00% |
| 7 | Swelect Green Energy Solutions Private Limited | Apr-Mar | INR | 1.00 | 13,500,000 | (3,568,743) | 23,411,221 | 13,479,963 | - | 6,174,000 | (725,600) | - | (725,600) | - | 100.00% |

Note:

1. Indian rupee equivalents of the figures given in foreign currency in the accounts of the subsidiary company, are based on the exchange rates as on 31.03.2015.
2. The Company acquired the balance 51% of the equity share capital of HHV Solar Technologies Limited on August 01, 2014.

SWELECT ENERGY SYSTEMS LIMITED

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

Form AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Company and Joint Venture

Part "B": Associates and Joint Ventures

| Sl no. | Name of the Associate / Joint Venture | Latest Audited Balance sheet date | Shares held by the Company on the year end | | | Significant influence | Reason for not consolidation | Net worth | Profit / (Loss) for the year | |
|------------|---|-----------------------------------|--|-----------------|-----------|-----------------------|------------------------------|-----------|--------------------------------|---------------------------------|
| | | | No | Investment held | Holding % | | | | Considered in consolidation | Not considered in consolidation |
| (A) | Associate | | | | | | | | | |
| 1 | Swelect Sunpac Power Protection Private Limited | 31-Mar-15 | Nil | Nil | Nil | Voting Power | Not applicable | Nil | (1,179,233) | Nil |
| (B) | Joint Venture | | | | | | | | | |
| 2 | Swelect Infrastructure Services Private Limited | 31-Mar-15 | Nil | Nil | Nil | Voting Power | Not applicable | Nil | (770,928) | Nil |

Note:

- During the year, the Associate Company and the Joint venture were struck off under the "Fast Track Exit" route, as per Section 560 of the Companies Act, 1956, since these Companies were inoperative for more than five years.



NUMERIC HOUSE, 3rd Floor, No 5, Sir P.S. Sivasamy Salai, Mylapore,
Chennai 600 004, Tamil Nadu, India. Tel: +91 44 2499 3266 Fax: +91 44 2499 5179
Toll Free No. 1800 425 9600
Email: info@swelectes.com www.swelectes.com
CIN : L93090TN1994PLC028578

swelect ENERGY SYSTEMS PTE LTD SINGAPORE

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

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

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

Email: cg.ird@swelectes.com Website: www.swelectes.com

NOTICE TO THE TWENTIETH ANNUAL GENERAL MEETING

The **TWENTIETH** Annual General Meeting of **SWELECT ENERGY SYSTEMS LIMITED** will be held on Wednesday the 29th July 2015 at 3.30 P.M. at Savera Hotel, No. 146, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004 to transact the following business :

ORDINARY BUSINESS

1. To consider and adopt;

- (a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
- (b) the audited consolidated financial statements of the Company for the financial year ended March, 2015, the reports of the Auditors thereon;

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

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2015, 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, 2015, the reports of the Auditors, be and are hereby considered and adopted.”

2. To declare dividend.

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

“RESOLVED THAT a dividend of Rs.2.5/- per equity share [i.e. 25 % 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 23rd July 2015.

3. To appoint a Director in place of Mr. V.C. Raghunath (DIN-00703922) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers himself for re-appointment.

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

“RESOLVED THAT Mr. 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. To appoint a Director in place of Mrs. Vasantha Balan (DIN-05324401), who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers herself for re-appointment.

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

“RESOLVED THAT Mrs. Vasantha Balan (DIN 05324401), whose period of office is liable to determination by retirement of Directors by rotation, and who has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company.”

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

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

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

6. To appoint Auditors and fix their remuneration.

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

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

SPECIAL BUSINESS

7. APPOINTMENT OF MR. R. CHELLAPPAN AS THE MANAGING DIRECTOR OF THE COMPANY FOR THE PERIOD OF 5 YEARS.

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

RESOLVED THAT pursuant to sec 196 and other applicable provisions of the Companies Act 2013, Mr. R. Chellappan be and is hereby appointed as the Managing Director of the Company for a period of 5 (Five) years with effect from 1st May 2015 to 30th April 2020, on the terms and conditions as specified below within the limits of the provisions of Schedule V of the Companies Act 2013.

The remuneration, benefits, perquisites, commission and other allowances, payable to him with effect from 1st May 2015 are as under:

1. Remuneration by way of salary, Dearness Allowances, House Rent Allowance, Personal Accident Insurance and LIC Group insurance Scheme, Club Fees (Subject to a maximum of two clubs) and Gas, Electricity and Water not to exceed Rs.3,00,000 per month or Rs.36,00,000 /- per annum.
2. In addition to (1) above, he will also be eligible for the following perquisites:-
 - a) Contribution to Provident Fund or Annuity fund to the extent that these, either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity payable not exceeding half a month's salary for each completed year of service.
 - c) Encashment of leave at the end of the tenure.
 - d) Leave Travel Concession: For self and Family once in a year as per the rules of the Company.
 - e) Car: Car will be provided by the Company. The expenses connected with the operation will be reimbursed as per the rules of the Company from time to time.
 - f) Telephone: Provision of a telephone at residence. Personal long distance calls shall be billed by the company.
 - g) Soft furnishing allowance/Entertainment Allowance/Daily Allowance/Recreation Allowance/Domestic Service Allowance, subject to a ceiling of Rs. 3,00,000/- per annum.
 - h) Reimbursement of Medical Expenses for Self and Family, as approved by CCIT.
 - i) Contribution to Super Annuation Fund as per the Applicable Rules.

- N.B. (i) The above allowances / benefits / reimbursements would be subject to the applicable Income - Tax Rules.
(ii) The word “family” shall mean the persons specified in the Companies Act, 2013.
(iii) Use of Car and telephone shall be dealt with as per applicable provisions under the Income Tax Rules 1962.
3. Commission: In addition to the above, commission @1% of the Net Profits of the Company will be paid.

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

R. Chellappan
Managing Director

Chennai
28th May 2015

NOTES:

- 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.**
- A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Pursuant to the provisions of section 105 of the Companies Act 2013 a person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
- 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.
- 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.
- The Register of Members and the Share Transfer Books will remain closed from 24th July 2015 to 29th July 2015 both days inclusive, for determining the name of members eligible for payment of dividend on equity shares.
- The dividend on Equity shares, if declared at the ensuing Annual General Meeting, will be credited / deposited between 3rd August 2015 and 12th August 2015 to those members whose names appear on the Company’s Register of Members on 23rd July 2015
- Members whose shareholding is in the electronic mode are requested to inform change of address notifications and updates of saving bank account details to their respective Depository participant(s). Members are encouraged to utilize the Electronic Clearing system (ECS) for receiving dividends.
- Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account will as per section 124 of the Companies Act 2013 (section 205A of the erstwhile Companies Act 1956) be transferred to the Investors Education and Protection Fund.
- The related Explanatory statement pursuant to Sec 102(2) of the Companies Act 2013, setting out all the material fact concerning item No. 7 is annexed herewith.
- Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
- Pursuant to section 108 of the Companies Act, 2013, read with the relevant rules of the Act, the Company is required to provide members the facility to cast their vote by electronic means. The detailed instructions for e-voting are annexed to this Notice.

Annexure to Notice

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

Item No 7:

Mr. R. Chellappan was appointed as Managing Director of the Company from 1st May 2010 to 30th April 2015 vide Shareholders' resolution at the 15th Annual General meeting held on 7th August 2010. The tenure expired on 30th April 2015.

The Board of Directors at their meeting held on 12.02.2015, has appointed Mr. R. Chellappan as the Managing Director of the Company for a period of 5 years from 1st May 2015 to 30th April 2020 as per the terms and conditions, subject to the approval of the shareholders.

The Company has received notice in writing from Mr. A. Balan, proposing Mr. R. Chellappan's candidature for the office of Managing Director. The Company also received the deposit amount from Mr. A. Balan.

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

No Directors, Key Managerial Personnel or their relatives, except Mr. R. Chellappan to whom the resolution relates and Mr. V.C. Raghunath, Son of Mr. R. Chellappan are interested or concerned in the resolution.

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

Brief profile of the Directors seeking appointment / re-appointments

- Brief resume of Mr. R. Chellappan and nature of his expertise in specific functional areas:

| | |
|---------------------------|---|
| AGE & DOB | 62 years, 08th MAY 1953 |
| EDUCATIONAL QUALIFICATION | DEE and qualified Engineer in Electrical and Electronics from Thiagarajar Polytechnic College, Salem – April 1972 BE (EEE) from Coimbatore Institute of Technology with University rank – Nov 1979 An active Senior Member of Institute of Electrical & Electronics Engineers Inc. – USA (IEEE) for the last 20 years |
| EXPERIENCE | 8 Years with Sri Ramakrishna Steel Industries Ltd, Coimbatore 5 Years with Ashok Leyland Ltd, Chennai |
| CREDENTIALS | One of the Founder Members / Trustee of National Solar Energy Federation of India (NSEFI), South Chapter Appointed as chairman of IEEE – Madras Chapter, PELS society Bonafide member of MAIT – Manufacturers' Associate for Information Technology Received special achievement award from the Hon'ble Governor of Tamil Nadu for being one of Elite group of ten outstanding entrepreneurs in the field of IT and ITES "TRAIL BLAZERS – PATH FINDERS 2011" - a recognition and appreciation for the efforts of entrepreneurs who are part of the competitive IT and ITES Industry and whose contribution to the growth of the economy has been significant. In November 2013, awarded the winner of the TieCon Award 2013 as "The Entrepreneur of the Year 2013". |

| | |
|--|---|
| ACHIEVEMENTS UNDER HIS LEADERSHIP | <p>Started the business (in 1984) with a team of just six members, and then built the company to 2600 employees (in 2012) across its branches in India and overseas.</p> <p>In May 2012, Numeric transferred the UPS division to Novateur Electrical & Digital Systems Pvt Ltd, a wholly owned subsidiary of LEGRAND S.A. FRANCE under a BTA (Business Transfer Agreement).</p> <p>In Aug 2012, SWELECT was empanelled by BEE (Bureau of Energy Efficiency) as ESCO (Energy Service Company).</p> <p>In Dec 2012, SWELECT was recognized as the No.1* Solar Solution Provider (Integrator) company of the Year 2012.</p> <p>In Dec 2012, SWELECT was adjudged as the winner of Soft Disk (SD) Awards 2012 for Leadership in Roof Top Solar Installations.</p> <p>In Jan 2013, SWELECT got a CRISIL rating of SP1A (highest for Technical and Financial Superiority) and was accredited by MNRE as the authorized Channel Partner for Off-grid and Decentralized Solar PV systems under JNNSM scheme.</p> <p>Amex Alloys was awarded as Export Excellence Award for FY(12-13).</p> <p>SD's No.1 off Grid / Roof Top Solar PV power solution provider of the year 2013.</p> <p>A++ SD's star green rating.</p> <p>Winner of the largest numbers of roof top installation in the country in 2012-13.</p> |
|--|---|

Mr. R. Chellappan holds directorship in the following companies:

| Sr. No. | Name of the Companies/ Firms | Position held |
|----------------|---|----------------------|
| 1 | HHV Solar Technologies limited | Managing Director |
| 2 | Amex Alloys Private limited | Director |
| 3 | Amex Irons Private limited | Director |
| 4 | SWELECT Technologies Private Limited | Director |
| 5 | SWELECT Solar Energy Private Limited | Director |
| 6 | Gem Sugars Limited | Director |
| 7 | SWELECT Green Energy Solutions Private Limited | Director |
| 8 | SWELECT Energy Systems Pte. Limited, Singapore | Director |
| 9 | SWELECT Electronics Private Limited | Director |
| 10 | BS Powertech Solutions Private Limited | Director |
| 11 | SWELECT Power Systems Private Limited | Director |
| 12 | Novateur Electrical & digital Solutions private Limited | Director |
| 13 | NOEL Media & Advertising Private Limited | Director |

Chairperson of Board of other Companies: 1

Member of Board Committee of Other Companies: 1

Shareholding in the Company:

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

Disclosure of relationships between directors inter-se: Mr. V.C. Raghunath, Whole time director is the Son of Mr. R. Chellappan,

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

| | |
|---------------------------|--|
| AGE & DOB | 33 years, 11 th JULY 1981 |
| EDUCATIONAL QUALIFICATION | BE (EEE) Master of Science (Electrical Engineering) |
| EXPERIENCE | 8 Years in the Power Electronics and Solar Industry, Started his career in 2006 |
| CERTIFICATION | Certified SAP Solution Consultant for Supply Chain Management / Order Fulfilment |
| PORTFOLIO | <p>Handling of all India Level Solar Power Project Management and Solutions</p> <ul style="list-style-type: none"> - Contributes to the development of marketing strategy of the Company and communication. - Training and Guiding the Sales team in achieving their target. - Key function is to negotiate complex, high-value contracts for the supply of Solar Power products and solutions. - Meet key customers and give presentations of new products and proposals, besides maintaining relations with the existing ones. - Project Execution and Management - Ensuring that customers' requirements related to the products and solutions are made available within shortest possible time. - Work closely with other members of the sales team and other departments within the company to ensure customer and company expectations are met. - Cost working for all Tenders and Quotes - Service Escalation Management and support to all the Service team |
| PROJECTS HANDLED | <p>Co-ordination with internal team members and the customers for the on time procurement, supply and installation for all the MW projects, and several smaller, but complex projects, till the end of plant energising.</p> <p>Few Major MW Range projects to mention:</p> <ul style="list-style-type: none"> (a) 1.65MW SPV Solar Park at Hosur for Exide Industries Ltd as a Turnkey EPC Project (b) 1MW SPV Power Plant at TADA for Nippo Batteries with Engineering and Installations (c) 1MW SPV Power Plant at Sivagangai for Noel Media (d) 1MW SPV Park at Karur for Yajur Energy, USA (e) 2MW SPV Park at Karur for Amex Alloys Pvt Ltd <p>Ensured for the highest number of installations for the year and was adjudged as the winner of SD Award 2014 for having completed the largest numbers of Roof Top Installations in the Country</p> |

Mr. V.C. Raghunath holds directorship in the following companies:

| Sr. No. | Name of the Companies/ Firms | Position held |
|---------|--|---------------|
| 1 | Amex Alloys Private Limited | Director |
| 2 | Amex Irons Private Limited | Director |
| 3 | BS Powertech Solutions Private Limited | Director |
| 4 | SWELECT Energy Systems Pte. Limited | Director |
| 5 | SWELECT Technologies Private Limited | Director |
| 6 | NOEL Media & Advertising 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: 38,800 Shares
- ii) Held by/for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: Mr. V.C. Raghunath is the Son of Mr. R. Chellappan, Managing Director.

3. Brief resume of Mrs. Vasantha Balan and nature of her expertise in specific functional areas:

Mrs Vasantha Balan is 55 years of age and is a non-executive Director of the Company. She is a science graduate from Madras University and holds directorship in the following companies.

| Sr. No. | Name of the Companies/ Firms | Position held |
|---------|--|---------------|
| 1 | SWELECT Solar Energy Private Limited | Director |
| 2 | SWELECT Green Energy Solutions Private Limited | Director |
| 3 | SWELECT Electronics Private Limited | Director |
| 4 | SWELECT Power Systems 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: 7,056 Shares
- ii) Held by/for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

4. Brief resume of Mrs. Jayashree Nachiappan and nature of her expertise in specific functional areas:

Mrs. Jayashree Nachiappan is 48 years of age and is a non-executive Director of the Company. She holds an Engineering degree in Printing Technology from College of Engineering, Guindy affiliated to Anna university, Chennai and runs her own Offset printing press for the past 21 years.

Mrs. Jayashree Nachiappan holds directorship in the following companies.

| Sr. No. | Name of the Companies/ Firms | Position held |
|---------|---|---------------|
| 1 | Swelect Solar Energy Private Limited, | Director |
| 2 | Swelect Green Energy Solutions Private Limited, | Director |
| 3 | BS Powertech Solutions 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: 100 Shares
- ii) Held by/for other persons on a beneficial basis: Nil

Disclosure of relationships between directors inter-se: None

By Order of the Board
For SWELECT ENERGY SYSTEMS LIMITED

R. Chellappan
Managing Director

Chennai
28th May 2015

Electronic voting (e-voting)

Pursuant to provisions of section 108 of the Companies Act 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 20th Annual General meeting of the Company to be held on Wednesday the 29th July 2015 at 3.30 pm. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The Annual Report of the Company for the year ended 31.03.2015 together with the Notice, Proxy Form and attendance slip, is being sent through Speed post / Registered Post to all shareholders.

The voting period begins on 26th July 2015 at 9:00 am and ends on 28th July 2015 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 23rd July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

EVSN (Electronic Voting Sequence Number) is 150625019

Please read the instructions printed below before exercising your vote.

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com during the voting period.
- (ii) Click on "Shareholders" 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, 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.
- (v) Now, fill up the following details in the appropriate boxes:

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. For Example: Your name : SURESH KUMAR 8 digits Serial No : 00002800 Then type in the PAN Field : SU00002800 |
| DOB# | Enter the Date of Birth / Date of incorporation 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.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.

- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for SWELECT ENERGY SYSTEMS LIMITED on which you choose to vote.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Non Individual shareholders, (i.e. other than individuals, HUF, NRI etc.,) and Corporate / Custodians** are required to log on to <https://www.evotingindia.com> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The voting period begins on **26th July 2015 at 9:00 am and ends on 28th July 2015 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 23rd July 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.com> under help section or write an email to helpdesk.evoting@cdslindia.com.

General Instructions

- a) Mr. P. Eswaramoorthy, Practicing Company Secretary (Membership No. FCS 6510), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- b) The Scrutinizer shall, within a period of not exceeding three working days from the conclusion of the meeting, unblock the votes in the presence of at least two witnesses, not in the employment of the Company and submit a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company and Chairman or a person authorised by him in writing will disclose the result forthwith.
- c) The results declared along with the Scrutinizer's Report will be placed on the Company's website www.swelectes.com, CDSL website and the same will also be communicated to BSE Ltd., and National Stock Exchange of India Limited.
- d) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on 23rd July 2015.

- e) Members who did not cast their vote through e-voting during the evoting period shall be allowed to cast their vote at the AGM through ballot paper. Members who have voted through evoting can attend the meeting but cannot vote again through ballot paper at AGM.

For your immediate reference, we also give 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 Salai,
Mylapore, Chennai – 600004.

Phone : +91 - 44 - 2811 4700.

PROXY FORM

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

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

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

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

Name of the member(s):

Registered address

E-mail Id:

Folio No. / Client ID: DP ID:

I / We, being the member(s) of SWELECT ENERGY SYSTEMS LIMITED, holding equity shares of the Company, hereby appoint

1. Name:
 Address:

 Email Id:

 Signature:,
 or failing him
2. Name:
 Address:

 Email Id:
 Signature:,
 or failing him
3. Name:
 Address:

 Email Id:
 Signature:,
 or failing him

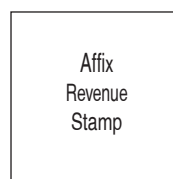


As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Wednesday the 29th July 2015, at 3:30 p.m. at Savera Hotel, No.146, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004, India and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution Number | Resolution | Vote (Optional see Note 2) (Please mention no. of shares) | | |
|-------------------|---|--|---------|---------|
| | | For | Against | Abstain |
| | Ordinary business | | | |
| 1 | To consider and adopt the Twentieth Annual Report of the Directors, the 'Standalone and Consolidated' Audited Balance Sheet as at 31st March 2015, Profit and Loss Account for the year ended 31st March 2015 and the Auditors' Report thereon. | | | |
| 2 | To declare Dividend. | | | |
| 3 | To appoint a Director in place of Mr. V. C. Raghunath (holding DIN- 00703922) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers himself for Re-appointment. | | | |
| 4 | To appoint a Director in place of Mrs. Vasantha Balan (DIN-05324401) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers herself for Re-appointment. | | | |
| 5 | To appoint a Director in place of Mrs. Jayashree Nachiappan (DIN- 03173327) who retires at this meeting in terms of section 152(6) of the Companies Act 2013 and being eligible, offers herself for Re-appointment. | | | |
| 6 | To appoint Auditors and fix their remuneration. | | | |
| | Special business | | | |
| 7 | Appointment of Mr. R. Chellappan (DIN -00016958) as the Managing Director of the Company for a period of five Years | | | |

Signed this day of 2015.

Signature of shareholder:



Signature of the proxy holder(s):

Notes:

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

SWELECT ENERGY SYSTEMS LIMITED

CIN: L93090TN1994PLC028578

Registered Office: Numeric House, No.5, Sir P.S. Sivasamy Salai, Mylapore, Chennai-600004.
Tel: 044-24993266 Fax: 044-24995179 Email: cg.ird@swelectes.com, Website: www.swelectes.com

ATTENDANCE SLIP

1. Name and Address :

2. Joint Holder(s) :

3. E-mail ID :

4. FOLIO / DP ID / CLIENT ID :

| ELECTRONIC VOTING PARTICULARS | | |
|--|-----------------------------------|--|
| EVSN [E-voting Sequence Number] | User ID | Password / PIN |
| 150625019 | Enter your Folio No./DP ID/CL ID: | Please enter the PAN and Date of Birth or Bank Account No: |

I/We hereby certify that I/We, am/are registered Member/Proxy for the registered Member of the Company and hereby record my/our presence at the 20th Annual General Meeting of the Company on Wednesday the 29th July 2015 at 3:30 p.m. at Savera Hotel, No.146, Dr. Radhakrishnan Salai, Mylapore, Chennai-600004 or at any adjournment thereof in respect of such resolutions as mentioned in the Notice.

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

Note: Members / Proxies to Members are requested to sign and handover this slip at the entrance of the venue of the Meeting.