

INDEPENDENT AUDITOR'S REPORT

To the Members of K J Solar Systems Private Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of K J Solar Systems Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 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 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the 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, 2016, its profits, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order 2016, issued by the department of Company Affairs in terms of section 143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure " to this report;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position ;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

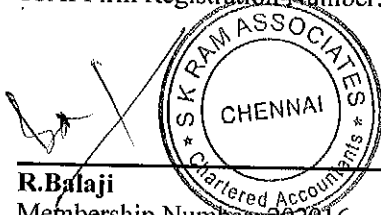
S.K.RAM ASSOCIATES

Chartered Accountants
Old No. 57/2, New No. 103
P.S. Sivaswamy Salai, Mylapore
Chennai 600 004. INDIA
E-Mail: skram@md3.vsnl.net.in

Phone : (91) (44) 24993637
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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S K Ram Associates
Chartered Accountants
ICAI Firm Registration Number: 2842S.



R. Balaji
Membership Number: 202916
Place of Signature: Chennai
Date: May 26, 2016

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF K J SOLAR SYSTEMS PRIVATE
LIMITED.**

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

To the Members of K J Solar Systems Private Limited.

We have audited the internal financial controls over financial reporting of K J Solar Systems Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

S.K.RAM ASSOCIATES

Chartered Accountants
Old No. 57/2, New No. 103
P.S. Sivaswamy Salai, Mylapore
Chennai 600 004. INDIA
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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S K Ram Associates

Firm registration number: 2842S

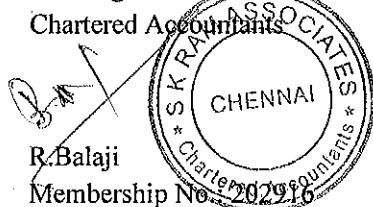
Chartered Accountants

R. Balaji

Membership No. 202916

Place: Chennai

Date: May 26, 2016



K J SOLAR SYSTEMS PRIVATE LIMITED**Balance Sheet as at 31 March 2016**

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

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	1,000,000	1,000,000
Reserves and surplus	4	603,357	8,014
		1,603,357	1,008,014
Current liabilities			
Short-term borrowings	5	29,977,573	1,281,200
Trade payables	6	257,537	1,072,601
Other current liabilities	6	100,100,204	5,000
Short-term provisions	7	113,442	-
		130,448,756	2,358,801
Total		132,052,113	3,366,815
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	119,205,916	593,698
Capital work- in- progress		4,721,480	-
Long-term loans and advances	9	1,807,444	-
		125,734,840	593,698
Current assets			
Inventories	10	-	1,300,900
Trade receivables	11.1	167,399	66,150
Cash and bank balances	12	1,357,170	1,038,072
Short-term loans and advances	9	2,075,949	265,595
Other assets	11.2	2,716,755	102,400
		6,317,273	2,773,117
Total		132,052,113	3,366,815
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 K Ram Associates

ICAI Firm's registration number: 2842S

Chartered Accountants

R Balaji

ICAI Membership No. 202916

Place: Chennai

Date: 26th May 2016

For and on behalf of the board of directors

A.Balan

Director

Place: Chennai

Date: 26th May 2016

V.C.Raghunath

Director

Place: Chennai

Date: 26th May 2016

K J SOLAR SYSTEMS PRIVATE LIMITED**Statement of profit and loss for the year ended 31 March 2016**

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

	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations	13	4,638,759	577,920
Other income	14	116,891	-
Total revenue		4,755,650	577,920
Expenses			
Purchase of traded goods		2,556,605	1,865,609
Decrease/(Increase) in inventories of traded goods	15	1,300,900	(1,300,900)
Employee benefits expense	16	110,813	-
Other expenses	17	128,934	5,000
Depreciation expense	18	52,317	-
Finance costs	19	10,738	197
Total expenses		4,160,307	569,906
Profit before tax		595,343	8,014
Tax expense			
Current tax		113,442	-
Less: MAT credit entitlement		(113,442)	-
Total tax expense		-	-
Profit for the year		595,343	8,014
Earnings per equity share (nominal value of share Rs.100/- (31 March 2015: Rs.100/-))			
Basic and diluted earnings per share	23	59.53	0.80

Summary of significant accounting policies

2

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

As per our report of even date

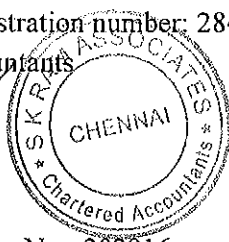
For S K Ram Associates

ICAI Firm's registration number: 2842S

Chartered Accountants

R Balaji

ICAI Membership No.: 202916



For and on behalf of the board of directors

A. Balan

A. Balan
Director

V.C. Raghunath
Director

Place: Chennai

Date: 26th May 2016

Place: Chennai

Date: 26th May 2016

Place: Chennai

Date: 26th May 2016

K J SOLAR SYSTEMS PRIVATE LIMITED

Cash flow statement for the year ended 31 March 2016

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

	31 March 2016	31 March 2015
A. Cash flow from operating activities:		
Profit for the year	595,343	8,014
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation	52,317	-
Foreign exchange gain	(116,891)	-
Interest expense	10,738	197
Operating profit before working capital changes	541,507	8,211
Movement in working capital:		
(Increase) in trade receivables	(101,249)	(66,150)
(Increase) in loans and advances and other assets	(6,232,153)	(367,995)
Decrease / (Increase) in inventories	1,300,900	(1,300,900)
(Decrease) in trade payables, other current liabilities	(534,369)	1,077,601
(Decrease) in provisions	113,442	-
Cash flow used in operating activities	(4,911,922)	(649,233)
Taxes paid	-	-
Net cash flow used in operating activities (A)	(4,911,922)	(649,233)
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(23,454,615)	(593,698)
Cash flow used in investing activities (B)	(23,454,615)	(593,698)
C. Cash flow from financing activities:		
Loan taken from related parties	28,696,373	1,281,200
Proceeds from issuance of equity share capital	-	1,000,000
Interest paid	(10,738)	(197)
Net cash flow generated from financing activities (C)	28,685,635	2,281,003
Net Increase in cash and cash equivalents (A + B + C)	319,098	1,038,072
Cash and cash equivalents at the beginning of the year	1,038,072	-
Closing cash and cash equivalents	1,357,170	1,038,072

Notes :

1. 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.

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

As per our report of even date

For **S K Ram Associates**
ICAI Firm's registration number: 2842S
Chartered Accountants
CHENNAI
R. Balaji
ICAI Membership no.: 202916

For and on behalf of the board of directors

A. Balan
Director

V. C. Raghunath
Director

Place: Chennai
Date : 26 May 2016

Place: Chennai
Date : 26 May 2016

Place: Chennai
Date : 26 May 2016

1. Nature of operations

K J Solar Systems Private Limited ('KJSS or the Company') was incorporated as a Private Limited Company under the Companies Act, 1956 on 10th November 2014. The Company is primarily engaged in generation and sale of solar power.

The Company has become a subsidiary of Swelect Solar Energy Private Limited w.e.f 11th February 2016 and has become a wholly owned subsidiary w.e.f 18th February 2016.

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.

(b) Use of estimates

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

(c) Tangible assets

Tangible fixed assets are stated at cost, less accumulated depreciation/amortisation and impairment loss if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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 today 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.

(d) Depreciation

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
Solar Plant	25 years
Office equipment	5 years
Electrical equipment	10 years
Computers	3 years
Furniture and fittings	10 years

Useful lives/ depreciation rates

The useful lives of certain Solar Plant and Machinery to 25 years, respectively. These lives are higher than those indicated in schedule II of the Companies Act, 2013.

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

(e) Impairment of tangible 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 the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(f) 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.

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 Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO). Such revenue is recognised on the basis of actual units generated and transmitted.

(g) 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

K J Solar Systems Private Limited
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

for services received before the balance sheet date, then excess is recognised as an asset to the extent of the pre-payment.

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

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

(h) Income taxes

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

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

At each balance sheet date the Company 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

K J Solar Systems Private Limited
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees unless otherwise stated)

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.

(i) 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.

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

(j) 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.

(k) 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.

(l) Cash and cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand.

(m) 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.

K J SOLAR SYSTEMS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2016
 (All amounts are in Indian Rupees, unless otherwise stated)

3 Share capital

	31 March 2016	31 March 2015
Authorised shares		
50,000 (previous year - 50,000) equity shares of Rs.100/- each	5,000,000	5,000,000
Issued, subscribed and fully paid-up shares		
10,000 (previous year - 10,000) equity shares of Rs. 100/- each	1,000,000	1,000,000
Total issued, subscribed and fully paid-up share capital	1,000,000	1,000,000

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

Equity shares

	31 March 2016		31 March 2015	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,000	1,000,000	10,000	1,000,000
Movement during the year	-	-	-	-
Outstanding at the end of the year	10,000	1,000,000	10,000	1,000,000

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.100/- per share. Each holder of equity shares is entitled to one vote per share.

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. Shares held by the holding company

	31 March 2016	31 March 2015
Swelect Solar Energy Private Limited		
10,000 (previous year -Nil) equity shares of Rs.100/- each	1,000,000	-

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

	31 March 2016			
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.100/- each fully paid				
A.Jayabal	-	-	5,000	50%
K.Dhanavel	-	-	5,000	50%
Swelect Solar Energy Private Limited	10,000	100.00%	-	-
	10,000	100%	10,000	100%

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.

K J SOLAR SYSTEMS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2016
 (All amounts are in Indian Rupees, unless otherwise stated)

4 Reserves and surplus

	31 March 2016	31 March 2015
Surplus in the statement of profit and loss		
Balance as per last financial statements	8,014	-
Profit for the year	595,343	8,014
Total reserves and surplus	603,357	8,014

5 Short-term borrowings

	31 March 2016	31 March 2015
Unsecured borrowings		
Loan from Directors	-	1,281,200
Unsecured borrowings		
Intercompany Borrowings	29,977,573	-
	29,977,573	1,281,200

Inter company borrowings represents amount borrowed from Swelect Energy Systems Limited (Ultimate holding Company) and Swelect Solar Energy Private Limited (Holding Company) and are repayable on demand.

K J SOLAR SYSTEMS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2016

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

6 Trade payables and other current liabilities	31 March 2016	31 March 2015
Trade payables	257,537	1,072,601
(refer note below regarding dues to micro, small and medium enterprises)		
Other current liabilities		
Payable for capital purchases	99,931,400	-
Statutory dues payables	168,804	-
Other expenses payable	-	5,000
	100,100,204	5,000
	100,357,741	1,077,601

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.

7 Provisions	31 March 2016	31 March 2015
Other provisions		
Provision for Income tax	113,442	-
	113,442	-

K J SOLAR SYSTEMS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2016

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

8 Tangible assets

Particulars	Land	Furniture and fittings	Plant and Machinery	Total
Cost				
At 1 April 2014	-	-	-	-
Additions	-	493,738	99,960	593,698
Deletions	-	-	-	-
At 31 March 2015	-	493,738	99,960	593,698
Additions (Refer note 1)	3,669,000	-	115,589,233	119,258,233
Deletions/Adjustments	-	493,738	99,960	593,698
At 31 March 2016	3,669,000	-	115,589,233	119,258,233
Depreciation				
At 1 April 2014	-	-	-	-
Charge for the year	-	-	-	-
At 31 March 2015	-	-	-	-
Charge for the year	-	-	52,317	52,317
Deletions/Adjustments	-	-	-	-
At March 2016	-	-	52,317	52,317
Net Block				
At 31 March 2015	-	493,738	99,960	593,698
At 31 March 2016	3,669,000	-	115,536,916	119,205,916

Note :

- 1 Additions to the Plant & Machinery includes Interest on borrowed capital to the extent of Rs.228,204 i.e up to 28th March 2016, being the date of capitalisation of the 2 MW Solar Power Plant.

K J SOLAR SYSTEMS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2016
 (All amounts are in Indian Rupees, unless otherwise stated)

9 Loans and advances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured, considered good	1,382,393	-		
(A)	1,382,393	-	-	-
Security deposit				
Unsecured, considered good	-	-	2,000,000	-
(B)	-	-	2,000,000	-
Advances recoverable in cash or kind				
Unsecured, considered good		-	75,949	204,750
(C)	-	-	75,949	204,750
Other loans and advances				
<u>Unsecured, considered good:</u>				
MAT credit entitlement	113,442	-	-	-
Prepaid expenses	311,609	-	-	-
Balances with government authorities	-	-	-	60,845
(D)	425,051	-	-	60,845
Total (A+ B + C + D)	1,807,444	-	2,075,949	265,595

K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2016**

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

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

	Current	
	<u>31 March 2016</u>	<u>31 March 2015</u>
Traded goods	-	1,300,900
	<u>-</u>	<u>1,300,900</u>

11 Trade receivables and other assets**11.1 Trade receivables**

	Current	
	<u>31 March 2016</u>	<u>31 March 2015</u>
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	-	-
(A)	-	-
Other receivables		
- Unsecured, considered good	167,399	66,150
(B)	<u>167,399</u>	<u>66,150</u>
Total (A + B)	<u>167,399</u>	<u>66,150</u>

11.2 Other assets

	Current	
	<u>31 March 2016</u>	<u>31 March 2015</u>
Unsecured, considered good		
Others	2,716,755	102,400
	<u>2,716,755</u>	<u>102,400</u>

12 Cash and bank balances**Cash and cash equivalents**

Balances with banks:

On current accounts	1,332,094	1,018,038
Cash on hand	25,076	20,034
	<u>1,357,170</u>	<u>1,038,072</u>

K J SOLAR SYSTEMS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

13 Revenue from operations

	31 March 2016	31 March 2015
Revenue from operations		
Sale of products		
Traded goods	4,471,360	577,920
Sale of power	167,399	-
Revenue from operations	4,638,759	577,920

14 Other income

	31 March 2016	31 March 2015
Foreign exchange gain	116,891	-
	116,891	-

K J SOLAR SYSTEMS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2016

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

15 Decrease/ (Increase) in inventories of traded goods

	31 March 2016	31 March 2015
Inventories at the end of the year		
Traded goods	-	1,300,900
	-	1,300,900
Inventories at the beginning of the year		
Traded goods	1,300,900	-
	1,300,900	-
	1,300,900	(1,300,900)

16 Employee benefits expense

	31 March 2016	31 March 2015
Salaries, wages and bonus	109,269	-
Staff welfare expenses	1,544	-
	110,813	-

K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2016**

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

17 Other expenses

	31 March 2016	31 March 2015
Insurance	4,846	-
Rates and taxes	47,760	-
Payment to auditor (Refer details below)	28,175	5,000
Miscellaneous expenses	48,153	-
	128,934	5,000

Payment to auditor**As auditor:**

Audit fee	28,175	5,000
	28,175	5,000

18 Depreciation expense

Depreciation of tangible assets	52,317	-
	52,317	-

19 Finance costs

Bank and other charges	10,738	197
	10,738	197

K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2016**

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

21 Value of imports calculated on CIF basis

	31 March 2016	31 March 2015
Capital goods	9,410,710	-

22 Capital and other commitments

a) The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs.1,501,911 (31 March 2015: Rs.Nil).

23 Earnings per share

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


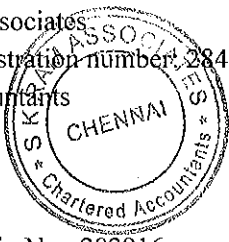
	31 March 2016	31 March 2015
Profit for the year as per statement of profit & loss - (A)	595,343	8,014
	Number of shares	Number of shares
Weighted average number of equity shares - (B)	10,000	10,000
Basic and diluted earnings per share - total profit - (A/B)	59.53	0.80

24 Derivative instruments and foreign currency exposures

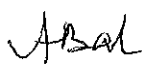
The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are :


Particulars	Foreign currency	31 March 2016		31 March 2015	
		Amount in Foreign currency	Amount in Indian currency	Amount in Foreign currency	Amount in Indian currency
Payables	Euro	123,760	9,293,819	-	-

25 Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification. The figures of the previous year were audited by a firm of chartered accountants other than S K Ram Associates.

For S K Ram Associates
ICAI Firm's registration number: 2842S
Chartered Accountants

R Balaji
ICAI Membership No.: 202916


For and on behalf of the board of directors


A. Balan
Director


V.C. Raghunath
Director

Place: Chennai
Date: 26th May 2016

Place: Chennai
Date: 26th May 2016

Place: Chennai
Date: 26th May 2016