

GOPAL & MURTHI

Chartered Accountants

Partners

A.Gopal
A.Vijayakumar
A.Muralidharan

'Gopalam', # 48,(Old # 157), Luz Church Road

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INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Power Systems Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Swelect Power 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.



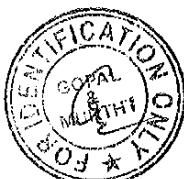
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 loss, 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, 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 2" to this report;



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

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

For **Gopal & Murthi**
Chartered Accountants
ICAI Firm Registration Number: 000952S



A. Muralidharan
Membership Number: 019387
Place of Signature: Chennai
Date: May 26, 2016



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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SWELECT POWER 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 Swelect Power Systems Private Limited.

We have audited the internal financial controls over financial reporting of Swelect Power 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.

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.

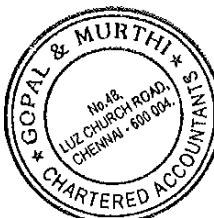
Opinion

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 **Gopal & Murthi**
Chartered Accountants
ICAI Firm Registration Number: 000952S



A. Muralidharan
Membership Number: 019387
Place of Signature: Chennai
Date: May 26, 2016



SWELECT POWER 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 | 100000 | 1,00,000 |
| Reserves and surplus | 4 | (41,281) | (34,656) |
| | | 58,719 | 65,344 |
| Trade payables | | 23,561 | 16,936 |
| Total | | 82,280 | 82,280 |
| Assets | | | |
| Current assets | | | |
| Cash on hand | | 82,280 | 82,280 |
| Total | | 82,280 | 82,280 |

Summary of significant accounting policies

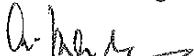
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The accompanying notes are an integral part of the financial statements.
 As per our report of even date

For Gopal & Murthi

Chartered Accountants

ICAI Firm's Registration No.000952S



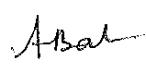
A. Muralidharan
 Partner
 Membership No.19387

Place: Chennai
 Date: 26 May 2016



For and on behalf of the board of directors


 R. Chellappan
 Director


 A. Balan
 Director

Place: Chennai
 Date: 26 May 2016

Place: Chennai
 Date: 26 May 2016

SWELECT POWER 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 | | | |
| Total revenue | | <u>-</u> | <u>-</u> |
| Expenses | | | |
| Other expenses | 5 | 6,625 | 14,700 |
| Total expenses | | <u>6,625</u> | <u>14,700</u> |
| Loss before tax | | <u>(6,625)</u> | <u>(14,700)</u> |
| Tax expense | | | |
| Loss for the year | | <u>(6,625)</u> | <u>(14,700)</u> |

Statement of significant accounting policies 2

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

For Gopal & Murthi

ICAI Firm's Registration No.000952S
Chartered Accountants

A. Muralidharan

A. Muralidharan
Partner
Membership no.: 019387

Place: Chennai
Date: 26 May 2016

For and on behalf of the board of directors

R. Chellappan

R. Chellappan
Director

A. Balan

A. Balan
Director

Place: Chennai
Date: 26 May 2016



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

1. Nature of Operations

Swelect Power Systems Private Limited was incorporated in India as a Private Limited Company under the Companies Act, 1956 on January 30, 2012. The Company is primarily engaged to design, manufacture and integrate the complete range of Solar Photo Voltaic (SPV) products used in SPV Projects.

2. Summary of Significant Accounting Policies

(a) Basis of preparation and presentation of financial statements

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India. The Company has prepared these financial statements to comply in all material respects with the accounting principles generally accepted in India, including mandatory Accounting Standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) under the historical cost convention and on an accrual basis. The accounting policies, in all material respects, have been consistently applied by the Company and are consistent with those used in the previous years.

(b) Use of estimates

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

(c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company has not commenced its operations and hence revenue has not been reported.

(d) Provision

A provision is recognized 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.



SWELECT POWER 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 | | |
| 1,000 (Previous year -1,000) equity shares of Rs.100/- each | 1,00,000 | 1,00,000 |
| Issued, subscribed and fully paid-up shares | | |
| 1,000 (Previous year -1,000) equity shares of Rs.100/- each | 1,00,000 | 1,00,000 |
| Total issued, subscribed and fully paid-up share capital | 1,00,000 | 1,00,000 |

a. Reconciliation of the shares outstanding at the beginning and at 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 | 1,000 | 1,00,000 | 1,000 | 1,00,000 |
| Movement during the year | - | - | - | - |
| Outstanding at the end of the year | 1,000 | 1,00,000 | 1,000 | 1,00,000 |

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 the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.

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

| | 31 March 2016 | 31 March 2015 | | |
|--|-------------------------|-------------------------------|-------------------------|-------------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class |
| Equity shares of Rs.100/- each fully paid | | | | |
| R.Chellappan | 500 | 50% | 500 | 50% |
| A.Balan | 500 | 50% | 500 | 50% |
| Total | 1,000 | 100% | 1,000 | 100% |

4 Reserves and surplus

| | 31 March 2016 | 31 March 2015 |
|--|----------------------|----------------------|
| Deficit in the statement of profit and loss | | |
| Balance as per the last financial statements | (34,656) | (19,956) |
| Loss for the year | (6,625) | (14,700) |
| Deficit in the statement of profit and loss | (41,281) | (34,656) |



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

5 Other expenses

| | 31 March 2016 | 31 March 2015 |
|--|----------------------|----------------------|
| Rates and taxes | 900 | 9,000 |
| Payment to auditor (Refer details below) | 5,725 | 5,700 |
| | 6,625 | 14,700 |
| Payment to auditor | | |
| As auditor: | | |
| Audit fee | 5,725 | 5,700 |
| | 5,725 | 5,700 |

6 Previous year figures

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

As per our report of even date

For Gopal & Murthi

ICAI Firm's Registration No.000952S
Chartered Accountants

A. Muralidharan
Partner
Membership No.19387

Place: Chennai
Date: 26 May 2016



For and on behalf of the board of directors

R. Chellappan
Director

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Director

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