



CA Ramya Ganapathy

M.Com, F.C.A

Chartered Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Members of **SWELECT POWER SYSTEMS PRIVATE LIMITED**

Report on the Audit of the Ind AS Financial Statements

Opinion

I have audited the accompanying financial statements of **SWELECT POWER SYSTEMS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as of 31 March 2022, and the Statement of Profit and Loss, and statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and a summary of significant accounting policies other explanatory information.

In my opinion and to the best of the information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit/loss, and its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

I conducted my audit of Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of my report. I'm independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the Ind AS financial statements.

Information Other than the Ind AS financial statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report but does not include the Ind AS financial statements and my auditor's report thereon.
- My opinion on the Ind AS financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

- In connection with our audit of the Ind AS financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements, or my knowledge obtained during the course of my audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS financial statements

My objective is to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of my audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that I identify during my audit.

I also provide those charged with governance with a statement, that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, I report that:
 - a) I have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors as on 31 March 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2022 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 2022.
 - g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to me, the Company being a Private Company, Section 197 of the Act related to the Managerial remuneration is not applicable.

- h) 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, as amended 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 on its financial position in its 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, which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.



CA Ramya Ganapathy

Membership Number: 232849

Place of Signature: Chennai

Date: May 26, 2022

UDIN: 22232849AJRQEK6409



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Annexure referred to in our report of even date

Re: SWELECT POWER SYSTEMS PRIVATE LIMITED (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details.
- (b) Property, plant and equipment have been physically verified by the management at regular intervals during the year and no material discrepancies were identified on such verification.
- (c) The Company does not have immovable property and reporting under this clause; thus it is not applicable and hence not commented upon.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) during the year and hence not commented upon.
- (e) There are no proceedings being initiated or are pending against the company for holding any Benami property under the “Benami Transactions (Prohibition) Act, 1988 and Rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets and hence this clause is not applicable.
- (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), (c), (d), (e) and (f) 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.
- (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,
 - (a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - (b) The company has not been declared as willful defaulter by any bank or financial institution or other lender.
 - (c) The company has not diverted any loans to other purpose than to which it was sought.
 - (d) No funds were raised on short term basis have been utilized to long term purposes.
 - (e) The Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) The Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

- (x) According to the information and explanations given by the management,
(a) there was no money raised by way of initial public offer or further public offer (including debt instruments) during the year;
(b) the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially, or optionally convertible) during the year.
- (xi) 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,
a. 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.
b. There is no report under sub-Section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
c. the auditor has not raised any whistle-blower complaints, if any, received during the year by the Company.
- (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) (a) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has adequate internal audit system commensurate with the size and nature of its business.
(b) the reports of the Internal Auditors for the period under audit were duly considered by the statutory auditor.
- (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.
- (xvii) The Company has not incurred cash losses in the Financial Year and in the immediately preceding FY.
- (xviii) There is no resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given by the management, on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, whether the auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) According to the information and explanations given by the management.
- (xxi) There has been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements



CA Ramya Ganapathy
Membership Number: 232849
Place of Signature: Chennai
Date: May 26, 2022
UDIN: 22232849AJRQEK6409



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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")

We have audited the internal financial controls over financial reporting of Swelect Power Systems Private Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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, 2022, 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.



CA Ramya Ganapathy

Membership Number: 232849

Place of Signature: Chennai

Date: May 26, 2022

UDIN: 22232849AJRQEK6409

SWELECT POWER SYSTEMS PRIVATE LIMITED**Balance Sheet as at 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
(A) ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	159.19	167.85
(b) Capital work-in-progress		800.32	800.32
(c) Other Intangible assets	4	4,691.73	4,917.35
(d) Financial Assets			
(i) Other financial assets	5	-	-
(e) Income Tax Asset (Net)		47.82	25.57
(f) Other non-current assets	6	498.68	498.68
(g) Deferred Tax Asset	7	-	146.82
Total Non-current assets		6,197.74	6,556.59
Current assets			
(a) Financial Assets			
(i) Loans			
(ii) Trade receivables	9	89.16	178.02
(iii) Cash and cash equivalents	10	18.05	89.71
(iv) Other financial assets	8	0.75	0.75
(b) Other Current assets	11	3.42	3.29
Total Current assets		111.38	271.76
Total Assets		6,309.12	6,828.35
(B) EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	930.00	10.00
(b) Other Equity	13	2,543.82	557.90
Total Equity		3,473.82	567.90
Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(a)	1,638.34	381.25
(b) Deferred tax liabilities (net)	18	143.55	228.69
Total Non-current liabilities		1,781.89	609.94
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14(b)	1,014.81	5,618.89
(ii) Trade payables	16		
(A) Total outstanding dues of micro enterprises and small enterprises		-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		14.89	9.23
(iii) Other financial liabilities	15	21.57	16.03
(iv) Other current liabilities	15a	2.14	6.36
Total Current liabilities		1,053.41	5,650.51
Total Liabilities		2,835.30	6,260.45
Total Equity and Liabilities		6,309.12	6,828.35

See accompanying notes forming part of the financial statements

As per my report of even date

For and on behalf of the Board of Directors
Swelect Power Systems Private LimitedSd/-
Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849Sd/-
R. Chellappan
Director
DIN : 00016958Sd/-
A. Balan
Director
DIN : 00017091Place: Chennai
Date: 26 May 2022Place: Chennai
Date: 26 May 2022Place: Chennai
Date: 26 May 2022

SWELECT POWER SYSTEMS PRIVATE LIMITED**Statement of Profit and Loss for the Period ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	Note No.	31 March 2022	31 March 2021
Revenue from Operations	19	868.83	895.62
Other Income	20	0.02	3.79
Total Income		868.85	899.41
Expenses			
Purchase of traded goods		-	-
Employee benefits expense	21	17.78	11.61
Finance costs	22	280.01	478.07
Depreciation and amortisation expense	23	234.61	234.61
Other expenses	24	82.79	89.61
Total expenses		615.19	813.90
Profit before exceptional items and tax			
Exceptional items		-	-
Profit before tax		253.65	85.51
Tax Expense			
Current tax		-	13.34
Deferred tax	18	69.98	14.97
MAT Credit Entitlement		-	(13.34)
Income tax expense		69.98	14.97
Profit for the Year		183.68	70.54
Earnings per share (Face Value of Rs. 100/- each)			
1. Basic (in INR)		19.75	7.58
2. Diluted (in INR)	25	19.75	7.58

See accompanying notes forming part of the financial statements**As per our report of even date**

Sd/-
Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849

Place: Chennai
Date: 26 May 2022

**For and on behalf of the Board of Directors
Swelect Power Systems Private Limited**

Sd/-
R. Chellappan
Director
DIN : 00016958

Place: Chennai
Date: 26 May 2022

Sd/-
A. Balan
Director
DIN : 00017091

Place: Chennai
Date: 26 May 2022

SWELECT POWER SYSTEMS PRIVATE LIMITED**Cash flow statement for the year ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

Particulars	31 March 2022	31 March 2021
A. Cash flow from operating activities:		
Profit for the year after taxation	183.68	70.54
Adjustments for:		
Tax expense	69.98	14.97
Depreciation and amortisation expense	234.61	234.61
Interest expense	280.01	478.07
Operating Profit before working capital changes	768.28	798.19
Movement in working capital:		
Increase in trade receivables	88.86	227.43
Decrease in current and non-current Financial assets	-	0.88
Decrease in trade payables, other financial liabilities	1.14	(636.15)
Decrease in current and non-current assets	(0.13)	4.00
Cash flow generated from operating activities	858.14	394.35
Taxes paid	(30.55)	(21.53)
Net cash flow generated from operating activities (A)	827.60	372.82
B. Cash flow from investing activities:		
Capital expenditure	(0.33)	(0.14)
Cash flow (used in) / generated from investing activities (B)	(0.33)	(0.14)
C. Cash flow from financing activities:		
Proceeds from Short-term and Long-term borrowings	(81.50)	(1,870.00)
Loan from related party	(299.98)	2,242.37
Interest paid	(274.16)	(478.07)
Dividend paid	(304.58)	-
Net cash flow used in financing activities (C)	(960.21)	(105.70)
Net Increase in cash and cash equivalents (A + B + C)	(132.94)	266.98
Cash and cash equivalents at the beginning of the year	(687.32)	(954.30)
Closing cash and cash equivalents	(820.26)	(687.32)

	31 March 2022	31 March 2021
Cash and Cash equivalents (Refer Note 10 (a))	(820.26)	(687.32)

See accompanying notes forming part of the financial statements

As per my report of even date

For and on behalf of **the Board of Directors**
Swelect Power Systems Private LimitedSd/-
Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849Sd/-
R. Chellappan
Director
DIN : 00016958Sd/-
A.Balan
Director
DIN : 00017091Place: Chennai
Date: 26 May 2022Place: Chennai
Date: 26 May 2022Place: Chennai
Date: 26 May 2022

SWELECT POWER SYSTEMS PRIVATE LIMITED
Statement of Changes in Equity for the period ended 31 March 2022
 (All amounts are in INR Lakhs, unless otherwise stated)

a. Equity Share Capital

For the period ended 31 March 2022

Balance as at 1 April 2020	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 1 April 2021	Changes in Equity Share Capital during the year (Refer Note 12)	Balance as at 31 March 2022
10,00,000.00		10,00,000.00	9,20,00,000.00	9,30,00,000.00

b. Other Equity

For the year ended 31 March 2022

Particulars	Reserves & Surplus		
	Securities Premium	Retained Earnings	Total Other Equity
As at 1 April 2020		487.36	487.36
Profit for the year		70.54	70.54
Other comprehensive income		-	-
As at 1 April 2021	-	557.90	557.90
Profit for the period	-	183.68	183.68
Dividend paid	-	304.58	304.58
Add: Premium on issue of share capital	2,106.80	-	2,106.80
As at 31 March 2022	2,106.80	1,046.15	3,152.95

For the year ended 31 March 2021

Particulars	Reserves & Surplus	
	Retained Earnings	Total Other Equity
As at 1 April 2020	487.36	487.36
Profit for the year	70.54	70.54
Other comprehensive income	-	-
Total comprehensive income	557.90	557.90
As at 31 March 2021	557.90	557.90

See accompanying notes forming part of the financial statements

As per my report of even date

For and on behalf of the **Board of Directors**
Swelect Power Systems Private Limited

Sd/-
Ramya Ganapathy
 Chartered Accountant
 ICAI Membership no.: 232849

Sd/-
R. Chellappan
 Director
 DIN : 00016958

Sd/-
A. Balan
 Director
 DIN : 00017091

Place: Chennai
 Date: 26 May 2022

Place: Chennai
 Date: 26 May 2022

Place: Chennai
 Date: 26 May 2022

1 Corporate information:

SWELECT Power Systems Private Limited ('the Company') was incorporated as a Private Limited Company on 30 January 2012. The Company is primarily engaged in the construction Solar Power Generation Plants and sell the generated power to Private or Government owned enterprises. The registered office of the company is located at Chennai.

2 Basis of preparation:

Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Functional and presentation currency

These financial statements are presented in Indian Rupees (INR/ Rs.), which is the Company's functional currency. All the financial information have been presented in Indian Rupees except for share data and as otherwise stated.

Basis of measurement

These financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Use of estimates and judgements

In preparing these financial statements, the Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Note 4 - Service Concession Arrangements

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 is included in the following notes:

Note 3 - Useful life of Property, Plant and Equipment.

Note 18 - Revenue from Service Concession Arrangements

Note 25 - Fair valuation of Financial Assets/Liabilities

2(a) Summary of significant accounting policies:

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification which is determined based on the operating cycle.

An asset is treated as current when it is:

- Expected to be realized or intended to sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b. 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The following specific recognition criteria must also be met before revenue is recognised:

Sale of power

Revenue from sale of power from renewable energy sources is recognised in accordance with the price agreed under the provisions of the power purchase agreement entered into with Chamundeswari Electricity Corporation (CES). Such revenue is recognised on the basis of actual units generated and transmitted.

Revenue from power distribution business is accounted on the basis of billings to the customers and includes unbilled revenues accrued upto the end of accounting year. Customers are billed as per the tariff rates issued by Electricity Regulatory Commission.

c. Service Concession Arrangement

The Company constructs infrastructure used to provide a public service, operates and maintains that infrastructure (operation services) for a specified period of time.

These arrangements may include Infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The Intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used when the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated with reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Company manages concession arrangements which include constructing Solar power distribution assets for distribution of electricity. The Company maintains and services the Infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided.

The right to consideration gives rise to an Intangible asset and financial receivable and accordingly, both the Intangible asset and financial receivable models are applied. Income from the concession arrangements earned under the Intangible asset model consists of the value of contract revenue, which is deemed to be fair value of consideration transferred to acquire the asset; and payments actually received from the users. The Intangible asset is amortized over its expected useful life in a way that reflects the pattern in which the asset's economic benefits are consumed by the Company, starting from the date when the right to operate starts to be used. Based on these principles, the Intangible asset is amortized in line with the actual usage of the specific public facility, with a maximum of the duration of the concession.

Financial receivable is recorded at fair value of guaranteed residual value to be received at the end of the concession period. This receivable is subsequently measured at amortised cost.

Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expires.

d. Taxes**Current income tax**

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax is the amount of tax payable on the taxable income for the year and is determined in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company has the option to adopt the new regime of taxes under section 115BAA and thereby the applicability of MAT no longer exists.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and written off to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the Statement of Profit and Loss is recognised outside Statement of Profit and Loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate.

e. Foreign Currency Transactions and Translations

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Initial Recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the average rates that closely approximate the rate at the date of the transaction.

Conversion

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

Treatment of Exchange Differences

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

f. Earnings Per Share

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

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

g. Property, Plant and Equipment and Other Intangible assets

Property, Plant and Equipment and Other Intangible assets are stated at original cost net of tax/duty credit availed, less accumulated depreciation/amortisation and impairment losses, if any. The cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

Gains and losses arising from derecognition of Property, Plant and Equipment and Other Intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

The Company identifies and determines cost of each component/part of the Property, Plant and Equipment separately, if the component/part has a cost which is significant to the total cost of the Property, Plant and Equipment and has useful life that is materially different from that of the remaining Property, Plant and Equipment.

Capital Work-in-Progress: Projects under which Property, Plant and Equipment is not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost and attributable interest. Once it has become available for use, their cost is re-classified to appropriate caption and subjected to depreciation.

h. Depreciation and amortisation:

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

Building	30 years
Solar Plant	25 years
Office Equipment	5 years
Electrical Equipment	10 years
Computers	3 years
Furniture and Fittings	10 years
Vehicles (Motor cars/Motor Vehicles)	8/10 years

i. Useful lives/depreciation rates

Considering the applicability of Schedule II, the Management has estimated the useful lives and residual values of all its Property, Plant and Machinery. The Management believes that the depreciation rates currently used fairly reflect its estimate of the useful life and residual values of Property, Plant and Machinery, though these rates in certain cases are different from the lives prescribed under schedule II.

The Management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of Property, Plant and Equipment.

The useful lives of certain Solar Plant and Machinery is 25 years. These lives are higher than those indicated in Schedule II.

j. Impairment of Property, Plant and Equipment and Other Intangible assets

The carrying amounts of Property, Plant and Equipment is reviewed at each Balance Sheet date, if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an Property, Plant and Equipment exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the Property, Plant and Equipment. After impairment, depreciation is provided on the revised carrying amount of the Property, Plant and Equipment over its remaining useful life.

k. Borrowing costs

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

l. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 1, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

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

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

m. Provisions and Contingencies

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

n. Financial instruments:**Financial Assets:****Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the Statement of Profit and Loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

• **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

• **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognised in the Statement of Profit and Loss, except for those equity investments for which the entity has elected to present value changes in 'Other comprehensive income'.

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the Property, Plant and Equipment has expired, or
- The Company has transferred its rights to receive cash flows from the Property, Plant and Equipment or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;

(a) the Company has transferred substantially all the risks and rewards of the Property, Plant and Equipment or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the Property, Plant and Equipment, but has transferred control of the Property, Plant and Equipment.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

Expected credit losses are measured through a loss allowance at an amount equal to:

- the 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract revenue receivables; and
- All lease receivables

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12-months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
- Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.
- Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

o. Fair value measurement

The Company measures specific financial instruments of certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes the accounting policy for fair value. Other fair value related disclosures are given in relevant notes.

p. Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise Cash at Banks and on hand including cheques on hand and short-term investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q. Cash flow statement

Cash flows are presented using indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company is segregated based on the available information.

r. Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

SWELECT POWER SYSTEMS PRIVATE LIMITED

Notes to financial statements for the period ended 31 March 2022

(All amounts are in INR Lakhs, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Land	Buildings	Plant & Machinery	Office Equipment	Furniture & Fittings	Vehicles	Computers	Total
Cost								
As at 1 April 2020	32.16	42.21	78.38	21.45	0.08	14.03	0.15	188.46
Additions	-	-	-	0.14	-	-	-	0.14
Deletions	-	-	-	-	-	-	-	-
As at 31 March 2021	32.16	42.21	78.38	21.59	0.08	14.03	0.15	188.59
Additions	-	-	-	0.33	-	-	-	0.33
Deletions	-	-	-	-	-	-	-	-
As at 31 March 2022	32.16	42.21	78.38	21.92	0.08	14.03	0.15	188.92
Depreciation								
As at 1 April 2020	-	2.26	0.94	4.86	0.01	3.54	0.13	11.74
Charge for the year	-	1.41	3.15	2.80	0.01	1.62	0.02	9.00
Deletions	-	-	-	-	-	-	-	-
As at 31 March 2021	-	3.67	4.08	7.66	0.02	5.17	0.15	20.74
Charge for the period	-	1.41	3.14	2.82	0.01	1.62	-	8.99
Deletions	-	-	-	-	-	-	-	-
As at 31 March 2022	-	5.08	7.22	10.48	0.02	6.79	0.15	29.74
Net Block								
As at 31 March 2021	32.16	38.54	74.30	13.93	0.06	8.86	-	167.85
As at 31 March 2022	32.16	37.13	71.16	11.44	0.05	7.24	-	159.19

a) Capital Work In progress Ageing Schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as on 31 March 2022				800.32	800.32
Projects in progress as on 31 March 2021				800.32	800.32

b) Capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan - Nil

SWELECT POWER SYSTEMS PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2022
 (All amounts are in INR Lakhs, unless otherwise stated)

4 Other Intangible assets

Particulars	Service Concession Arrangement *	Total
Cost		
As at 1 April 2020	5,640.49	5,640.49
Additions	-	-
Deletions	-	-
As at 31 March 2021	5,640.49	5,640.49
Additions	-	-
Deletions	-	-
As at 31 March 2022	5,640.49	5,640.49
Amortisation		
As at 1 April 2020	497.52	497.52
Charge for the year	225.62	225.62
Deletions	-	-
As at 31 March 2021	723.14	723.14
Charge for the year	225.62	225.62
Deletions	-	-
As at 31 March 2022	948.76	948.76
Net block		
As at 31 March 2021	4,917.35	4,917.35
As at 31 March 2022	4,691.73	4,691.73

* 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 C of Ind-AS 115 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 C of Ind-AS 115 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 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 recognised as an Other Intangible asset. The Other Intangible asset is amortised over the agreement period.

Agreement/Party	Agreement Period
Chamundeswari Electricity Corporation	25 years

SWELECT POWER SYSTEMS PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2022

(All amounts are in INR Lakhs, unless otherwise stated)

	As at 31 March 2022	As at 31 March 2021
6 Other Non-current Assets (Unsecured, considered good)		
Capital advances	498.58	498.58
Prepaid expenses	-	-
Balance with Government authorities	0.10	0.10
Total	498.68	498.68

	As at 31 March 2022	As at 31 March 2021
7 Deferred Tax Asset		
(i) Non-Current		
MAT credit entitlement	-	146.82
Total	-	146.82

	As at 31 March 2022	As at 31 March 2021
8 Financial assets at Amortised cost		
Loans (Unsecured considered good unless otherwise stated) carried at amortised cost		
(i) Current		
Other Financial Assets	0.75	0.75
Total	0.75	0.75

	As at 31 March 2022	As at 31 March 2021
9 Trade receivables		
Trade receivables	89.16	178.02
Trade receivable from Related party	-	-
Total	89.16	178.02

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

Ageing Schedule for Trade Receivables

	Less than 6 months	1-2 years	2-3 years	More than 3 years	Total
Unsecured considered good					
As at 31 March 2022	89.16	-	-	-	89.16
As at 31 March 2021	178.02	-	-	-	178.02

10 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021
Balances with banks:		
On current accounts	17.87	89.47
Cash on hand	0.17	0.24
Total	18.05	89.71

10 (a) For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks:		
On current accounts	17.87	89.47
Cash on hand	0.17	0.24
	18.05	89.71
Less: Bank overdraft (Refer Note 14 (b))	(838.31)	(777.02)
Total	(820.26)	(687.32)

11 Other current assets (Unsecured and considered good)

	As at 31 March 2022	As at 31 March 2021
Prepaid expenses	3.42	3.29
Total	3.42	3.29

SWELECT POWER SYSTEMS PRIVATE LIMITED**Notes to financial statements for the period ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

12 Equity Share capital**For the period ended 31 March 2022**

Balance as at 1 April 2020	Changes in Equity Share Capital during the year	Balance as at 31 March 2021	Changes in Equity Share Capital during the year	Balance as at 31 March 2022
10,00,000.00	-	10,00,000.00	9,20,00,000.00	9,30,00,000.00

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,2022		As at 31 March 2021	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Swelect Energy Systems Limited	9,30,000	100%	10,000	100%
No. of shares held by the Promoters	As at 31 March 2022		As at 31 March 2021	
SWELECT ENERGY SYSTEMS LIMITED	9,29,990	99.99%	9,990	99.99%
R.Chellappan (Nominee shareholder)	10	0.01%	10	0.01%

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.

13 Other Equity**Other Equity movement during the year 2021-22:-**

Particulars	Securities Premium	Retained Earnings	total
As at 1 April 2020		487.36	
Add: Profit for the year		70.54	
As at 1 April 2021	-	557.90	557.90
Add: Profit for the period		183.68	183.68
Less:Dividend paid		304.58	304.58
Add: Premium on issue of share capital	2,106.80	-	2,106.80
Add: Adjustments	-	0.02	0.02
As at 31 March 2022	2,106.80	437.02	2,543.82

SWELECT POWER SYSTEMS PRIVATE LIMITED

Notes to financial statements for the period ended 31 March 2022

(All amounts are in INR Lakhs, unless otherwise stated)

14(a) Borrowings

Financial Liabilities carried at amortised cost

(i) Non- Current

Term loan from Banks

Loan from related party

Total

Secured borrowings

	As at 31 March 2022	As at 31 March 2021
	748.25	381.25
	890.09	-
	1,638.34	381.25
	1,638.34	381.25

Details of long term borrowings are given below:

Loans as at 31 March 2022	Amount	Effective Interest Rate	Currency	Security	Repayment Terms
Term loan -1	924.75	Reference Rate+ Spread	INR	Unsecured	48 months of interest payment and 36 monthly installments.

14(b) (ii) Current

Bank overdrafts

Loan from related party

Current maturities of long-term debt (Refer Note 14(a))

Total

Secured borrowings

Unsecured borrowings

	As at 31 March 2022	As at 31 March 2021
	838.31	777.02
	-	4,216.87
	176.50	625.00
	1,014.81	5,618.89
	838.31	777.02
	-	4,216.87

Details of Short term borrowings are given below:

Loans as on 31 March 2021	Amount	Effective Interest Rate	Currency	Security	Repayment Terms
Overdraft	838.31	5.8% - 6.3%	INR	Mutual funds of the Holding Company	Repayable on demand
Total Short term Borrowings	838.31				

15 Other Financial Liabilities

Current

Interest accrued

Capital creditors

Total

	As at 31 March 2022	As at 31 March 2021
	5.85	(0.00)
	15.72	16.03
	21.57	16.03

15a Other current liabilities

Statutory dues payable

	2.14	6.36
--	------	------

16 Trade payables

Trade payables

Trade payables to related parties

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

Total

All Trade payables are aged less than 1 year for FY 2021-22 and FY 2020-21

	As at 31 March 2022	As at 31 March 2021
	14.54	9.23
	0.34	-
	14.89	9.23

Note:

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

SWELECT POWER SYSTEMS PRIVATE LIMITED**Notes to financial statements for the period ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

18 (a) Deferred tax liabilities (net)

Impact on difference between tax depreciation and amortisation charged for the financial reporting

	As at 31 March 2022	As at 31 March 2021
	1,011.67	1,176.82
Gross deferred tax liabilities	1,011.67	1,176.82
Deferred tax assets		
Carry forward business loss and unabsorbed depreciation	868.13	948.12
Gross deferred tax assets	868.13	948.12
Total Deferred tax liabilities (net)	143.55	228.71

Gross deferred tax liabilities**Deferred tax assets**

Carry forward business loss and unabsorbed depreciation

Gross deferred tax assets**Total Deferred tax liabilities (net)****(b) Income Tax**

The major components of income tax expense for the years ended 31 March

Statement of Profit or Loss:**Current income tax:**

Current income tax charge

MAT credit entitlement

Total

	As at 31 March 2022	As at 31 March 2021
	-	13.34
	-	(13.34)
Total	-	-

Reconciliation of tax expense and the accounting profit multiplied by

Particulars	As at 31 March 2022	As at 31 March 2021
Accounting Profit before income tax	253.65	85.51
Minimum Alternate Tax (MAT) Adjustments	-	-
Book Profit for MAT Calculation	253.65	85.51
Minimum Alternate Tax Rate 19.24%		15.60%
Derived Tax Charge for the year		13.34
MAT credit entitlement		(13.34)
Income tax expense reported in the Statement of Profit & Loss	-	-

* During the current year, the Company has opted for tax regime under section 115BAA and thereby no MAT charge for the current year.

SWELECT POWER SYSTEMS PRIVATE LIMITED
Notes to financial statements for the period ended 31 March 2022
(All amounts are in INR Lakhs, unless otherwise stated)

	<u>31 March 2022</u>	<u>31 March 2021</u>
19 Revenue from operations		
Sale of products		
Traded goods	-	-
Sale of power	868.83	895.62
Total	868.83	895.62
20 Other Income		
Interest from Fixed Deposits	-	-
other Income	-	3.79
Liabilities no longer required written back	0.02	
Total	0.02	3.79
21 Employee benefits expense		
Salaries, wages and bonus	14.80	9.28
Staff welfare expenses	2.97	2.34
Total	17.78	11.61
22 Finance costs		
Interest	279.97	478.02
Bank and other charges	0.04	0.05
Total	280.01	478.07
23 Depreciation and amortisation expense		
Depreciation of Property, Plant and Equipment	8.99	8.99
Amortisation of Other Intangible assets	225.62	225.62
Total	234.61	234.61
24 Other expenses		
Power import charges	0.55	0.75
Rent	1.43	1.05
Insurance	4.85	3.90
Repairs and maintenance		
- Plant & Machinery	11.27	9.00
- Others	1.85	9.92
Travelling and conveyance	2.89	3.02
Rates and taxes	8.75	2.60
Legal and professional fees	11.09	11.08
Security charges	29.74	29.70
Payment to auditor (Refer details below)	2.26	0.12
Miscellaneous expenses	8.11	18.47
Total	82.79	89.61
Payment to auditor		
As auditor:		
Audit fee	2.26	0.12
Total	2.26	0.12
25 Earnings per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	<u>31 March 2022</u>	<u>31 March 2021</u>
Profit attributable to equity shareholders of the Company- (A)	184	71
Weighted average number of Equity shares for basic and diluted EPS- (B)	9,30,000	9,30,000
Basic Earnings per share (A/B)	20	8
Diluted Earnings per share (A/B)	20	8

SWELECT POWER SYSTEMS PRIVATE LIMITED**Notes to financial statements for the period ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

26 Related party transactions**Names of related parties**Holding Company
Fellow SubsidiarySwelect Energy Systems Limited
Swelect Green Energy Solutions Private Limited

Key Management Personnel

R. Chellappan - Director
A. Balan - Director

Particulars	Swelect Energy Systems Limited		SWELECT GREEN ENERGY SOLUTIONS P LTD		Total	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Repairs & Maintenance	0.34	0.60	-	-	0.34	0.60
Rental expenditure	0.60	0.32	-	-	0.60	0.32
Interest expense	99.80	189.45	62.28	2.34	162.08	191.79
Management fees	4.32	4.32	-	-	4.32	4.32
Advances						
Advance taken	586.60	2,620.18	318.68	577.16	905.28	3,197.34
Advance repaid	4,207.05	954.97	25.00	-	4,232.05	954.97
Balance outstanding as at the year end:						
Trade payable	0.34	-	-	-	0.34	-
Advance from Related parties	19.24	3,639.70	870.85	577.16	890.09	4,216.87

SWELECT POWER SYSTEMS PRIVATE LIMITED**Notes to financial statements for the period ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

27 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 2022			31 March 2021		
	FVTPL	Amortised Cost	Total	FVTPL	Amortised Cost	Total
Financial assets						
Rental deposit	-	0.75	0.75	-	0.75	0.75
Trade receivables		89.16	89.16	-	178.02	178.02
Cash and cash equivalents		18.05	18.05	-	89.71	89.71
Total financial assets	-	107.96	107.96	-	268.48	268.48
Financial liabilities						
Borrowings - Term loans		924.75	924.75	-	1,006.25	1,006.25
Borrowings - Others		1,728.40	1,728.40	-	4,993.89	4,993.89
Interest accrued		5.85	5.85	-	(0.00)	(0.00)
Trade Payables		14.89	14.89	-	9.23	9.23
Capital Creditors		15.72	15.72	-	16.03	16.03
Total financial liabilities	-	2,689.60	2,689.60	-	6,025.40	6,025.40

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.

SWELECT POWER SYSTEMS PRIVATE LIMITED

Notes to financial statements for the period ended 31 March 2022

28 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 judgement 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 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.

29 Financial Risk Management Objectives & Policies

The Company's principal financial liabilities comprise of short and long tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations. The Company also enters into hedging transactions to cover foreign exchange exposure risk as considered necessary.

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. All foreign currency hedging activities for risk management purposes are carried out a team that have the appropriate skills, experience and supervision. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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, including the effects of changes in foreign currency exchange rates and interest rate movement.

Particulars	31 March 2022	31 March 2021
Variable rate borrowings	2,653.15	1,783.27
Fixed rate borrowings	-	4,216.87
Total	2,653.15	6,000.14

(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 profit 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 2022	+ 75 basis points	19.90
	- 75 basis points	(19.90)
31 March 2021	+ 75 basis points	13.37
	- 75 basis points	(13.37)

(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.

(b) Credit Risk

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 term in line with respective industry norms. Outstanding customer receivables are regularly monitored.

(i) Trade and other receivables

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 2022	89.16	-	-	89.16
Trade Receivables as of 31 March 2021	178.02	-	-	178.02

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 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 at 31 March 2022		
	Less than 1 year	1- 5 years	Total
Borrowings	1,014.81	1,638.34	2,653.15
Trade Payables	14.89	-	14.89
Other financial liabilities	21.57	-	21.57
Total	1,051.27	1,638.34	2,689.61

Particulars	As at 31 March 2021		
	Less than 1 year	1- 5 years	Total
Borrowings	5,618.89	381.25	6,000.14
Trade Payables	9.23	-	9.23
Other financial liabilities	16.03	-	16.03
Total	5,644.15	381.25	6,025.40

30 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 maximise 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 2022	31 March 2021
Borrowings	2,653.15	6,000.14
Less: Cash and cash equivalents	18.05	89.71
Net Debt	2,671.19	6,089.85
Equity	3,473.82	567.90
Total Capital	3,473.82	567.90
Capital and Net Debt	6,145.02	6,657.75
Gearing Ratio	43.47%	91.47%

SWELECT POWER SYSTEMS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2022**

(All amounts are in INR Lakhs, unless otherwise stated)

31 Following Ratios to be disclosed:-

RATIOS	Numerator	Denominator	31 March 2022	31 March 2021	Variance
(a) Current Ratio,	Current Assets	Current Liabilities	0.11	0.05	-120%
(b) Debt-Equity Ratio,	Total Debt	Shareholders Equity	0.76	10.57	93%
(c) Debt Service Coverage Ratio,	Profit/(Loss) after Tax	Interest & lease payments +Principal payments	0.07	0.01	-489%
(d) Return on Equity Ratio,	Profit after Tax	Shareholder's Equity	5.29	12.42	57%
(e) Inventory turnover ratio,	COGS or Sales	Average inventory	-	-	
(f) Trade Receivables turnover ratio,	Net credit sales	Average accounts receivable	9.74	5.03	-94%
(g) Trade payables turnover ratio,	Net credit purchases	Average trade payables	-	-	
(h) Net capital turnover ratio,	Revenue from Operations	Working capital	0.14	0.13	-5%
(i) Net profit ratio,	Profit/(Loss) before interest and	Revenue from Operations	0.21	0.08	-168%
(j) Return on Capital employed,	Profit/(Loss) before interest and	Capital employed	0.10	0.48	79%
(k) Return on investment	Computed using Time Weighted Rate of Return		19.75	705.40	97%

* The variance is mainly on account of conversion of loan to equity share during the year

32 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Improvements

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any major impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

33 Previous year figures have been regrouped/reclassified, wherever necessary.

34 The Company commissioned the 10 MW Solar Power Plant in Kunigal, Karnataka during the financial year 2017-18. The Company has paid advance to a Land Aggregator for the purchase of Land

For and on behalf of the Board of Directors
Swelect Power Systems Private Limited

Sd/-
R. Chellappan
Director
DIN : 00016958

Sd/-
A. Balan
Director
DIN : 00017091

Place : Chennai
Date:26 May 2022