



CA. Ramya Ganapathy

M.Com, F.C.A.

Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of Swelect Solar Energy Private Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Swelect Solar Energy 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 I 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 17 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



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



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



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Annexure 1 referred to in our report of even date

Re: Swelect Solar Energy Private Limited ('the Company')

- (i) The Company does not have fixed assets and reporting under clause (i) (a), (b) and (c) are not applicable to the Company and hence not commented upon.
- (ii) The Company does not have inventory and reporting under clause (ii) is not applicable and hence not commented upon.
- (iii) (a) The Company has granted loans to firms covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grants and loans are not prejudicial to the company's interest.

(b) The Company has granted loans that are re-payable on demand, to firms covered in the register maintained under section 189 of the Companies Act, 2013. The loans granted are re-payable on demand. There has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are outstanding for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, 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, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
Direct Taxes *	Interest income claimed in the ITR assessed as "Income from other sources" and expenses claimed disallowed as Pre-operative	174,800	AY 2013-14	CIT Appeals
Direct Taxes *	Interest income claimed in the ITR assessed as "Income from other sources" and expenses claimed disallowed as Pre-operative	803,224	AY 2015-16	CIT Appeals

* Excludes amounts paid under dispute amounting to Rs. 244,506

- (viii) In our opinion and according to the information and explanations given by the management, the Company does not have any borrowings from financial institution, bank or debenture holders or government and reporting under clause (viii) is not applicable and hence not commented upon.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the 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 clause 3(xii) of the order are not applicable to the Company and hence not commented upon.



- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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



SWELECT SOLAR ENERGY 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) Financial assets			
Investment in Subsidiaries - Equity Shares	3	3,35,00,000	3,35,00,000
(b) Income Tax Asset		19,45,292	11,46,258
Total Non-current assets		3,54,45,292	3,46,46,258
Current assets			
(a) Financial Assets			
(i) Loans	4	5,86,06,708	5,36,15,962
(ii) Cash and cash equivalents	5	13,075	39,910
Total current assets		5,86,19,783	5,36,55,872
Total Assets		9,40,65,075	8,83,02,130
(B) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	6	4,44,00,000	4,44,00,000
(b) Other Equity	7	(89,30,480)	(89,82,724)
Total Equity		3,54,69,520	3,54,17,276
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	8	5,81,02,631	5,24,11,913
(ii) Trade payables	9	27,200	17,251
(iii) Other financial liabilities	10	1,40,724	1,30,690
(b) Other current liabilities	11	3,25,000	3,25,000
Total Current Liabilities		5,85,95,555	5,28,84,854
Total Liabilities		5,85,95,555	5,28,84,854
Total Equity and Liabilities		9,40,65,075	8,83,02,130

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
Swelect Solar Energy Private Limited


Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849



Place: Chennai
Date: 24 May 2018


R. Chellappan
Director
DIN : 00016958

Place: Chennai
Date: 24 May 2018


A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 24 May 2018




SWELECT SOLAR ENERGY 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.	For the year ended 31 March 2018	For the year ended 31 March 2017
Other Income	12	55,45,274	86,08,806
Total income		55,45,274	86,08,806
Expenses			
Other expenses	13	37,665	1,46,768
Finance costs	14	54,55,365	84,68,405
Total expenses		54,93,030	86,15,173
Profit / (Loss) before tax		52,244	(6,366)
Tax Expense			
Current tax		-	-
Income tax expense		-	-
Profit / (Loss) for the year		52,244	(6,366)
Earnings / (Loss) per share (Face Value of Rs. 10/- each)			
1. Basic (in INR)	15	0.12	(0.01)
2. Diluted (in INR)	15	0.12	(0.01)
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
Swelect Solar Energy Private Limited


R. Chellappan
Director
DIN : 00016958



Place: Chennai
Date: 24 May 2018


A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 24 May 2018

Swelect Solar Energy 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 / (Loss) for the year	52,244	(6,366)
Adjustments to reconcile loss before tax to net cash flows:		
Interest income	(55,45,274)	(86,08,806)
Interest expense	54,54,543	84,67,772
Operating loss before working capital changes	(38,487)	(1,47,400)
Movement in working capital:		
Increase / (Decrease) in trade payables	9,949	(3,24,923)
Increase in other financial liabilities	10,034	13,818
Increase in other liabilities	-	3,25,000
Cash flow used in operating activities	(18,504)	(1,33,505)
Taxes paid	(7,99,034)	(7,63,501)
Net cash flow used in operating activities (A)	(8,17,538)	(8,97,006)
B. Cash flow from investing activities:		
Investment in subsidiaries	-	-
Cash flow used in investing activities (B)	-	-
C. Cash flow from financing activities:		
Loans from related parties	56,90,718	(43,88,208)
Loan to / (repayment received) from related parties	(49,90,746)	28,27,076
Interest received	55,45,274	86,08,806
Interest paid	(54,54,543)	(84,67,772)
Net cash flow generated from / (used in) financing activities (C)	7,90,703	(14,20,098)
Net decrease in cash and cash equivalents (A + B + C)	(26,835)	(23,17,104)
Cash and cash equivalents at the beginning of the year	39,910	23,57,014
Closing cash and cash equivalents	13,075	39,910

a) Components of cash and cash equivalents

Balances with banks:

On current accounts

13,075

39,910

Notes :

1. 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
Swelect Solar Energy Private Limited


Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849




R. Chellappan
Director
DIN : 00016958


A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 24 May 2018

Place: Chennai
Date: 24 May 2018

Place: Chennai
Date: 24 May 2018

SWELECT SOLAR ENERGY 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 6)	Balance as at 31 March 2018
4,44,00,000	-	4,44,00,000

For the year ended 31 March 2017

Balance as at 31 March 2016	Changes in Equity Share Capital during the year (Refer Note 6)	Balance as at 31 March 2017
4,44,00,000	-	4,44,00,000

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

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 31 March 2017	(89,82,724)	(89,82,724)
Profit for the year	52,244	52,244
Other comprehensive income	-	-
Total comprehensive income	(89,30,480)	(89,30,480)
As at 31 March 2018	(89,30,480)	(89,30,480)

For the year ended 31 March 2017

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 31 March 2016	(89,76,358)	(89,76,358)
Loss for the year	(6,366)	(6,366)
Other comprehensive income	-	-
Total comprehensive income	(89,82,724)	(89,82,724)
As at 31 March 2017	(89,82,724)	(89,82,724)

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
Swelect Solar Energy Private Limited




R. Chellappan
Director
DIN : 00016958

Place: Chennai
Date: 24 May 2018



A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 24 May 2018



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

3 Financial Assets

	31 March 2018	31 March 2017
Investments at cost in Subsidiaries		
Unquoted equity shares		
21,080 (31 March 2017 : 21,080) Equity Shares of Noel Media & Advertising Private Limited, Rs. 100/- each fully paid	3,10,00,000	3,10,00,000
10,000 (31 March 2017 : 10,000) Equity shares of K J Solar Systems Private Limited, Rs.100/- each fully paid	25,00,000	25,00,000
Total	3,35,00,000	3,35,00,000
Aggregate book value of unquoted investments	3,35,00,000	3,35,00,000
Non Current	3,35,00,000	3,35,00,000

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

	31 March 2018	31 March 2017
Current		
Loans to related parties* (Refer Note 18)	5,86,06,708	5,36,15,962
Total	5,86,06,708	5,36,15,962

* Loans to related parties are non-derivative financial assets repayable on demand which generate an interest income at 10% for the Company.

5 Cash and cash equivalents

	31 March 2018	31 March 2017
Balances with banks:		
On current accounts	13,075	39,910
Total	13,075	39,910



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

6 Equity Share Capital

Authorised Share Capital	Equity Shares of Rs. 100/- each	
	Nos.	Rs.
As at 31 March 2017	25,00,000	25,00,00,000
Increase/(Decrease) during the year	-	-
As at 31 March 2018	25,00,000	25,00,00,000

Issued, subscribed & fully paid up	Nos.		Rs.
As at 31 March 2017	4,44,000		4,44,00,000
Issue of Equity Share Capital	-		-
As at 31 March 2018	4,44,000		4,44,00,000

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 Energy Systems Limited	4,44,000	100%	4,44,000	100%
Total	4,44,000	100%	4,44,000	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.

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

Particulars	Retained Earnings
As at 31 March 2017	(89,82,724)
Add: Profit for the year	52,244
As at 31 March 2018	(89,30,480)



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

8 Borrowings**Financial Liabilities carried at amortised cost (Current)**

	31 March 2018	31 March 2017
Loans from Related party (Refer Note 18)	5,81,02,631	5,24,11,913
Total Current Borrowings	5,81,02,631	5,24,11,913

Unsecured borrowings

5,81,02,631 5,24,11,913

* Loans from Related party represents amount borrowed from Swelect Energy Systems Limited, the Holding Company and is repayable on demand.

9 Trade payables

	31 March 2018	31 March 2017
Trade payables (Refer note below regarding dues to micro, small and medium enterprises)	27,200	17,251
Total	27,200	17,251

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.

10 Other Financial Liabilities

	31 March 2018	31 March 2017
Statutory dues payables	1,40,724	1,30,690
Total	1,40,724	1,30,690

11 Other current liabilities

	31 March 2018	31 March 2017
Other liabilities	3,25,000	3,25,000
Total	3,25,000	3,25,000



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

	31 March 2018	31 March 2017
12 Other Income		
Interest	55,45,274	86,08,806
Total	55,45,274	86,08,806
13 Other expenses		
	31 March 2018	31 March 2017
Rates and taxes	9,285	19,386
Professional fees	18,380	12,675
Payment to auditor (Refer details below)	10,000	17,327
Miscellaneous expenses	-	97,380
Total	37,665	1,46,768
Payment to auditor		
As auditor:		
Audit fee *	10,000	17,327
	10,000	17,327
* Audit fee for 31 March 2017 is inclusive of service tax		
14 Finance costs		
	31 March 2018	31 March 2017
Interest on debts and borrowings	54,54,543	84,67,772
Bank and other charges	822	633
Total	54,55,365	84,68,405
15 Earnings price per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	31 March 2018	31 March 2017
Profit attributable to Equity Share holders of the Company (A)	52,244	(6,366)
Weighted average number of Equity shares for basic and diluted EPS (B)	4,44,000	4,44,000
Basic Earnings per share (A/B)	0.12	(0.01)
Diluted Earnings per share (A/B)	0.12	(0.01)



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

16 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	FVTPL	Amortised Cost
Financial assets				
Investment in equity instruments	-	3,35,00,000	-	3,35,00,000
Loans to Related Parties	-	5,86,06,708	-	5,36,15,962
Cash and cash equivalents	-	13,075	-	39,910
Total financial assets	-	9,21,19,783	-	8,71,55,872
Financial liabilities				
Borrowings - Others	-	5,81,02,631	-	5,24,11,913
Trade Payables	-	27,200	-	17,251
Statutory dues payable	-	1,40,724	-	1,30,690
Total financial liabilities	-	5,82,70,555	-	5,25,59,854

Financial assets and liabilities measured at amortised cost

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

17 Contingent liabilities

The details of claims against the company not acknowledged as debts are given below:

a) Income tax related matters (Refer Note below)

Total

	31 March 2018	31 March 2017
	12,22,530	-
Total	12,22,530	-

Management Assessment:

The amount shown under Contingent Liabilities and disputed claims represent the best possible estimates arrived at on the basis of available information. Further, various Government authorities raise issues/clarifications in the normal course of business and the Company has provided its responses to the same and no formal demands/claims has been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the Claimants, as the case may be and therefore cannot be predicted accurately. The Company has reviewed all the proceedings and has adequately provided for where provisions are required and disclosed contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

Note:

Rs. 244,506 deposited under dispute. (31 March 2017 - Nil)



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

18 Related party transactions**Names of related parties and nature of relationship**

Holding company

Swelect Energy Systems Limited

Subsidiaries

Noel Media & Advertising Private Limited

K J Solar Sytems Private Limited

Key Management Personnel

Mr. R. Chellappan - Director

Mr. A. Balan - Director

Particulars	Swelect Energy Systems Limited		Noel Media & Advertising Private Limited		K J Solar Sytems 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
Interest income	-	-	31,33,743	28,66,884	24,11,531	57,41,922	55,45,274	86,08,806
Interest expense	54,54,543	84,63,049	-	-	-	-	54,54,543	84,63,049
Issue of equity share capital	-	-	-	-	-	-	-	-
Investment in subsidiary	-	-	-	-	-	-	-	-
Advances borrowed	56,90,718	9,56,16,878	-	-	-	-	56,90,718	9,56,16,878
Advances repaid	-	10,00,05,086	-	-	-	-	-	10,00,05,086
Advances given	-	-	28,20,369	25,80,196	21,70,377	9,45,92,729	49,90,746	9,71,72,925
Advances received	-	-	-	-	-	10,00,00,000	-	10,00,00,000
Balance outstanding as at the year end:								
Advances given	-	-	3,31,19,800	3,02,99,431	2,54,86,908	2,33,16,531	5,86,06,708	5,36,15,962
Advances borrowed	5,81,02,631	5,24,11,913	-	-	-	-	5,81,02,631	5,24,11,913



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

19 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 financing Company's working capital cycle.

The Company is accordingly exposed to market 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 currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances and derivative financial instruments.

The Company's activities expose it to a variety of financial risks and interest rate movement.

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

Particulars	31 March 2018	31 March 2017
Fixed rate borrowings	5,81,02,631	5,24,11,913
Total	5,81,02,631	5,24,11,913

(b) 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.

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

Particulars	As at 31 March 2018			Total
	Less than 1 year	1-5 years	More than 5 years	
Borrowings	6,41,34,433	-	-	6,41,34,433
Trade Payables	27,200	-	-	27,200
Other financial liabilities	1,40,724	-	-	1,40,724
Total	6,43,02,357	-	-	6,43,02,357

Particulars	As at 31 March 2017			Total
	Less than 1 year	1-5 years	More than 5 years	
Borrowings	5,24,11,913	-	-	5,24,11,913
Trade Payables	4,51,673	-	-	4,51,673
Other financial liabilities	1,29,80,327	-	-	1,29,80,327
Total	6,58,43,913	-	-	6,58,43,913

20 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	5,81,02,631	13,39,81,055
Less: Cash and cash equivalents	13,075	14,33,057
Net Debt	5,81,15,706	13,54,14,112
Equity	3,54,69,520	2,40,99,614
Total Capital	3,54,69,520	2,40,99,614
Capital and Net Debt	9,35,85,226	15,95,13,726
Gearing Ratio	62.10%	84.89%



SWELECT SOLAR ENERGY PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2018**

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

- 21 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 previous year's figures to enhance comparability with the current year's financial statements.

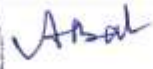
Statutory Dues payable to Government authorities was classified under other current liabilities in the previous year financial statements. In line with the interpretations suggested in Ind AS Transition Facilitation Group (ITFG) Bulletin, the Company has reassessed the classification and noted that such Statutory Dues shall be reclassified to Financial liabilities. Apart from the one mentioned above, a few other reclassifications have been made to enhance the comparability with the current year's financial statements. The impact of reclassification is given below:

Particulars		Amount Reported	Amount Reclassified	Restated Amount
Other Current liabilities	Statutory Dues Payable reclassified from other current liabilities to other financial liabilities	1,30,690	1,94,310	3,25,000
Other Financial liabilities		-	1,30,690	1,30,690
Trade payables	Investment payable reclassified from Trade payables to Other Current liabilities	3,42,252	(3,25,000)	17,252

For and on behalf of the Board of Directors
Swelect Solar Energy Private Limited


R. Chellappan
Director
DIN : 00016958

Place: Chennai
Date: 24 May 2018


A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 24 May 2018

