



CA. Ramya Ganapathy
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Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of K J Solar Systems Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of K J Solar Systems Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

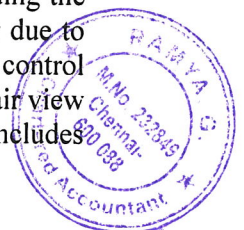
Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes



evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

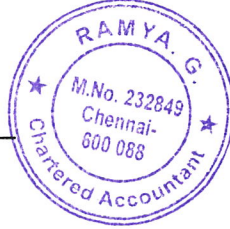
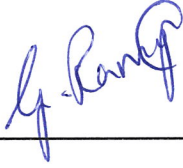
In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its Profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) The Company, being a Private Limited Company, covered by the exemption under notification number GSR 464(E) dated 5 June 2015 as amended by notification number GSR 583(E) dated 13 June 2017, reporting on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is not applicable for the year ended 31 March 2018.
 - (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 did not have any pending litigations in its standalone Ind AS financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company



Ramya Ganapathy
Membership Number: 232849
Place of Signature: Chennai
Date: May 24, 2018



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Annexure referred to in our report of even date

Re: K J Solar Systems Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

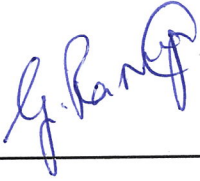
(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The Company does not have inventory and reporting under clause (ii) is not applicable and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause (iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



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



Ramya Ganapathy
Membership Number: 232849
Place of Signature: Chennai
Date: May 24, 2018



K J SOLAR SYSTEMS PRIVATE LIMITED**Balance Sheet as at 31 March 2018**

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

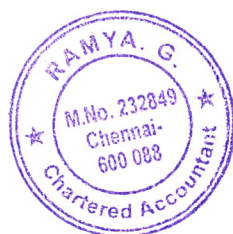
Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
(A) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	45,95,842	46,28,741
(b) Intangible assets	4	1394,10,121	1454,54,537
(c) Financial assets			
(i) Loans	5(a)	20,000	20,000
(ii) Other financial assets	5(b)	-	10,00,000
(d) Income Tax Asset (Net)		2,00,786	12,35,000
(e) Other Non-current assets	6	42,81,234	3,21,206
Total Non-current assets		1485,07,983	1526,59,484
Current assets			
(a) Financial Assets			
(i) Trade receivables	7	237,93,345	181,67,419
(ii) Cash and cash equivalents	8	11,71,214	14,33,057
(b) Other Current assets	9	70,822	3,233
Total current assets		250,35,381	196,03,709
Total Assets		1735,43,364	1722,63,193
(B) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	10	10,00,000	10,00,000
(b) Other Equity	11	288,76,324	230,99,614
Total Equity		298,76,324	240,99,614
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	12	1422,06,334	1339,81,055
(ii) Trade payables	13	1,04,686	4,51,673
(iii) Other financial liabilities	14	13,56,020	137,30,851
Total Current Liabilities		1436,67,040	1481,63,579
Total Liabilities		1436,67,040	1481,63,579
Total Equity and Liabilities		1735,43,364	1722,63,193

Summary of significant accounting policies 2

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


As per my report of even date

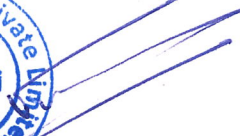

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849



Place: Chennai
Date: 24 May 2018

For and on behalf of the Board of Directors
K J Solar Systems Private Limited


A. Balan
Director
DIN : 00017091


V.C. Raghunath
Director
DIN : 00703922

Place: Chennai
Date: 24 May 2018

Place: Chennai
Date: 24 May 2018

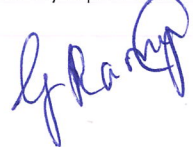
K J SOLAR SYSTEMS PRIVATE LIMITED**Statement of Profit and Loss for the year ended 31 March 2018**

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

Particulars	Note No.	31 March 2018	31 March 2017
Revenue from operations	16	269,64,329	476,71,588
Other income	17	32,999	8,50,593
Total Income		269,97,328	485,22,181
Expenses			
Cost incurred towards service concession agreement (Refer Note 4)		-	199,60,111
Employee benefits expense	18	40,486	43,665
Other expenses	19	40,57,900	22,47,419
Depreciation and amortisation expense	20	60,89,705	56,27,154
Finance costs	21	110,32,527	114,13,050
Total expenses		212,20,618	392,91,399
Profit before tax		57,76,710	92,30,782
Tax Expense			
Current tax	15	16,06,299	-
Less: MAT credit entitlement		(16,06,299)	-
Income tax expense		-	-
Profit for the year		57,76,710	92,30,782
Earnings per share (Face Value of Rs. 100/- each)			
1. Basic (in INR)		577.67	923.08
2. Diluted (in INR)	22	577.67	923.08
Summary of significant accounting policies	2		

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

As per my report of even date

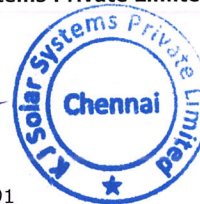

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849




Place: Chennai
Date: 24 May 2018

For and on behalf of the Board of Directors
K J Solar Systems Private Limited

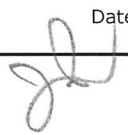

A. Balan
Director
DIN : 00017091



Place: Chennai
Date: 24 May 2018


V.C. Raghunath
Director
DIN : 00703922

Place: Chennai
Date: 24 May 2018



K J SOLAR SYSTEMS PRIVATE LIMITED**Cash flow statement for the year ended 31 March 2018**

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

	31 March 2018	31 March 2017
A. Cash flow from operating activities:		
Profit for the year	57,76,710	92,30,782
Adjustments to reconcile profit after tax to net cash flows:		
Depreciation and amortisation expense	60,89,705	56,27,154
Foreign exchange loss / (gain)	14,07,720	(7,23,736)
Advances written off	6,66,213	-
Liabilities no longer required written back	(32,999)	(1,26,857)
Interest expense	110,32,527	114,13,050
Operating profit before working capital changes	249,39,876	254,20,393
Movement in working capital:		
Increase in trade receivables	(56,25,926)	(180,00,020)
(Increase) / Decrease in Other Non-Current Assets	(39,60,028)	14,86,238
Increase in Financial assets - Current and Non-current	2,66,198	37,69,471
Increase / (Decrease) in trade payable and other current liabilities	(3,01,993)	1,06,202
Cash flow generated from operating activities	153,18,127	127,82,284
Taxes paid	10,34,214	(13,48,442)
Net cash flow generated from operating activities (A)	163,52,341	114,33,842
B. Cash flow from investing activities:		
Capital expenditure (Refer Note 1 below)	(116,48,233)	(1054,22,647)
Cash flow used in investing activities (B)	(116,48,233)	(1054,22,647)
C. Cash flow from financing activities:		
Proceeds from borrowings	60,93,823	1047,27,218
Interest paid	(110,59,774)	(106,62,526)
Net cash flow (used in) / generated from financing activities (C)	(49,65,951)	940,64,692
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)	(2,61,843)	75,887
Cash and cash equivalents at the beginning of the year	14,33,057	13,57,170
Closing cash and cash equivalents	11,71,214	14,33,057
a) Components of cash and cash equivalents		
Balances with banks:		
On current accounts	11,62,717	14,21,457
Cash on hand	8,497	11,600
	11,71,214	14,33,057

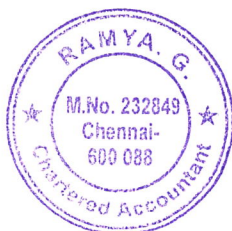
Notes :

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.

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

As per my report of even date

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849



Place: Chennai
Date: 24 May 2018

For and on behalf of the Board of Directors
K J Solar Systems Private Limited

A. Balan
Director
DIN : 00017091



C. Raghunath
Director
DIN : 00703922

Place: Chennai
Date: 24 May 2018

Place: Chennai
Date: 24 May 2018

K J SOLAR SYSTEMS PRIVATE LIMITED**Statement of Changes in Equity for the year ended 31 March 2018**

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

a. Equity Share Capital**For the year ended 31 March 2018**

Balance as at 31 March 2017	Changes in Equity Share Capital during the year (Refer Note 10)	Balance as at 31 March 2018
10,00,000	-	10,00,000

For the year ended 31 March 2017

Balance as at 31 March 2016	Changes in Equity Share Capital during the year (Refer Note 10)	Balance as at 31 March 2017
10,00,000	-	10,00,000

b. Other Equity**For the year ended 31 March 2018**

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 31 March 2017	230,99,614	230,99,614
Profit for the year	57,76,710	57,76,710
Other comprehensive income	-	-
Total comprehensive income	288,76,324	288,76,324
As at 31 March 2018	288,76,324	288,76,324

For the year ended 31 March 2017

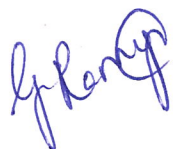
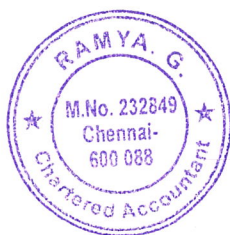
Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 31 March 2016	138,68,832	138,68,832
Profit for the year	92,30,782	92,30,782
Other comprehensive income	-	-
Total comprehensive income	230,99,614	230,99,614
As at 31 March 2017	230,99,614	230,99,614

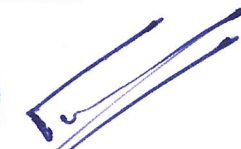
Summary of significant accounting policies

2

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

As per my report of even date

For and on behalf of the Board of Directors
K J Solar Systems Private Limited

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849Place: Chennai
Date: 24 May 2018

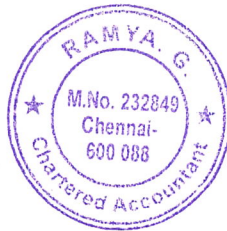
A. Balan
Director
DIN : 00017091Place: Chennai
Date: 24 May 2018

V.C. Raghunath
Director
DIN : 00703922Place: Chennai
Date: 24 May 2018

K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

3 Property, Plant and Equipment

Particulars	Land	Buildings	Office Equipment	Total
Cost				
At 31 March 2016	36,69,000	-	-	36,69,000
Additions	-	9,87,509	-	9,87,509
Deletions	-	-	-	-
At 31 March 2017	36,69,000	9,87,509	-	46,56,509
Additions	-	-	12,390	12,390
Deletions	-	-	-	-
At 31 March 2018	36,69,000	9,87,509	12,390	46,68,899
Depreciation				
At 31 March 2016	-	-	-	-
Charge for the year	-	27,768	-	27,768
Deletions	-	-	-	-
At 31 March 2017	-	27,768	-	27,768
Charge for the year	-	44,359	930	45,289
Deletions	-	-	-	-
At 31 March 2018	-	72,127	930	73,057
Net Block				
At 31 March 2017	36,69,000	9,59,741	-	46,28,741
At 31 March 2018	36,69,000	9,15,382	11,460	45,95,842



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

4 Intangible Assets

Particulars	Service Concession Arrangement *	Total
Cost		
At 31 March 2016	12,88,58,877	12,88,58,877
Additions	2,22,51,532	2,22,51,532
Deletions	-	-
At 31 March 2017	15,11,10,409	15,11,10,409
Additions	-	-
Deletions	-	-
At 31 March 2018	15,11,10,409	15,11,10,409
Amortisation		
At 31 March 2016	56,486	56,486
Charge for the year	55,99,386	55,99,386
Deletions	-	-
At 31 March 2017	56,55,872	56,55,872
Charge for the year	60,44,416	60,44,416
Deletions	-	-
At 31 March 2018	1,17,00,288	1,17,00,288
Net block		
At 31 March 2017	14,54,54,537	14,54,54,537
At 31 March 2018	13,94,10,121	13,94,10,121

* The Company (Operator) has entered into the following Power Purchase Agreements (PPA) with counter-parties (Grantor). The Company has assessed the same as an arrangement which would need to be accounted under the principles of Appendix A of Ind-AS 11 as the following conditions are met: The Grantor controls or regulates which services the Operator must provide to the Infrastructure (Solar Power Plant), to whom it must provide, and at what price and the controls the Grantor will exercise through ownership, beneficial entitlement or other significant residual interest in the Infrastructure at the end of the term of the arrangement. Infrastructure within the scope of Appendix A of Ind-AS 11 is not recognised as Property, Plant and Equipment of the Operator because the contractual service arrangement does not convey the right to control the use of the Infrastructure to the Operator.

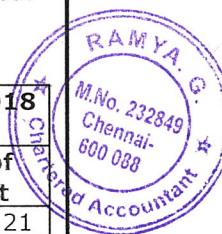
Consideration for the construction services received or receivable by the Operator is recognised at its fair value. The consideration may be rights to:

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

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

The tenure of the PPA represents the significant useful life of the Infrastructure. Consequently, the Company has an intangible right to receive cash through the tenure of the PPA and the same has been recognized as an Intangible asset. The Intangible asset is amortised over the agreement period.

Agreement/Party	Agreement Period	As at 31 March 2018
		Carrying value of Intangible Asset
TANGEDCO	25 years	13,94,10,121



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

5(a) Financial assets carried at Amortised cost**Loans (Unsecured considered good unless otherwise stated)
carried at amortised cost**

	31 March 2018	31 March 2017
Non-Current		
Security deposit	20,000	20,000
Total	20,000	20,000

**5(b) Other financial assets (Unsecured, considered good, unless
otherwise stated) Carried at amortised cost**

	31 March 2018	31 March 2017
Non-Current		
Refundable deposit	-	10,00,000
Total	-	10,00,000

6 Other Non-current Assets (Unsecured, considered good)

	31 March 2018	31 March 2017
MAT credit entitlement	41,42,726	1,13,442
Prepaid expenses	1,38,508	2,07,764
Total	42,81,234	3,21,206

7 Trade receivables

	31 March 2018	31 March 2017
Trade receivables	237,93,345	181,67,419
Total	237,93,345	181,67,419

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

8 Cash and cash equivalents

	31 March 2018	31 March 2017
Balances with banks:		
On current accounts	11,62,717	14,21,457
Cash on hand	8,497	11,600
Total	11,71,214	14,33,057

9 Other current assets

	31 March 2018	31 March 2017
Prepaid expenses	70,822	-
Supplier advances	-	3,233
Total	70,822	3,233



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

10 Equity Share capital

Authorised Share Capital	Equity Shares of Rs. 100/- each	
	Nos.	Rs.
As at 31 March 2017	50,000	50,00,000
Increase/(Decrease) during the year	-	-
As at 31 March 2018	50,000	50,00,000

Issued, subscribed & fully paid up		
	Nos.	Rs.
As at 31 March 2017	10,000	10,00,000
Issue of Equity Share Capital	-	-
As at 31 March 2018	10,000	10,00,000

a. 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.

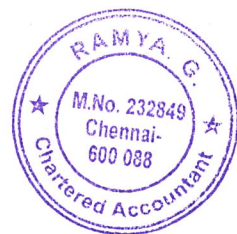
b. Details of shareholders holding more than 5% shares in the Company

Equity shares of Rs.100/- each fully paid	As at 31 March 2018		As at 31 March 2017	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Swelect Solar Energy Private Limited	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 ownership of shares.

11 Other Equity**Other Equity movement during the year 2017-18:-**

Particulars	Retained Earnings
As at 31 March 2017	230,99,614
Add: Profit for the year	57,76,710
As at 31 March 2018	288,76,324



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

12 Borrowings**Financial Liabilities carried at amortised cost****Current**

Term Loan from Banks

Loans from Related parties*

External Commercial Borrowing (ECB)

Total

Secured borrowings

Unsecured borrowings

31 March 2018**31 March 2017**

10,00,00,000

3,22,28,531

99,77,803

14,22,06,334

10,99,77,803

3,22,28,531

10,00,00,000

2,54,10,972

85,70,083

13,39,81,055

10,85,70,083

2,54,10,972

* Loans from Related parties represent amounts borrowed from Swelect Solar Energy Private Limited, the Holding Company and Swelect Energy Systems Limited, the Ultimate Holding Company and are repayable on demand.

Details of short term borrowings are given below:

Loans as on 31 March 2018	Amount	Effective Interest Rate	Currency	Repayment Terms	Security
Term Loan	10,00,00,000	8.00%	INR	Bullet repayment terms; interest payable monthly	Mutual funds of the Ultimate Holding Company
External Commercial Borrowing (ECB)	99,77,803	0.59%	EUR	Repayable in July 2018 and eligible for roll over for further period till Feb'19	Fixed Deposits of the Ultimate Holding Company
Total	10,99,77,803				

13 Trade payables

Trade payables

Trade payables to related parties

(Refer note below regarding dues to micro, small and medium enterprises)

Total**31 March 2018****31 March 2017**

1,04,335

351

1,04,686

4,42,631

9,042

4,51,673**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.

14 Other Financial Liabilities**Current**

Interest accrued

Capital creditors

Statutory dues payable

Total

Unsecured

31 March 2018**31 March 2017**

7,23,277

5,49,844

82,899

13,56,020

13,56,020

7,50,524

1,29,09,423

70,904

1,37,30,851

1,37,30,851

15 Income Tax

The major components of income tax expense for the years ended 31 March 2018 and 31 March 2017 are:

Statement of Profit or Loss:

Current income tax charge

MAT credit entitlement

Total**31 March 2018****31 March 2017**

16,06,299

(16,06,299)

-

24,22,985

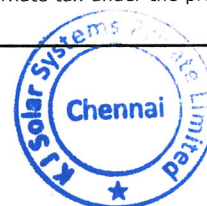
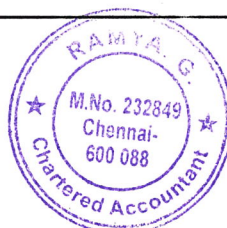
(24,22,985)

-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

Particulars	31 March 2018	31 March 2017
Accounting Profit before income tax	57,76,710	92,30,782
Minimum Alternate Tax (MAT) Adjustments	-	-
Minimum Alternate Tax Rate 19.055 % *	19.055%	20.389%
Derived Tax Charge for the year	11,00,752	18,82,064
Tax impact on account of one fifth of the amount credited to the opening reserves as at 31 March, 2016 pursuant to transition to IND AS	5,05,547	5,40,935
MAT credit entitlement	16,06,299	24,22,999
Income tax expense reported in the Statement of Profit & Loss	-	-

* During the current year, the Company is required to pay tax as per the provisions of Minimum Alternate tax under the provisions of Section 115JB of the Income Tax Act, 1961. Accordingly, the effective rate of tax has been considered as 19.055 %.



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

16 Revenue from operations**Revenue from operations**

Sale of power

Construction revenue - Service concession agreement (Refer Note 4)

Total**31 March 2018****31 March 2017**

2,69,64,329

2,54,20,056

-

2,22,51,532

2,69,64,329**4,76,71,588****17 Other income**

Foreign exchange gain

Liabilities no longer required written back

Total**31 March 2018****31 March 2017**

-

7,23,736

32,999

1,26,857

32,999**8,50,593****18 Employee benefits expense**

Staff welfare expenses

Total**31 March 2018****31 March 2017**

40,486

43,665

40,486**43,665****19 Other expenses**

Sub-contracting and processing expenses

Insurance

Rates and taxes

Foreign exchange loss

Repairs and maintenance

- Plant & Machinery

- Others

Travelling and conveyance

Communication costs

Printing and stationery

Legal and professional fees

Security charges

Advances written off

Provision for doubtful debts

Payment to auditor (Refer details below)

Miscellaneous expenses

Total**31 March 2018****31 March 2017**

1,45,548

2,30,904

94,608

60,575

37,298

2,30,704

14,07,720

-

2,66,440

2,64,768

34,802

1,38,293

47,848

3,62,161

-

-

-

-

7,27,469

3,42,691

4,75,093

4,42,848

6,66,213

-

-

-

10,000

17,325

1,44,861

1,57,150

40,57,900**22,47,419****Payment to auditor****As auditor:**

Audit fee *

10,000

17,325

10,000**17,325**

* Audit fee for 31 March 2017 is inclusive of service tax

20 Depreciation and amortisation expense

Depreciation of Property, Plant and Equipment

Amortisation of Intangible assets

Total**31 March 2018****31 March 2017**

45,289

27,768

60,44,416

55,99,386

60,89,705**56,27,154****21 Finance costs**

Interest

Bank and other charges

Total**31 March 2018****31 March 2017**

1,10,28,812

1,13,09,741

3,715

1,03,309

1,10,32,527**1,14,13,050****22 Earnings per share (EPS)**

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

Profit attributable to Equity Share holders of the Company (A)

Weighted average number of Equity shares for basic and diluted EPS

(B)

Basic Earnings per share (A/B)

Diluted Earnings per share (A/B)

31 March 2018**31 March 2017**

57,76,710

92,30,782

10,000

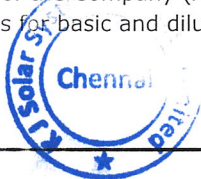
10,000

577.67

923.08

577.67

923.08



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

23 Financial Instruments**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial instruments by category	31 March 2018			31 March 2017		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial assets						
Trade receivables	-	237,93,345	237,93,345	-	181,67,419	181,67,419
Cash and cash equivalents	-	11,71,214	11,71,214	-	14,33,057	14,33,057
Security deposits	-	20,000	20,000	-	20,000	20,000
Total financial assets	-	249,84,559	249,84,559	-	196,20,476	196,20,476
Financial liabilities						
Borrowings - Term loans	-	1099,77,803	1099,77,803	-	1085,70,083	1085,70,083
Borrowings - Others	-	322,28,531	322,28,531	-	254,10,972	254,10,972
Interest accrued but not due on borrowings	-	43,825	43,825	-	1,428	1,428
Interest accrued and due on borrowings	-	6,79,452	6,79,452	-	7,49,096	7,49,096
Trade Payables	-	1,04,686	1,04,686	-	4,51,673	4,51,673
Capital Creditors	-	5,49,844	5,49,844	-	129,09,423	129,09,423
Statutory dues payable	-	82,899	82,899	-	70,904	70,904
Total financial liabilities	-	1436,67,040	1436,67,040	-	1481,63,579	1481,63,579

Financial assets and liabilities measured at amortised cost

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, trade payables and Capital creditors because their carrying amounts are reasonable approximations of their fair values.



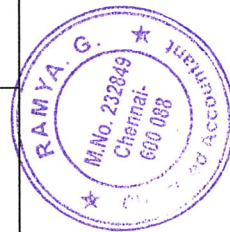
K J SOLAR SYSTEMS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2018

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

24 Related party transactions
Names of related parties

Holding Company	Swelect Solar Energy Private Limited
Ultimate Holding Company	Swelect Energy Systems Limited
Fellow Subsidiary	Swelect Power Systems Private Limited
Key Management Personnel	Mr. A. Balan - Director Mr. V.C. Raghunath - Director

Particulars	Swelect Solar Energy Private Limited		Swelect Energy Systems Limited		Swelect Power Systems Private Limited		Total	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Purchase of capital goods	-	-	-	118,05,882	-	-	-	118,05,882
Purchase of Solar Power	-	-	5,552	9,042	-	-	5,552	9,042
Repairs & Maintenance	-	-	-	9,770	-	-	-	9,770
Interest on unsecured loan	24,11,531	57,41,921	3,08,427	3,20,808	-	-	27,19,958	60,62,729
Unsecured loan borrowed								
Swelect Energy Systems Limited	-	-	176,47,285	73,78,340	-	102	176,47,285	73,78,442
Swelect Solar Energy Private Limited	21,70,377	945,92,729	-	-	-	-	21,70,377	945,92,729
Unsecured loan repaid								
Swelect Energy Systems Limited	-	-	130,00,000	65,37,772	-	-	130,00,000	65,37,772
Swelect Solar Energy Private Limited	-	1000,00,000	-	-	-	-	-	1000,00,000
Balance outstanding as at the year end:								
Unsecured loan								
Swelect Energy Systems Limited	-	-	67,41,623	20,94,339	-	-	67,41,623	20,94,339
Swelect Solar Energy Private Limited	254,86,908	233,16,531	-	-	-	-	254,86,908	233,16,531
Swelect Power Systems Private Limited	-	-	-	-	-	102	-	102
Trade payable								
Swelect Energy Systems Limited	-	-	351	9,042	-	-	351	9,042
Payable for capital purchases								
Swelect Energy Systems Limited	-	-	-	121,97,029	-	-	-	121,97,029



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

25 Significant accounting judgements, estimates and assumptions

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

Judgements

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

Service concession arrangements

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

Estimates and assumptions

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

Taxes

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

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when Management deems them not be collectible.

Impairment of financial assets

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



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

26 Financial Risk Management Objectives & Policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables. Most of these liabilities relate to the Company's working capital cycle. The Company has trade receivables that arise directly from its operations.

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

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks for the Company are accountable to the Board of Directors and the Audit Committee. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite.

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

(a) Market Risk

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

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

Particulars	31 March 2018	31 March 2017
Variable rate borrowings	10,99,77,803	10,85,70,083
Fixed rate borrowings	3,22,28,531	2,54,10,972
Total	14,22,06,334	13,39,81,055

(i) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/ decrease in basis points	Effect on Profit before tax
31 March 2018	+ 50 basis points	5,49,889
	- 50 basis points	(5,49,889)
31 March 2017	+ 0.68 basis points	7,38,27,656
	- 0.68 basis points	(7,38,27,656)

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

(ii) Foreign Currency Risk

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

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure.

Foreign Currency Sensitivity

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

Particulars	Change in currency exchange rate	Effect on profit before tax		Effect on equity	
		For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2018	For the year ended 31 March 2017
Euro	+5%	(4,98,890)	(4,28,504)	(4,98,890)	(4,28,504)
	-5%	4,98,890	4,28,504	4,98,890	4,28,504

(b) Credit Risk

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



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

(i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit terms in line with respective industry norms. Outstanding customer receivables are regularly monitored.

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

Particulars	Neither past due nor impaired	Past due but not impaired		Total
		Less than 1 year	More than 1 year	
Trade Receivables as of 31 March 2018	55,28,961	1,82,64,384	-	2,37,93,345
Trade Receivables as of 31 March 2017	54,42,379	1,27,25,040	-	1,81,67,419

The requirement for impairment is analysed at each reporting date.

(c) Liquidity Risk

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

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

Particulars	As of 31 March 2018			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	15,36,10,940	-	-	15,36,10,940
Trade Payables	1,04,686	-	-	1,04,686
Other financial liabilities	6,32,743	-	-	6,32,743
Total	15,43,48,369	-	-	15,43,48,369

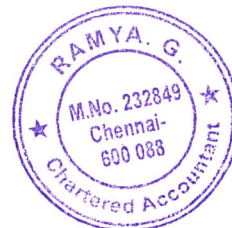
Particulars	As of 31 March 2017			
	Less than 1 year	1-5 years	More than 5 years	Total
Borrowings	13,39,81,055	-	-	13,39,81,055
Trade Payables	4,51,673	-	-	4,51,673
Other financial liabilities	1,29,80,327	-	-	1,29,80,327
Total	14,74,13,055	-	-	14,74,13,055

27 Capital Management

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

Gearing Ratio:

Particulars	31 March 2018	31 March 2017
Borrowings	14,22,06,334	13,39,81,055
Less: Cash and cash equivalents	11,71,214	14,33,057
Net Debt	14,33,77,548	13,54,14,112
Equity	2,98,76,324	2,40,99,614
Total Capital	2,98,76,324	2,40,99,614
Capital and Net Debt	17,32,53,872	15,95,13,726
Gearing Ratio	82.76%	84.89%



K J SOLAR SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

- 28 Previous year figures, which have been audited by the previous auditor have been regrouped/reclassified, wherever necessary. The following reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

Particulars		Amount Reported	Amount Reclassified	Restated Amount
Financial assets - Loan - current	Rental deposits given reclassified from Financial assets - current to Non-current	20,000	(20,000)	-
Financial assets - Loan - Non -Current		-	20,000	20,000
Other financial assets- Current	Deposits paid to TANGEDCO reclassified from Other Financial Assets - Current to Non-current	10,00,000	(10,00,000)	-
Other financial assets- Non Current		-	10,00,000	10,00,000
Provisions	Provision for tax reclassified from Provisions - Current to Income tax Asset	(1,13,442)	1,13,442	-
Income tax Asset (Net)		13,48,442	(1,13,442)	12,35,000
Other current assets	MAT Credit Entitlement reclassified from Other Current Assets to Non-current Assets and Imprest balance reclassified to Cash and Cash equivalents and Trade payable	1,27,955	(1,24,722)	3,233
Other Non-current assets		2,07,764	1,13,442	3,21,206
Cash and cash equivalents		14,21,457	11,600	14,33,057
Trade payables		(4,51,353)	(320)	(4,51,673)
Financial Liabilities - Borrowings -Non-Current	Term loan borrowings from Bank reclassified from Non-Current to Current	(3,39,81,055)	(10,00,00,000)	(13,39,81,055)
Financial Liabilities - Borrowings - Current		(10,00,00,000)	10,00,00,000	-

For and on behalf of the Board of Directors
K J Solar Systems Private Limited



A. Balan
A. Balan
 Director
 DIN : 00017091
 Place: Chennai
 Date: 24 May 2018

V.C. Raghunath
V.C. Raghunath
 Director
 DIN : 00703922
 Place: Chennai
 Date: 24 May 2018

