



SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'Numeric Power Systems Limited')

Stay powerful when sunshine. And thereafter

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CORPORATE INFORMATION

CHAIRMAN

Mr. V.M. SIVASUBRAMANIAM

MANAGING DIRECTOR

Mr. R. CHELLAPPAN

DIRECTORS

Mr. N. NATARAJAN

Mr. B.G. GIRI

Mrs. VASANTHA BALAN

Mrs. JAYASHREE NACHIAPPAN

COMPANY SECRETARY

Mrs. J. BHUVANESWARI

BANKERS

STATE BANK OF MYSORE
Santhome and Industrial Finance Branch,
Chennai.

BNP PARIBAS
Chennai

STATE BANK OF INDIA
Industrial Finance Branch, Chennai

THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED
Mylapore, Chennai

HDFC BANK Ltd.,
Mylapore, Chennai

AUDITORS

M/s. S.R. Batliboi & Associates, LLP,
Chartered Accountants,
Tidel Park, 6th & 7th Floor - A
Block (Module 601,701-702) No.4,
Rajiv Gandhi Salai, Taramani,
Chennai - 600113

REGISTERED OFFICE

'NUMERIC HOUSE'
5, Sir P.S. Sivasamy Salai,
Mylapore, Chennai – 600 004

Plant Locations:

No	Location of Plant	Details of the plant
1	Coimbatore Kuppaepalayam SF No 166 & 169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore 641107	SWELECT 1 MW Solar Farm Plant
2	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District	SWELECT 1.5 MW Wind Mill Power Unit -
3	58/3(14 D, D/1) Salem Main Road, Veerappampalayam PO Idappadi-637105, Salem District.	UNIT 3S

DIRECTORS' REPORT

Our Valued Shareholders,

We have pleasure in presenting the Eighteenth Annual Report together with the Audited Accounts for the year ended March 31, 2013.

SWELECT is our new name. After the successful transfer of our UPS division to Legrand, France, we changed our Group name and logo as printed in this report and elsewhere in our communications. **SWELECT stands for - SOLAR WIND ELECTRONICS & SINE WAVE ELECTRICAL ENERGY SYSTEMS – An enterprise focused in Solar / Wind and Power Quality for Energy efficiency and Energy security.**

As valuable shareholders of SWELECT you are all aware that our company brings with it almost three decades of good experience in Power Electronics and Power Quality management. With our solid back drop of experience, We switched our focus in to the most promising future in Renewable Energy products and projects that would lead to Energy Security as the conventional energy resources start diminishing in the years to come.

Financial Results:

The Abridged stand-alone financial results are as under:

(Rs. in Lakhs)

S.No.	Particulars	for the year ended 31/3/2013	for the year ended 31/3/2012
1	Sales / Income from operations	11084.72	56258.90
	Less: Taxes and duties	534.88	2794.69
2	Net Sales/Income from Operations	10549.84	53464.21
3	Other income	4729.31	529.62
	Total Income from Operations	15279.15	53993.83
4	Total Expenditure	11137.72	48969.31
5	Profit Before Depreciation, Interest & Tax	4141.43	5024.52
6	Interest	148.29	103.71
7	Depreciation	458.03	564.96
8	Profit Before Tax	3535.11	4355.85
9	Exceptional Item Income	61511.77	0
10	Tax Expense	13967.23	892.74
11	Profit After Tax	51079.65	3463.11
12	Transfer to General Reserve	14896.62	346.31
13	Interim Dividend	12127.01	0
14	Proposed Final Dividend	808.47	303.18
15	Tax on Dividend	2104.70	49.18
16	Balance Carried Forward	21142.85	2764.44
17	Equity Capital	1010.58	1010.58
18	Reserves and Surplus	62204.03	26164.56
19	EPS (Rs.)	505.45	34.27

Previous year's figures have been regrouped / reclassified wherever necessary.

Current Business and Growth of the Company

In a very short time SWELECT gained its strength in the solar energy space with the status as a complete products company and a leading PV project implementer. We are a nearly full-fledged products company today with a wide range of SPV products and a leader in providing SPV Energy Solutions.

As an experienced Energy Systems Company, SWELECT successfully launched the Smart Grid projects and have over 10 sites of 100 KW installations to our credit in a short time. Across India we have over 1400 roof top installations and have commissioned successfully 2 sites of 1 MW SPV parks each under REC scheme and IREDA scheme.

SWELECT is manufacturing PV Inverters for standalone / off-grid configuration, range of Solar Charge Controllers, Solar junction boxes, Array Combiners and the balance of systems like Power DBs and Mounting Structures.

During the year under report SWELECT acquired 49% Equity with Board Control in HHV Solar Technologies Private Limited a branded Solar Module Manufacturing Company in Bangalore. HHV Solar has an installed capacity of 40 MW / year and has expansion possibility for additional 20 MW.

SWELECT is fully equipped for Roof top project integration and is also strong in establishing utility scale Mega Watt SPV projects and into Project Management and EPC Contracts.

Product Lines and project capabilities of SWELECT

- **Solar PV Modules**
- **Solar Charge Controllers (PWM and MPPT)**
- **Solar Inverters (Standalone / off-grid)**
- **Solar On-grid Inverters**
- **Grid Interactive Inverter systems for Mini & Smart grid applications**
- **Complete range balance of Systems for SPV projects**
- **SPV Hybrid systems with Energy Storage**
- **Roof Top & Utility scale projects**

Dividend

On 9th July 2012, the Board of Directors declared an interim dividend of Rs.120/- per equity share and was paid on 26th July 2012. The Directors have pleasure in now recommending Final Dividend of Rs.8/- per equity share, free of tax in the hands of the shareholders, subject to approval of the shareholders, thus making a total Dividend of Rs.128/- per equity share for the financial year ended 31.3.2013.

Awards during the year

- ❖ Accreditation by MNRE (Ministry of New and Renewable Energy) as authorized channel partner for off-grid and decentralized solar applications under JNNSM (Jawaharlal Nehru National Solar Mission) scheme.
- ❖ Empanelment with Bureau of Energy Efficiency (BEE) as an Energy Service Provider
- ❖ No. 1 Solar Solution Provider (Integrator) company of the year 2012
- ❖ SD Award 2012 for Leadership in Roof Top Solar Installations

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate Section forming part of the Annual Report.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for the year;
- (iii) The directors had taken proper and sufficient care for the 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 fraud and other irregularities;
and
- (iv) The directors have prepared the annual accounts on a going concern basis.

Directors

Mr. V.M. Sivasubramaniam and Mr. B.G. Giri, Directors retire by rotation and being eligible; offer themselves for reappointment at the ensuing Annual General Meeting.

Mrs Vasantha Balan who was appointed as an Additional Director on the Board of Directors of the Company with effect from 13.08.2012 and holds office upto the date of this Annual General Meeting. Due notice received from some members signifying their intention to propose Mrs. Vasantha Balan as a candidate for the office of Director of the Company. Accordingly the resolution is placed before the shareholders for approval.

Mrs Jayashree Nachiappan who was appointed as an Additional Director on the Board of Directors of the Company with effect from 13.08.2012 and holds office upto the date of this Annual General Meeting. Due notice received from some members signifying their intention to propose Mrs. Jayashree Nachiappan as a candidate for the office of Director of the Company. Accordingly the resolution is placed before the shareholders for approval.

Cost Auditor

The Company has appointed Cost Auditor for the financial year 2012-2013.

Particulars of Cost Auditor:

Name: G. Sooryanarayanan

Qualification: B.B.A. ACMA

Membership No.32174

Address: 6, Gangothri Flats, 87, Thambiah Road,
West Mambalam, Chennai – 600 033

Due date for filing Cost Audit Report: 27.9.2013

Statutory Information

The information required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 will be provided on request. In terms of Section 219(1)(b)(iv) of the Act, the Report and the Accounts are being sent to the shareholders.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings / Outgo

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with the (Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, are annexed.

Results of Subsidiary Companies

Information relating to the following Subsidiary Companies for the year ended March 31, 2013 are attached to this Report.

Sl. No.	Name of the Subsidiary Company	Place of Incorporation
1	SWELECT Energy Systems Pte. Limited	Singapore
2.	Amex Alloys Private Limited	Coimbatore, India
3.	Amex Irons Private Limited	Coimbatore, India
4.	SWELECT Solar Energy Private Limited	Chennai, India
5.	BS Powertech Solutions Private Limited	Chennai, India
6.	HHV Solar Technologies Private Limited	Bengaluru, India

Investment in SWELECT ENERGY SYSTEMS PTE LTD - Singapore

During the year the Company has invested 11,091,500 shares of SGD 1 each in SWELECT ENERGY SYSTEMS PTE. LTD, Singapore.

Consolidated Financial Statements

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Associates in consolidated financial statements and AS-27 on Financial Reporting of interests in Joint Ventures, we have attached the consolidated financial statements which form part of the Annual Report and Accounts.

Auditors

M/s. S.R. Batliboi & Associates LLP, Chartered Accountants, retire at the ensuing Annual General Meeting, and are eligible for reappointment.

Future Prospects and Business

As you are aware, the business of SWELECT Energy Systems Ltd provides sustainable energy solutions for a greener and healthier India and has been progressing in the area of Solar and Wind energy, and LED Lighting business. Your Company under the new name of SWELECT Energy Systems Limited (SWEES), will concentrate and accelerate the growth of business in the green energy space of Solar and Wind energy on behalf of the company and undertake Turn-Key Projects for all its valued customers.

As a Channel partner of MNRE, SWEES has the distinct advantage of being in close proximity to customers for pre-sale guidance, project implementation, commissioning and post-sale service, so as to enable the customers to get the maximum benefit of their investment.

Your Company is looking forward to the strategic investment/technologies proposals which would help to the company's growth on a long term basis.

Wind Power

SWEES has installed a 1.5 MW wind mill quite successfully and also commissioned an off-grid Solar-Wind Hybrid System. The R&D wing is actively engaged in developing different prototypes to revolutionize generation of alternate renewable and green energy.

LED Products

Globally, the future lighting system is going to be highly eco-friendly, mercury free and cost effective Light Emitting Diode (LED) lighting products. SWEES is confident of capturing a good share of LED market.

Upscaling Foundry Products

AMEX ALLOYS PVT LTD

AMEX IRONS PVT LTD

The two Foundries are gearing up very well with Export of Steel & Alloy castings. As the quality of the products is improving and well received by the end users, the foundries are gaining better Market share in the Global markets.

Amex Alloys Pvt. Ltd. received the Export Excellence Award during the FY 2012-13 and this is a very big achievement within such a short span of time after the takeover by the Company.

Corporate Governance

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

A Compliance Certificate from Mr. R. Kannan, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause is annexed to this report.

Acknowledgment

Your Board places on record its appreciation of the support and co-operation received from the Government of India, State Governments, Financial Institutions, Banks, Suppliers, Customers and Vendors, whom your company looks upon as valued partners in progress. Your Directors also wish to place on record their appreciation for the valuable services rendered by Depositories, Stock Exchanges, and the Registrar and Transfer Agents. Your Directors commend the zeal and zest of employees at all levels culminating in the Company setting yet another new record on its operational performance for the year. Your Directors thank all our valuable Investors who have been with the Company all these years and are also very much pleased to welcome all the new Investors and thank them for their continued patronage and confidence reposed in the Management.

For and on behalf of the Board of Directors

Chennai
May 29, 2013

VASANTHA BALAN
Director

R. CHELLAPPAN
Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, FOREIGN EXCHANGE ETC.

A.	CONSERVATION OF ENERGY	<ol style="list-style-type: none"> Continuing Implementation of Solar Power Projects in all manufacturing facilities to address Renewable Energy and Energy Savings from Utility / Generator run time and fuel consumption. Progressive installation of Solar Lighting and energy efficient lighting in the place of conventional lights. Performing energy audits in the manufacturing units and office buildings to ensure that the equipment used do not induce harmonics / bad power factor upstream into the grid.
B.	RESEARCH & DEVELOPMENT 1. Specific areas in which R&D carried out by the Company.	<ol style="list-style-type: none"> Utilization of Solar Energy with the support of Solar Power Converters Design and Development of Solar Power Converters to suit the Indian Market conditions and for export market. Design and Development of Solar based lighting solution for the retail market. Study and Analysis of cost reduction and optimization methods in the Solar system installation to enable better power availability at optimal price for the customer.
	2. Benefits derived as a result of the above	<ol style="list-style-type: none"> Energy Efficient Systems and Affordable energy alternatives, reduces pollution and green house gas emission from local power plants, combats global warming. Power availability in areas where the grid availability is poor. Ensuring system reliability. Ensuring power savings at optimized costing.
	3. Future Plan of Action	<ol style="list-style-type: none"> To enhance the product design to reach the high capacity grid connected invertors and intelligent power monitoring systems. To develop solar power systems that would be in line with the changing government policies and requirements such that the policy benefit reaches the customers.
	4. Expenditure on R & D a. Capital b. Recurring c. Total d. Total R&D expenditure as percentage of total turnover	Rs. In Lakhs 23.40 52.58 75.98 0.69

C.	TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION		
	1. Efforts made towards Technology absorption, adaptation and innovation	<ol style="list-style-type: none"> Solar Power convertors MPPT Charge controllers for optimization of Solar Power recovery. Development of Solar power converters that are suitable for the recent Government regulation / policy. Design of the system such that the cost of the system is as per the market standard. Ensuring that the systems developed are comply with the required MNRE and IEC standards. 	
	2. Benefits derived as a result of the above	<ol style="list-style-type: none"> Progressive Cost Savings and Lesser Emission of Carbon Foot Print. Enhanced product range and imports substitution. 	
	3. Technology imported	Nil	
D.	External Growth:	More overseas focus for export promotion.	
E.	FOREIGN EXCHANGE EARNINGS AND OUTGO:	(Rs. In Lakhs)	(Rs. In Lakhs)
		2012-2013	2011-2012
	Foreign Exchange Earning :		
	Export at F.O.B. value	175.41	731.78
	Royalty and Technical Services	-	-
	Dividend	-	304.17
	Foreign Exchange Outflow :	126.65	1,190.72
	Import of Machinery & Advance payments	1,740.28	5,128.54
	Traded goods	200.77	7,989.94
	Travelling	42.08	17.95
	Freight and Insurance	-	48.99
	Interest	-	31.28
	Dividend	705.77	21.15
	Others	-	0.23

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is continuously monitoring the Risks and Concerns and taking adequate measures to ensure high level stability and satisfactory performance in all the major areas and introducing necessary back-up processes also.

1. ASSET MANAGEMENT & LOSS PREVENTION

Asset management has been achieved by bar-coding the Current and Non-current assets as well as the entire work in progress in all the plants.

Remote monitoring of the logistics results in loss prevention during transit.

2. RISKS AND CONCERNS

Your Company continuously monitors business and operations risk through an efficient risk management system. All Key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as production, insurance, legal and other issues like health, safety and environment.

- RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company continuously monitors business and operations risk through an efficient risk management system.

- FOREX MANAGEMENT COMMITTEE

The Forex Management committee has been reviewing the day to day forex movements and also has been actively taking the forward contracts with specific underlying transactions as per RBI guidelines.

3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at all times and all policies are duly complied with in this regard. These are considered adequate to safeguard its assets against loss or misappropriation through unauthorized or unintended use.

There is adequate and effective internal control system that employs periodic checks as an on-going process. The Audit Committee and the Board of Directors regularly reviews the effectiveness of Internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory guidelines.

4. FINANCIAL PERFORMANCE

The Management Discussion and Analysis relates to the Standalone audited financial statements of the Company.

FINANCIAL HIGHLIGHTS OF FIVE YEARS PERFORMANCE (Standalone)

(Rs. in Lakhs)

S.No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
	Profit and Loss Account					
1	Sales / Income from Operations	43749.73	45751.92	51116.67	56258.90	11084.72
2	Other Income	494.51	776.36	322.41	529.62	4729.31
3	Sales and Other Income (1+2)	44244.24	46528.28	51439.08	56788.52	15814.03
4	Less: Taxes and duties	2826.02	1969.12	2538.06	2794.69	534.88
5	Net Sales and Other Income (3-4)	41418.22	44559.16	48901.02	53993.83	15279.15
6	Employee Cost	3565.54	4108.34	4641.05	5713.50	2009.20
7	Other Operating Expenditure	32944.41	34723.37	38595.99	43255.81	9128.52
8	Profit before Depreciation, Interest & Tax (5-6-7)	4908.27	5727.45	5663.98	5024.52	4141.43
9	Interest	500.56	338.95	92.48	103.71	148.29
10	Depreciation	363.96	474.42	489.74	564.96	458.03
11	Exceptional Items	643.60	0.00	0.00	0.00	61511.77
12	Profit before tax (8-9-10+11)	4687.35	4914.08	5081.76	4355.85	65046.88
13	Profit after tax	3345.85	3678.63	4021.90	3463.11	51079.65
	Balance Sheet					
14	Net Fixed Assets	5037.62	6732.07	6883.36	7362.39	7803.10
15	Capital work-in progress including capital advances	443.27	199.26	178.01	2038.32	50.88
16	Investments	471.25	472.25	1455.70	2150.70	37509.79
17	Net Current Assets	12334.04	13914.81	20031.34	18869.72	21789.40
18	Total:	18286.18	21318.39	28548.41	30421.13	67153.17
19	Share capital	505.29	1010.58	1010.58	1010.58	1010.58
20	Reserves & Surplus	16564.45	19384.26	23053.81	26164.56	62204.02
21	Net Worth (19+20)	17069.74	20394.84	24064.39	27175.14	63214.60
22	Loan funds	683.42	301.08	3850.70	2591.93	2716.10
23	Deferred Tax Liability	533.02	622.47	633.32	654.06	1222.47
24	Total:	18286.18	21318.39	28548.41	30421.13	67153.17
25	EPS Rs.	66.22	36.40	39.80	34.27	505.45*

- Notes : 1. The EPS for 2009-10, 2010-11, 2011-12 and 2012-13 are based on the Increased Capital on account of 1:1 Bonus issue on 16.10.2009.
2. During the year 2012-13, the Company had consummated slump sale of its UPS business comprising operations in India, Singapore and investment in a subsidiary in Sri Lanka as a going concern on a slump sale basis. The net gain arising from the sale has been disclosed as an 'exceptional item'.
3. EPS 2012-13: Continuing operations Rs. 34.23, Discontinuing operations: 29.36. *EPS (after extraordinary items) Rs. 505.45.

5. HUMAN RESOURCES

Employees are vital and most valuable assets. The Company has a favorable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believe in nurturing leaders from within us as far as possible and provide opportunities for growth across all levels and derive our ability to maintain our No. 1 position from them. The total staff strength of the Company as on 31.3.2013 was 182.

6. WELFARE / SOCIAL ACTIVITIES

The Company sponsors several sports and social welfare activities to derive internal team building. EMPLOYEES' WELFARE TRUST is a welfare society with its main object of working towards the welfare of its employees.

7. QUALITY AND ENVIRONMENT MANAGEMENT

The Company has an Environmental Policy, which is read every morning in the Public Announcement System along with the Quality Policy so as to make the employees conscious of their roles and responsibilities in achieving conformity with the requirements of the quality and environment management system. The Environmental Policy goes as under:

Company is committed,

- To minimize the environmental impact of its operations by a fully involved EMS Program, with continual improvement strategies by:
- Providing Products and Services that are environmentally sound throughout their life cycle,
- Creating Health & Safety Practices and Work environment,
- Strong practices to protect the Natural Resources like Land, Air, Water and conservation of Energy,
- Complying with all the applicable legal and other requirements and reaching higher standards,
- Setting and tracking measurable environmental objectives to mitigate adverse impacts on Environment,
- Evaluating and continually improving our Environmental performance.

8. CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis Report describing the Company may be 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board of Directors

Chennai
May 29, 2013

VASANTHA BALAN
Director

R.CHELLAPPAN
Managing Director

CEO and CFO CERTIFICATION
(Pursuant to Clause 49 (V) of the Listing Agreement)

Date: 29.05.2013

The Board of Directors
SWELECT Energy Systems Limited
'Numeric House'
No.5, Sir. P. S. Sivasamy Salai
Mylapore
Chennai – 600 004

Certification by Chief Executive Officer and Chief financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2013 and to the best of our knowledge and belief we hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2012 – March 2013 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of controls were noted.
5. We have indicated to the auditors and the Audit Committee that:
 - (a) There are no significant changes in internal control over financial reporting during the year.
 - (b) There are no significant changes in accounting policies during the year.
 - (c) There have been no instances of fraud.
6. We further declare that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

R. CHELLAPPAN
Managing Director

P. JAGAN
Chief Financial Officer

REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

1. Company's Philosophy on Code of Governance:

The Company upholds the core values of transparency, integrity and accountability in all facets of its operations and maintains the highest standards of Corporate Governance in its conduct towards the shareholders, customers, suppliers and the Government. The Company believes that good Corporate Governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the goal of maximizing value for all its stakeholders.

2. BOARD OF DIRECTORS

i) Composition and Category of Directors

Executive Director : 1
Non-Executive Directors : 5

Name of Director	Designation	Category	No. of other Directorship		Committee Memberships in other companies	Committee Chairmanships in other companies
			Private Limited Company	Public Limited Company		
Mr. V.M. Sivasubramaniam	Chairman	Non-Executive, Independent	-	-	-	-
Mr. R. Chellappan	Managing Director	Executive	13	1	-	-
Mr. N. Natarajan	Director	Non-Executive, Independent	1	-	-	-
Mr. B.G. Giri	Director	Non-Executive, Independent	1	-	-	-
Mrs. Vasantha Balan	Director	Non – Executive	4	-	-	-
Mrs. Jayashree Nachiappan	Director	Non – Executive	4	-	-	-

The composition of the Board is in conformity with the Listing Agreement.

ii) Reappointment of Directors retiring by rotation.

Pursuant to Sec.255 of the Companies Act, 1956, Mr. V.M. Sivasubramaniam, and Mr. B.G. Giri, Directors retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

Pursuant to Clause 49 IV (G) of the Listing Agreement, a brief resume and names of the companies in which they hold Directorship / Committee membership are given below:

- Mr. V.M. Sivasubramaniam was appointed as a Director of the Company at the Sixteenth Annual General Meeting held on 6th August 2011, whose period of office is liable to retire by rotation and who is being proposed for reappointment as a Director of the Company.

Profile of Mr. V.M. Sivasubramaniam

Mr. V.M. Sivasubramaniam is 77 years of age and had a distinguished career in IT Department and introduced public relations based work management systems and computerisation, restructured the work and methods in the Investigation Wing in Bombay and introduced various schemes for welfare of staff and ensuring social justice for employees of weaker sections.

Educational Qualification

Graduate	B.Sc (Chemistry)	St. Joseph's College/Madras Univ	Tiruchirappalli Tamil Nadu
Post Graduate	M.A (Science)	Presidency College/Madras Univ	Chennai TN
-do-	B.L.	TNB Law College	Patna Bihar
-do-	AICWA	ICWA	Calcutta
-do-	Dip in Comp Mgt	Jamnalal Bajaj Institute/Bombay Univ	Bombay
-do-	Dip in Managerial Actg	Jamnalal Bajaj Institute/ Bombay Univ	Bombay
-do-	NCST Certificate in Soft ware Technology	National Centre for Software Technology/TIFR	Bombay

Brief Biography :

Taught Physical and Organic Chemistry in Vivekananda College, Chennai : 1 year

Taught Bio-Chemistry and Bio Physics in Medical College Madurai : 1 year

Joined IRS and worked in Various capacities in Kerala, Bombay, Maharashtra, Gujarat, Calcutta and Chennai for 34 years. Retd as Chief Commissioner of Income Tax, Tamil Nadu.

Trained as an INVR Reserve Officer in Indian Navy, took part in Indo-Pak war of 1971 , won war service medals and retired as Lt Commander(Executive Br.)

Directorship and Committee position in other Companies : None

Relationship between directors inter-se: None

- b) Mr. B G Giri was appointed as a Director of the Company at the Seventeenth Annual General Meeting held on 21st July 2012, whose period of office is liable to retire by rotation and who is being proposed for reappointment as a Director of the Company.

Profile of Mr. B G Giri

Mr. B.G. Giri is 42 years of age and has held a very high professional career. He is the Executive Director of Kinship Technologies Private Limited, a leading product (iDERT™) & solution provider for process automation in Drug Discovery for Pharmaceuticals and Clinical Research Organizations. He is an expert in Systems Management and Application of Statistical Techniques in Analysis & Reporting of different types of business data ranging from telecommunication, pharmaceutical, financial, insurance and manufacturing. Mr. B.G. Giri to his credit has been involved with CDISC in standardizing the drug discovery data for efficient review and non-compliance. He has presented technical solutions on automation & analysis papers on behalf of DIA, PhUSE, CDISC in various conferences at Lisbon, Tokyo, Washington D.C., Manchester and Basel.

Prior to joining Kinship, Mr. B.G. Giri has worked in various organizations such as TCS, Eli Lilly, Warner Lambert, GE Medical and CHM2HILL.

Mr. B.G. Giri holds a Masters degree in Mathematics, Statistics & Computer Science from Marquette University, Milwaukee, USA and Bachelors degree in Electronics & Communication Engineering, from Govt. College of Engineering, University of Madras, India.

Mr. B.G. Giri does not hold membership of Board committees in any other company.

Directorship in other companies : Kinship Technologies Private Limited

Relationship between directors inter-se : None

- c) Brief profile of Mrs. Vasantha Balan and Mrs. Jayashree Nachaiappan who were appointed as additional directors during the year and proposed for reappointment at the ensuing Annual General Meeting.

Mrs Vasantha Balan is 53 years of age and is a Science Graduate in Madras University and holds directorship in the following Companies.

S.No.	NAME OF THE COMPANY
1	SWELECT SOLAR ENERGY PRIVATE LIMITED
2	SWELECT ELECTRONICS PRIVATE LIMITED
3	SWELECT GREEN ENERGY SOLUTIONS PRIVATE LIMITED
4	SWELECT POWER SYSTEMS PRIVATE LIMITED

Relationship between directors inter-se : None

- d) Mrs Jayashree Nachaiappan is 47 years of age and is a BE graduate in Printing Technology who is running her own offset printing Business. She holds directorship in the following companies.

S.No.	NAME OF THE COMPANY
1	SWELECT SOLAR ENERGY PRIVATE LIMITED
2	SWELECT INFRASTRUCTURE SERVICES PRIVATE LIMITED
3	SWELECT GREEN ENERGY SOLUTIONS PRIVATE LIMITED
4	BS POWERTECH SOLUTIONS PRIVATE LIMITED

Relationship between directors inter-se : None

iii) The number of shares held by Non-executive Directors, as on 31.03.2013 is given below.

Name	Category	Number of shares held
Mr. V.M. Sivasubramaniam	Chairman - Non-executive - Independent	200
Mr. N. Natarajan	Director - Non-executive - Independent	25
Mr. B.G. Giri	Director - Non-executive - Independent	200
Mrs. Vasantha Balan	Director - Non-executive	7056
Mrs. Jayashree Nachaiappan	Director - Non-executive	100

The Company has not issued any convertible instruments.

iv) Details of Board Meetings:

No. of Board meetings held during the Financial Year 2012-2013 : 12

Date of Meeting			
02.04.2012	30.04.2012	30.05.2012	09.07.2012
13.08.2012	05.09.2012	05.11.2012	04.12.2012
07.01.2013	21.01.2013	30.01.2013	28.02.2013

v) Attendance of Directors at the Board Meetings during the year 2012-2013 and last AGM

Name	No. of Board Meetings Attended	Attended Last AGM
Mr. R. Chellappan	12	Yes
Mr. V.M. Sivasubramaniam	11	Yes
Mr. N. Natarajan	11	Yes
Mr. B.G. Giri	10	Yes
Mr. R. Venkataraghavan*	3	-
Mrs. Vasantha Balan	8	No
Mrs. Jayashree Nachiappan	8	No
Mr. A. Balan*	3	-
Mr. K.V. Nachiappan*	3	-

* Ceased to be director with effect from 30.05.2012

3. DETAILS OF COMMITTEES

(A) Audit Committee

i) Composition of Audit Committee

The Audit Committee comprises of three Non-executive Independent Directors as mentioned below;

- 1) Mr. V.M. Sivasubramaniam
- 2) Mr. N. Natarajan
- 3) Mr. B.G. Giri

Mr. V.M. Sivasubramaniam is the Chairman of the Committee, having financial and accounting knowledge.

ii) Terms of Reference:

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges and they are as under.

- (a) To review financial statements and pre-publication announcements before submission to the Board.
- (b) To ensure compliance of internal control systems and action taken on internal audit reports.
- (c) To apprise the Board on the impact of accounting policies, accounting standards, legislation and Stock Exchange compliance.
- (d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- (e) To review the Company's financial and risk management policies.
- (f) To review related party transactions of material nature, if any.
- (g) To obtain outside legal or other professional advice.
- (h) To investigate any activity within its terms of reference.

iii) Details of the Audit Committee Meetings

Date of Meeting	No. of Members attended	Date of Meeting	No. of Members attended
28.05.2012	3	30.05.2012	2
11.08.2012	2	13.08.2012	2
02.11.2012	3	05.11.2012	3
28.01.2013	3	30.01.2013	2

The Audit Committee adheres to the SEBI Guidelines in terms of quorum for its meetings, functioning, role and powers as also set out in the Companies Act, 1956.

(B) Shareholders' / Investors' Grievance Committee

(i) The Board of Directors had constituted Shareholders'/Investors' Grievance Committee to redress the shareholders'/ investors' complaints. The composition of the Committee as on 31.03.2013, is as follows:-

1. Mr. V.M. Sivasubramaniam, Chairman
2. Mr. R. Chellappan, Managing Director
3. Mrs. Jayashree Nachiappan, Director
4. Mrs. J. Bhuvaneswari, Company Secretary

Details of Meetings held:

Date of Meeting	No. of Members attended	Date of Meeting	No. of Members attended
28.05.2012	3	24.08.2012	3
02.11.2012	2	30.01.2013	4

(ii) Name of non-executive director heading the committee : Mr. V.M. Sivasubramaniam, Chairman

(iii) Name and designation of compliance officer : Mrs. J. Bhuvaneswari, Company Secretary

(iv) Details of Investor Complaints received and resolved during the year 2012-2013 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	1	1	0

(v) The Company had designated an e-mail ID: cg.ird@swelectes.com for the purpose of registering complaints by investors.

4. REMUNERATION TO DIRECTORS

Details of remuneration paid / payable to Directors for the year ended 31st March 2013:

(in Rupees)

Name of Director	Sitting fees	Commission on profits	Salary	Contribution to PF	Perquisites	Total
Mr. R. Chellappan	Nil	36,00,620	24,65,000	Nil	33,541	60,99,161
Mr. V.M. Sivasubramaniam	1,05,000	Nil	Nil	Nil	Nil	1,05,000
Mr. N. Natarajan	95,000	Nil	Nil	Nil	Nil	95,000
Mr. A. Balan	Nil	Nil	4,00,000	Nil	29,167	4,29,167
Mr. K.V. Nachiappan	Nil	Nil	3,50,000	Nil	25,000	3,75,000
Mr. R. Venkataraghavan	15,000	Nil	Nil	Nil	Nil	15,000
Mr. B.G. Giri	80,000	Nil	Nil	Nil	Nil	80,000
Mrs. Vasantha Balan	40,000	Nil	Nil	Nil	Nil	40,000
Mrs. Jayashree Nachiappan	45,000	Nil	Nil	Nil	Nil	45,000
Total	3,80,000	36,00,620	32,15,000	Nil	87,708	72,83,328

The executive directors are paid remuneration as determined by the Board of Directors and approved by the Shareholders at the General Meetings.

Every Non-Executive Director is paid an amount of Rs.5,000/- (Rupees Five Thousand only) as sitting fees per meeting of the Board / Committee.

Pecuniary relationship or transactions of the non-executive directors vis-à-vis the company: Nil

The company has not granted stock options to any director or employee of the company or any other person.

5. Code of Conduct

The Company's Code of Conduct has been complied with by all the members of the Board and senior management of the Company. The declaration signed by the CEO and CFO, affirming compliance with Code of Conduct by all the Board members and Senior Management Personnel, is included in this Annual Report.

6. Details of General Meetings

i. Location and time, where last three AGMs held:

Year	Venue	Day & Date	Time
15 th AGM – 01.04.2009 to 31.03.2010	Deccan Plaza, No. 36, Royapettah High Road, Chennai - 600 014	Saturday, 7 th August 2010	11.00 A.M.
16 th AGM - 01.04.2010 to 31.03.2011	Savera Hotel No. 146, Dr. Radhakrishnan Road, Chennai - 600 004	Saturday, 6 th August 2011	03.00 P.M.
17 th AGM- 01.04.2011 to 31.03.2012	Savera Hotel No. 146, Dr. Radhakrishnan Road, Chennai - 600 004	Saturday, 21 st July 2012	4.00 P.M.

Extraordinary General Meeting held:

Venue	Day & Date	Time
The Raintree Hotels, No.636, Anna Salai, Teynampet, Chennai – 600 035	Wednesday, 21 st March 2012	04.00 P.M.

- ii. Whether any special resolutions were passed in the previous 3 Annual General Meetings: Yes
- iii. Whether any special resolution was passed last year through postal ballot – details of voting pattern: No
- iv. Person who conducted the postal ballot exercise: Not applicable
- v. Whether any special resolution is proposed to be conducted through postal ballot: No
- vi. Procedure for postal ballot: Not applicable
- vii. Dividend History:

S.No.	Financial year	Nature of Dividend	Date of Declaration	Class of shares	Percentage of Dividend declared
1	01.10.1996 - 30.09.1997	Final	20.03.1998	Equity	10
2	01.10.1997 - 30.09.1998	Final	27.03.1999	Equity	10
3	01.10.1998 - 30.09.1999	Final	03.03.2000	Equity	10
4	01.10.1999 - 30.09.2000	Final	10.02.2001	Equity	20
5	01.10.2000 - 30.09.2001	Final	16.02.2002	Equity	15
6	01.10.2001 - 30.09.2002	Final	21.12.2002	Equity	20
7	01.10.2002 - 30.09.2003	Final	29.11.2003	Equity	30
8	01.10.2003 - 31.03.2005 (18 months)	Interim	27.10.2004	Equity	20
		Final	28.05.2005	Equity	30
9	01.04.2005 - 31.03.2006	Final	08.07.2006	Equity	40
10	01.04.2006 - 31.03.2007	Final	04.08.2007	Equity	45
11	01.04.2007 - 31.03.2008	Final	14.08.2008	Equity	50
12	01-04.2008 – 31.03.2009	Final	22.08.2009	Equity	50
13	01-04-2009 – 31.03.2010	Final	07.08.2010	Equity	30
14	01-04-2010 – 31.03.2011	Final	06.08.2011	Equity	30
15	01-04-2011-31.03.2012	Final	21.07.2012	Equity	30
16	01-04-2012-31-03-2013	Interim	09.07.2012	Equity	1200

Pursuant to Section 205C of the Companies Act, 1956, the following unclaimed dividend has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

S.No.	Financial year	Date of Declaration	Amount Rs.	Date of remittance to IEPF
1	1.10.1996 - 30.9.1997	20.03.1998	5,850	29.04.2005
2	1.10.1997 - 30.9.1998	27.03.1999	6,050	27.04.2006
3	1.10.1998 - 30.9.1999	03.03.2000	7,050	09.04.2007
4	1.10.1999 - 30.9.2000	10.02.2001	13,300	12.03.2008
5	1.10.2000 - 30.9.2001	16.02.2002	10,575	17.03.2009
6	1.10.2001 - 30.9.2002	21.12.2002	15,400	22.01.2010
7	1.10.2002 - 30.9.2003	29.11.2003	21,450	03.01.2011
8	1.10.2003 - 31.3.2005 (18 Months) - Interim	27.10.2004	13,300	29.11.2011
9	1.10.2003 - 31.3.2005 (18 Months) - Final	28.05.2005	17,853	05.07.2012

7. Disclosures

- Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the Company's interest.
- In preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- Business risk evaluation and managing such risks is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the Company to mitigate the risks.
- Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: NIL
- No person has been denied access to the Audit Committee.
- The Company has complied with all mandatory requirements of Corporate Governance as per Clause 49 of the Listing Agreement.

8. Means of Communication

The Quarterly Unaudited financial results and the Audited Financial result is normally published in the newspapers viz. one national daily and vernacular news paper Financial Express / Business Line / Business Standard and Dinamani (Tamil). The Company's website www.swelectes.com contains a separate dedicated section 'Investors' wherein all data related to quarterly financial results, shareholding pattern, Board of directors, Code of conduct for all Board members and senior management of the Company, Compliance Report on Corporate Governance, Annual Report and other mandatory information required under listing agreement are available.

Details regarding Products & Solutions, Customer support offered, Business Associates & Partners, Official news Releases, presentation made to media, etc., are also placed on the Company's website www.swelectes.com.

Annual Report containing inter alia Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report, is circulated to Members and others entitled thereto.

The Report on Corporate Governance forms part of the Annual Report while the Management Discussion and Analysis Report forms part of the Directors' Report.

Email of the Compliance Officer of the Company : company.secy@swelectes.com
Telephone Number : 044-24993266
E-mail ID for the purpose of registering complaints by investors : cg.ird@swelectes.com

9. GENERAL SHAREHOLDERS' INFORMATION

- i. AGM EIGHTEENTH ANNUAL GENERAL MEETING
Day, Date and time Wednesday the 24th July 2013 at 2.30 PM
Venue Savera Hotel, Samavesh Hall (2nd Floor)
No. 146, Dr. Radhakrishnan Road, Chennai - 600 004
- ii. Financial year 1.4.2012 to 31.3.2013
- iii. Date of Book closure 22.07.2013 to 24.07.2013 [Both days inclusive]
- iv. Dividend Payment Date On or before 22nd August 2013.

- v. The equity shares of the Company have been listed on the following Stock Exchanges:

BSE Limited

Floor 25, P. J. Towers,
Dalal Street,
MUMBAI 400 001.

National Stock Exchange of India Limited,

Registered Office: "Exchange Plaza",
Bandra – Kurla Complex, BANDRA (E),
MUMBAI – 400 051.

- vi. Stock Code
BSE Limited : 532051
National Stock Exchange of India Limited : SWELECTES

- vii. a) Market Price Data: High, Low during each month in the last financial year 1.4.2012 - 31.3.2013.

Share Price in Rs. Nominal value of Share Rs.10/- each

	BSE Limited		National Stock Exchange of India Limited	
Month	High	Low	High	Low
Apr-12	286.90	253.60	286.50	253.10
May-12	280.50	237.00	286.20	237.25
Jun-12	275.00	227.25	274.05	227.00
Jul-12	309.00	132.00	320.00	121.65
Aug-12	156.45	135.00	157.90	134.30
Sep-12	144.95	135.05	143.80	130.00
Oct-12	148.25	137.00	168.00	131.00
Nov-12	148.30	133.00	170.00	111.25
Dec-12	147.40	131.00	145.65	133.50
Jan-13	164.00	136.05	164.85	136.10
Feb-13	161.00	138.00	157.85	137.05
Mar-13	143.70	131.40	145.00	132.00

b) Performance in comparison to BSE Sensex and NSE Nifty:

Date	BSE LIMITED		NATIONAL STOCK EXCHANGE OF INDIA LIMITED	
	Company's Market Price (Close) per share Rs.	Sensex points (Close)	Company's Market Price (Close) per share Rs.	Nifty points (Close)
30-Apr-12	271.85	17,318.81	271.60	5,248.15
31-May-12	260.50	16,218.53	259.50	4,924.25
29-Jun-12	264.05	17,429.98	264.35	5,278.90
31-Jul-12	134.85	17,236.18	135.15	5,229.00
31-Aug-12	138.35	17,429.56	136.40	5,258.50
28-Sep-12	137.00	18,762.74	137.20	5,703.30
31-Oct-12	143.45	18,505.38	144.25	5,619.70
30-Nov-12	134.35	19,339.90	134.65	5,879.85
31-Dec-12	137.45	19,426.71	135.65	5,905.10
31-Jan-13	156.20	19,894.98	157.15	6,034.75
28-Feb-13	138.10	18,861.54	137.50	5,693.05
28-Mar-13	135.05	18,835.77	136.80	5,682.55

viii. Registrar and Transfer Agents:

M/s. Cameo Corporate Services Limited,
"Subramanian Building", Fifth Floor,
No.1, Club House Road,
Chennai – 600 002.
Tel: 044-28460390

ix) Share transfer system:

The share transfer work is being handled by Company's Registrars & Transfer Agents, M/s. Cameo Corporate Services Limited. The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai. The Company has a Share Transfer Committee comprising of the following members:

- 1) Mr. R. Chellappan, Managing Director
- 2) Mrs. J. Bhuvaneshwari, Company Secretary

The transfers are approved by the Share transfer Committee and ratified by the Shareholders'/Investors' Grievance Committee and minutes are placed at the Board Meeting. Share transfers are registered and dispatched within a period of 15 days from the date of receipt if the documents are correct and valid in all respects.

x) a) Distribution of Shareholding as on 31.03.2013

Shareholding of nominal value of Rs.	No. of shareholders						Share Amount (Rs.)					
	Physical	%	Demat	%	Total	%	Physical	%	Demat	%	Total	%
10 - 5,000	221	2.09	9414	88.84	9635	90.93	467720	0.46	9101550	9.01	9569270	9.47
5,001 - 10,000	28	0.26	474	4.47	502	4.73	219000	0.22	3753760	3.72	3972760	3.94
10,001 - 20,000	9	0.08	216	2.04	225	2.12	154000	0.15	3343770	3.31	3497770	3.46
20,001 - 30,000	0	0	67	0.63	67	0.63	0	0	1692650	1.67	1692650	1.67
30,001 - 40,000	1	0.01	31	0.29	32	0.30	40000	0.04	1110780	1.10	1150780	1.14
40,001 - 50,000	1	0.01	24	0.23	25	0.24	50000	0.05	1154160	1.14	1204160	1.19
50,001 - 1,00,000	3	0.03	46	0.43	49	0.46	207000	0.20	3346790	3.31	3553790	3.51
1,00,001 and above	1	0.01	61	0.58	62	0.59	138000	0.14	76279220	75.48	76417220	75.62
Total:	264	2.49	10333	97.51	10597	100.00	1275720	1.26	99782680	98.74	101058400	100.00

b) Shareholding pattern as on 31.03.2013

Sr. no.	Category of shareholder	Number of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
(A)	Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/Hindu Undivided Family	18	5771925	5771925	57.11	57.11	0	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	30	30	0.00	0.00	0	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(1)	19	5771955	5771955	57.12	57.12	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	17	810778	810778	8.02	8.02	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(e)	Any Other (Total)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (A)(2)	17	810778	810778	8.02	8.02	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	36	6582733	6582733	65.14	65.14	0	0.00
(B)	Public shareholding^a							
(1)	Institutions							
(a)	Mutual Funds/UTI	1	56888	56888	0.56	0.56	N.A.	N.A.
(b)	Financial Institutions/Banks	2	6491	6491	0.06	0.06	N.A.	N.A.
(c)	Central Government/State Government(s)	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Venture Capital Funds	0	0	0	0.00	0.00	N.A.	N.A.
(e)	Insurance Companies	0	0	0	0.00	0.00	N.A.	N.A.
(f)	Foreign Institutional Investors	1	11196	11196	0.11	0.11	N.A.	N.A.
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	N.A.	N.A.
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(i)	Any Other (Total)	0	0	0	0.00	0.00	N.A.	N.A.
	Sub-Total (B)(1)	4	74575	74575	0.74	0.74	N.A.	N.A.

Sr. no.	Category of shareholder	Number of share holders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX) = (VIII) / (IV) * 100
(2)	Non-institutions							
(a)	Bodies Corporate	307	421207	420007	4.17	4.17	N.A.	N.A.
(b)	Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >Rs. 1 Lakh.	9698	2030616	1918045	20.09	20.09	N.A.	N.A.
	Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of Rs. 1 Lakh	23	696656	682856	6.89	6.89	N.A.	N.A.
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	N.A.	N.A.
(d)	Any Other (Total)	529	300053	300052	2.97	2.97	N.A.	N.A.
(d1)	Clearing Members	31	17128	17128	0.17	0.17	N.A.	N.A.
(d2)	Directors and their relatives	3	425	425	0.00	0.00	N.A.	N.A.
(d3)	Hindu Undivided Families	310	106799	106798	1.06	1.06	N.A.	N.A.
(d4)	Non Resident Indians	184	58101	58101	0.57	0.57	N.A.	N.A.
(d5)	Trust	1	117600	117600	1.16	1.16	N.A.	N.A.
	Sub-Total (B)(2)	10557	3448532	3320960	34.12	34.12	N.A.	N.A.
	Total Public Shareholding (B)= (B)(1)+(B)(2)	10561	3523107	3395535	34.86	34.86	N.A.	N.A.
	TOTAL (A)+(B)	10597	10105840	9978268	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	N.A.	0.00	N.A.	N.A.
C1	Promoter and Promoter Group	0	0	0	N.A.	0.00	N.A.	N.A.
C2	Public	0	0	0	N.A.	0.00	N.A.	N.A.
	GRAND TOTAL (A)+(B)+(C)	10597	10105840	9978268	N.A.	100.00	0	0.00

The position regarding dematerialization / rematerialisation of shares, as at 31.03.2013 as reported by the Registrars & Transfer Agents, M/s. Cameo Corporate Services Limited, Chennai, is as under:-

xi) a. Dematerialisation

	National Securities Depository Limited	Central Depository Services (India) Limited	Total
Demat	as on 31.3.2013	as on 31.3.2013	as on 31.3.2013
requests	440	85	525
shares	5129353	150400	5279753
certificates	46821	1271	48092

The above dematerialized shares are credited to National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai.

b. Rematerialisation

	National Securities Depository Limited	Central Depository Services (India) Limited	Total
Remat	as on 31.3.2013	as on 31.3.2013	as on 31.3.2013
requests	27	7	34
shares	382	56	438
certificates	27	7	34

	No. of shareholders	No. of Shares	Percentage
Physical form of shares:	264	127572	1.26
Shares in demat form with			
- National Securities Depository Limited: :	6807	8789442	86.98
- Central Depository Services (India) Limited:	3526	11,88,826	11.76
Total:	10597	10105840	100

As on 31.03.2013, 99,78,268 equity shares representing 98.74% in the Equity Share Capital is in dematerialized form.

xii) Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity: NIL

xiii) Plant Locations:

No.	Location of the Property	Details of the Unit
1	SF No 166 & 169, Sembagoundan Pudur, No 51, Kuppepalayam Village, Coimbatore 641107	SWELECT 1 MW Solar Farm Plant
2	Naranapuram Village, Ponnapuram, Dharapuram Taluk, Tiruppur District	SWELECT 0.5 MW Wind Mill Power Unit - 3 Numbers
3	58/3(14 D, D/1) Salem Main Road, Veerappampalayam Po Idappadi-637105, Salem District.	UNIT 3S

xiv) Address for correspondence:

'Numeric House'
No.5, Sir P.S. Sivasamy Salai,
Mylapore,
Chennai - 600 004,
Tamil Nadu.

For and on behalf of the Board of Directors

Chennai
May 29. 2013

VASANTHA BALAN
Director

R.CHELLAPPAN
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of SWELECT ENERGY SYSTEMS LIMITED,

I have examined the compliance of conditions of Corporate Governance by SWELECT ENERGY SYSTEMS LIMITED ('the Company'), for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement executed by the Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations, records, given to me during the secretarial audit, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement executed with the Stock Exchanges.

Place: Chennai
Date: 29th May 2013

R. KANNAN
CP No. 3363
Door No.6, Plot 11A,
10th Street, New Colony,
Adambakkam,
Chennai – 600 088

Independent Auditor's Report

To

The Members of SWELECT ENERGY SYSTEMS LIMITED (Formerly 'NUMERIC POWER SYSTEMS LIMITED')

Report on the Financial Statements

We have audited the accompanying financial statements of SWELECT ENERGY SYSTEMS LIMITED (the Company), (Formerly 'NUMERIC POWER SYSTEMS LIMITED'), which comprise the Balance Sheet as at 31 March 2013, and the Statement of Profit and Loss and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013,
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date, and
- (c) In the case of the Cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash flow statement dealt with by this report are in agreement with the books of account;

- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; and
- (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: May 29, 2013

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: SWELECT ENERGY SYSTEMS LIMITED ('the Company') (Formerly 'NUMERIC POWER SYSTEMS LIMITED')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the Company has disposed off a substantial part of the fixed assets. Based on the information and explanations given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of fixed assets has not affected the going concern status of the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has granted loan to firms covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.323,839,167 and the year-end balance of loans granted to such parties was Rs. 209,049,134.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
- (c) In respect of loans granted, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (d) There is no overdue amount of loans granted to Companies, Firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from Companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (f) and (g) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and

services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.

- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, relating to its manufacturing operations and generation of solar and wind power and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues deducted/accrued in the books of account in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, 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 deducted/accrued in the books of account are payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, service tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, wealth tax, customs duty, service tax and cess which have not been deposited on account of any dispute. According to the records of the Company, the dues outstanding of excise duty and sales tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Cenvat credit related matters	26 lakhs	1998 - 2002	High Court
Kerala Sales Tax Act, 1963*	Penalty	7 lakhs	2000 - 2001	Deputy Commissioner, commercial taxes
Delhi VAT Act, 2004	Disputed turnover	12 lakhs	2006 - 2007	Commissioner, Appeals
HP VAT Act, 2005#	Benefit under a Notification	94 lakhs	2007 - 2012	High Court

* Excludes amounts paid under protest amounting to Rs.3 lakhs.

Excludes amounts paid under protest amounting to Rs.57 lakhs.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) 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 a bank. The Company has no dues in respect of financial institutions and has not issued any debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has given guarantee for loans taken by others from bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. The Company has not given any guarantee for loans taken by others from financial institutions.
- (xvi) The Company did not have any term loan outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues and accordingly, provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per **Subramanian Suresh**

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED
(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Balance Sheet as at 31 March 2013

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

	Notes	31 March 2013	31 March 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,220,402,341	2,616,455,638
		6,321,460,741	2,717,514,038
Non-current liabilities			
Other long-term liabilities	5	19,380,856	1,323,330
Deferred tax liabilities (net)	11	122,246,706	65,406,055
Long-term provisions	7	800,000	19,190,570
		142,427,562	85,919,955
Current liabilities			
Short-term borrowings	6	270,078,455	259,193,170
Trade payables	8	68,882,688	317,103,641
Other current liabilities	8	24,310,622	262,509,995
Short-term provisions	7	277,960,146	93,160,596
		641,231,911	931,967,402
Total		7,105,120,214	3,735,401,395
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	777,958,346	718,327,039
Intangible assets	10	2,351,645	17,911,770
Capital work-in-progress		5,087,564	203,832,228
Non-current investments	12	949,939,943	210,070,198
Long-term loans and advances	14	253,812,369	198,155,338
Trade receivables	15.1	58,718,835	38,222,949
Other assets	15.2	435,722,000	-
		2,483,590,702	1,386,519,522
Current assets			
Current investments	17	2,801,038,844	5,000,000
Inventories	13	118,794,509	1,037,552,500
Trade receivables	15.1	76,895,153	1,048,040,742
Cash and bank balances	16	1,448,980,775	164,205,583
Short-term loans and advances	14	33,880,494	92,928,711
Other assets	15.2	141,939,737	1,154,337
		4,621,529,512	2,348,881,873
Total		7,105,120,214	3,735,401,395
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan

Managing Director

J. Bhuvaneswari
Company Secretary

Vasanth Balan

Director

Place: Chennai

Date: May 29, 2013

Place: Chennai

Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Statement of profit and loss for the year ended 31 March 2013

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

	Notes	31 March 2013	31 March 2012
Income			
Revenue from operations (gross)	18	1,108,471,341	5,625,890,659
Less: Excise duty		53,487,719	279,469,186
Revenue from operations (net)		1,054,983,622	5,346,421,473
Other income	19	472,930,626	52,962,113
Total revenue		1,527,914,248	5,399,383,586
Expenses			
Cost of raw material and components consumed	20	440,296,136	2,452,869,197
Purchase of traded goods	21	306,268,393	1,210,765,110
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	21	(46,985,360)	2,158,143
Employee benefits expense	22	200,920,208	571,350,497
Other expenses	23	205,874,534	633,854,672
Depreciation and amortisation expense	24	45,802,597	56,496,388
Finance costs	25	22,227,017	36,304,795
Total expenses		1,174,403,525	4,963,798,802
Profit before tax and exceptional items		353,510,723	435,584,784
Add: Exceptional items (refer note 27)		6,151,176,806	-
Profit before tax		6,504,687,529	435,584,784
Tax expense			
Less: Current tax		1,339,882,364	87,200,000
Less: Deferred tax		56,840,652	2,073,796
Total tax expense		1,396,723,016	89,273,796
Profit for the year		5,107,964,513	346,310,988
Pre-tax (loss)/profit from ordinary activities attributable to discontinued operations	27	(48,261,846)	426,785,397
(Net of related Income tax effect for 31 March 2013: Rs. Nil) (31 March 2012: Rs. 87,470,348))			
Earnings per equity share (nominal value of share Rs.10 (31 March 2012: Rs.10))	26		
Basic and diluted earnings per share			
– continuing operations		34.23	0.69
– total profit for the year		505.45	34.27
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan

Managing Director

J. Bhuvaneswari
Company Secretary

Vasanth Balan

Director

Place: Chennai

Date: May 29, 2013

Place: Chennai

Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Cash flow statement for the year ended 31 March 2013

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

	31 March 2013	31 March 2012
A. Cash flow from operating activities:		
Profit before taxation	6,504,687,529	435,584,784
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortisation on continuing operations	36,092,484	32,049,648
Depreciation/amortisation on discontinued operations	9,710,113	24,446,740
(Profit)/loss on sale of fixed assets	(48,000)	91,198
Unrealised foreign exchange loss, net	2,523,452	12,983,219
Profit on sale of uninterruptible power supply systems business (refer note 27)	(6,151,176,806)	-
Net gain from the sale of current investment	(62,792,099)	(1,111,540)
Dividend income - mutual fund	(90,948,312)	-
Remission and write off of debts	1,701,960	6,449,263
Provision no longer required written back	(23,500,000)	(6,869,655)
Interest expense	14,829,067	10,371,177
Interest income	(278,479,746)	(10,018,115)
Dividend income	-	(30,566,633)
Operating (loss)/ profit before working capital changes	(37,400,358)	473,410,086
Movement in working capital :		
(Increase) / decrease in trade receivables	(61,444,502)	114,060,170
Increase in loans and advances	(172,998,291)	(69,362,466)
(Increase) / decrease in inventories	(109,946,973)	84,042,002
Increase / (decrease) in trade payable, other current and long term liabilities	27,932,055	(139,151,233)
(Decrease) / increase in provisions	(9,108,344)	14,826,559
Cash (used in)/generated from operations	(362,966,413)	477,825,118
Taxes paid, net	(40,526,833)	(114,679,302)
Net cash flow (used in)/generated from operating activities (A)	(403,493,246)	363,145,816
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(50,662,875)	(198,668,917)
Proceeds from sale of fixed assets	352,136	626,213
Proceeds from sale of uninterruptible power supply systems business, net of tax aggregating to Rs. 1,085,218,526 (refer note 27)	6,831,515,659	-
(Investment) / redemption of current investments	(2,695,911,973)	16,111,540
Investment in subsidiaries	(749,429,745)	(84,500,000)
(Investment) / redemption in bank deposits (having original maturity of more than three months)	(1,731,201,908)	3,975,030
Interest received	181,529,766	9,861,732
Dividend received on mutual fund	53,613,540	-
Dividend received	-	30,566,633
Net cash generated from / (used in) investing activities (B)	1,839,804,601	(222,027,769)

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Statement of profit and loss for the year ended 31 March 2013

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

C. Cash flow from financing activities:

Proceeds / (repayment) of short term borrowings (net)	8,361,836	(125,876,780)
Interest paid	(13,909,871)	(10,179,987)
Dividend paid	(1,243,018,320)	(30,317,520)
Dividend tax paid	(201,648,650)	(4,918,260)
Net cash flow used in financing activities (C)	(1,450,215,005)	(171,292,547)
Net decrease in cash and cash equivalents (A + B + C)	(13,903,651)	(30,174,500)
Cash and cash equivalents at the beginning of the year	119,758,635	149,933,135
Closing cash and cash equivalents (Refer Note 2 & 3 below)	105,854,984	119,758,635

a) The reconciliation to the cash and bank balances as given in note 16 is as follows:

Cash and bank balances including non current bank balance, as per note 16	1,884,702,775	164,205,583
Less: Term deposit placed with the banks	(1,338,941,477)	(43,461,569)
Less: Non current bank balance (refer note 15.2)	(435,722,000)	-
Less: Unpaid dividend accounts*	(4,184,314)	(985,379)
Cash and cash equivalent at the end of the year	105,854,984	119,758,635

* These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.

b) Components of cash and cash equivalents

Balances with banks:

On current accounts	105,739,842	102,201,159
Cheques on hand	-	17,017,491
Cash on hand	115,142	539,985

Notes :

1. Increase in capital expenditure include payments for items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
2. Fixed deposits with banks with maturity period of more than three months including interest accrued thereon amounting to Rs. 1,774,663,477 (previous year Rs. 43,461,569) are not included under Cash and Cash equivalents. These fixed deposits include deposits amounting to Rs. 435,722,000 (Previous year Rs. Nil) retained in Escrow account pursuant to the transfer of uninterruptible power supply systems business.
3. The accompanying notes are an integral part of this statement.

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneswari
Company Secretary

Vasanth Balan
Director

Place: Chennai
Date: May 29, 2013

Place: Chennai
Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Notes to financial statement for the year ended 31 March 2013

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

1. Nature of operations

SWELECT ENERGY SYSTEMS LIMITED ('the Company') was incorporated as a public limited Company on September 12, 1994 and was formerly known as NUMERIC POWER SYSTEMS LIMITED. The Company is engaged in the manufacturing and trading of Uninterruptible Power Supply Systems (UPS), Solar roof top power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar PV inverters and energy efficient lighting systems.

On May 29, 2012 the Company had consummated the sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated February 9, 2012 (refer to note 27 for further details).

2. Summary of significant accounting policies

(a) Basis of preparation

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

(b) Use of estimates

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

(c) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost, 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.

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. Intangible assets comprise of goodwill and computer software.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains and losses arising from derecognition of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of the profit and loss when the asset is derecognised.

(d) Depreciation and amortisation

Depreciation is provided using the Straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher as follows:

Building	3.34%
Plant and machinery (Other than Windmills)	4.75%
Windmills (included under Plant & Machinery)	10.00%
Office equipment, electrical etc	4.75%
Computers	16.21%
Furniture and fittings	6.33%
Vehicles	9.50%

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Notes to financial statement for the year ended 31 March 2013

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

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Leasehold improvements are amortised using the straight-line method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Lease hold land is amortised on a straight-line basis over the primary lease period of 99 years.

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

(e) Impairment of tangible and intangible fixed assets

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

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(g) Inventories

Inventories are valued as follows:

Raw-materials, stores and spares	Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress, finished goods	Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded goods	Lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sale of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts

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comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract. The Company collects sales taxes and valued added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence they are excluded from revenue.

Excise duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Sale of power

Income from sale 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 Tamilnadu Generation and Distribution Corporation Limited (TANGEDCO). Such revenue is recognised on the basis of actual units generated and transmitted.

Income from Sale of Renewable Energy Certificates

The revenue from Renewable Energy Credit (REC) is recognised on delivery thereof or sale of right therein, as the case may be, in terms of the contract with the respective buyer.

Income from service

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Service tax is excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend

Revenue is recognised when the Company's right as a shareholder/unit holder to receive payment is established by the reporting date.

(i) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency 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.

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.

Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

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(j) Retirement and other employee benefits

- i. Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent of the pre-payment.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to statement of profit and loss and, are not deferred.
- iii. Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

(k) Income taxes

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

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

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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.

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(m) Leases

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 recognized 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.

(n) Provision

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

Provision for warranty:

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually. A provision is recognised for expected warranty claims on product sold, based on past experience of the levels of repairs and returns. Assumptions used to calculate the provision for warranties are based on the current sales levels and current information available about returns based on the average warranty period for the product portfolio of the Company.

(o) Contingent liabilities

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 recognised 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 recognise a contingent liability but discloses its existence in the financial statements.

(p) Cash and Cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand, including cheques in hand and short-term investments with an original maturity of three months or less.

(q) Borrowing costs

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

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

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3 Share capital

	<u>31 March 2013</u>	<u>31 March 2012</u>
Authorised shares		
20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each	101,058,400	101,058,400
Total issued, subscribed and fully paid-up share capital	<u>101,058,400</u>	<u>101,058,400</u>

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

Equity shares

	31 March 2013		31 March 2012	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
Outstanding at the end of the year	<u>10,105,840</u>	<u>101,058,400</u>	<u>10,105,840</u>	<u>101,058,400</u>

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs.120 (31 March 2012: Rs.Nil) and proposed dividend of Rs. 8 (31 March 2012: Rs. 3).

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	31 March 2013 Number of shares	31 March 2012 Number of shares
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	5,052,920	5,052,920
Equity shares allotted as fully paid up pursuant to the merger of UPS division of Swelect Electronics Private Limited (Formerly known as 'Numeric Eelctronics Private Limited') for consideration other than cash.	52,920	52,920

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

	31 March 2013		31 March 2012	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10 each fully paid				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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4 Reserves and surplus

	<u>31 March 2013</u>	<u>31 March 2012</u>
Capital reserve		
Balance as per the last financial statements	15,263,880	15,263,880
Movement during the year	-	-
Closing balance	<u><u>15,263,880</u></u>	<u><u>15,263,880</u></u>
Securities premium account		
Balance as per the last financial statements	18,268,300	18,268,300
Movement during the year	-	-
Closing balance	<u><u>18,268,300</u></u>	<u><u>18,268,300</u></u>
General reserve		
Balance as per the last financial statements	272,021,028	237,389,929
Add: amount transferred from surplus balance in the statement of profit and loss	1,489,661,863	34,631,099
Closing balance	<u><u>1,761,682,891</u></u>	<u><u>272,021,028</u></u>
Surplus in the statement of profit and loss		
Balance as per last financial statements	2,310,902,430	2,034,458,321
Profit for the year	5,107,964,513	346,310,988
<u>Less: Appropriations</u>		
Interim equity dividend	(1,212,700,800)	-
(amount per share: Rs.120 (31 March 2012: Rs. Nil))		
Tax on interim equity dividend	(196,730,390)	-
Proposed final equity dividend		
(amount per share: Rs. 8 (31 March 2012: Rs. 3))	(80,846,720)	(30,317,520)
Tax on proposed equity dividend	(13,739,900)	(4,918,260)
Transferred to general reserve	(1,489,661,863)	(34,631,099)
Total appropriations	<u>(2,993,679,673)</u>	<u>(69,866,879)</u>
Net surplus in the statement of profit and loss	<u><u>4,425,187,270</u></u>	<u><u>2,310,902,430</u></u>
Total reserves and surplus	<u><u>6,220,402,341</u></u>	<u><u>2,616,455,638</u></u>

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5 Other long-term liabilities

	31 March 2013	31 March 2012
Rental deposit	19,380,856	-
Deferred service income	-	1,323,330
	19,380,856	1,323,330

6 Short-term borrowings

	31 March 2013	31 March 2012
Secured borrowings		
Cash credit from Bank	189,971,957	-
Working capital demand loans	20,000,000	20,000,000
Buyer's credit	60,106,498	239,193,170
	270,078,455	259,193,170

The above amount includes

Secured borrowings	270,078,455	259,193,170
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The Cash Credit from bank is secured against inventory and book debts of the Company and it is repayable on demand.

Working capital demand loans (WCDL) and buyer's credit are taken from banks and are secured by a pari passu charge on inventory, book debts and investments in mutual funds of the Company.

WCDL and Buyer's credit are repayable over a period of 71 days and 200-244 days respectively.

7 Provisions

	Long-term		Short-term	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Provision for employee benefits				
Provision for gratuity (refer note 28)	-	-	1,027,272	8,984,826
Provision for leave benefits	-	-	1,218,145	16,623,657
Total (A)	-	-	2,245,417	25,608,483
Other provisions				
Provision for warranties	800,000	19,190,570	200,000	32,316,333
Provision for Income tax	-	-	180,928,109	-
Proposed equity dividend	-	-	80,846,720	30,317,520
Provision for tax on proposed equity dividend	-	-	13,739,900	4,918,260
Total (B)	800,000	19,190,570	275,714,729	67,552,113
Total (A)+(B)	800,000	19,190,570	277,960,146	93,160,596
Provision for warranties (refer note 2(n))			31 March 2013	31 March 2012
At the beginning of the year			51,506,903	46,340,903
Arising during the year			1,000,000	25,509,000
Utilised during the year			-	(20,343,000)
Less: Transferred pursuant to the Business Transfer Agreement (refer note 27)			(51,506,903)	-
At the end of the year			1,000,000	51,506,903

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8 Trade payables and other current liabilities

	<u>31 March 2013</u>	<u>31 March 2012</u>
Trade payables	68,882,688	317,103,641
(refer note below regarding dues to micro and small enterprises)		
Other current liabilities		
Interest accrued but not due on borrowings	1,531,723	612,527
Deferred service income	-	90,492,773
Unpaid dividend	4,184,315	985,379
Payables for capital purchases	4,836,769	92,479,228
Retention money payables	1,076,245	5,000,000
Advance from customers	9,902,460	22,453,469
Statutory dues payables	2,779,110	50,486,619
	<u>24,310,622</u>	<u>262,509,995</u>
	<u>93,193,310</u>	<u>579,613,636</u>

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.

9. Tangible assets

Particulars	Land (Refer 9(a))	Buildings (Refer 9(b & d))	Plant and machinery (Refer 9 (c))	Office equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
Cost									
At 1 April 2011	113,815,764	359,348,231	203,682,936	56,337,982	50,988,257	47,611,880	51,107,468	2,083,295	884,975,813
Additions	23,042,995	1,489,243	37,799,278	4,583,769	4,740,980	10,697,371	8,524,286	1,964,529	92,842,451
Disposals*	-	(473,628)	(1,806,798)	(4,592,466)	(7,804,161)	(2,814,939)	(3,516,468)	-	(21,008,460)
At 31 March 2012	136,858,759	360,363,846	239,675,416	56,329,285	47,925,076	55,494,312	56,115,286	4,047,824	956,809,804
Additions	-	16,134,219	226,325,727	3,437,349	2,172,547	501,088	1,813,877	121,927	250,506,734
Deletion	-	(59,595)	(138,942)	(121,234)	(109,160)	(409,724)	(20,442)	-	(859,097)
Disposal (refer note 27)	(11,715,430)	(36,914,377)	(72,361,406)	(15,923,383)	(46,382,325)	(9,970,797)	(42,453,421)	-	(235,721,139)
At 31 March 2013	125,143,329	339,524,093	393,500,795	43,722,017	3,606,138	45,614,879	15,455,300	4,169,751	970,736,302
Depreciation									
At 1 April 2011	436,944	45,685,744	70,041,899	19,213,606	31,873,629	21,930,270	20,300,246	1,352,715	210,835,053
Charge for the year	109,236	12,465,116	15,897,207	4,216,184	6,176,052	4,065,761	4,592,544	416,660	47,938,760
Disposals	-	(473,628)	(1,806,797)	(4,592,465)	(7,804,160)	(2,814,939)	(2,799,059)	-	(20,291,048)
At 31 March 2012	546,180	57,677,232	84,132,309	18,837,325	30,245,521	23,181,092	22,093,731	1,769,375	238,482,765
Charge for the year	18,206	11,654,265	22,370,896	2,275,217	1,484,227	3,049,169	3,066,905	828,226	44,747,111
Deletion	-	(11,349)	(97,528)	(116,373)	(5,160)	(304,109)	(20,442)	-	(554,961)
Disposal (refer note 27)	(564,386)	(6,145,729)	(23,444,554)	(6,222,029)	(29,942,039)	(6,566,228)	(17,011,994)	-	(89,896,959)
At 31 March 2013	-	63,174,419	82,961,123	14,774,140	1,782,549	19,359,924	8,128,200	2,597,601	192,777,956
Net Block									
At 31 March 2012	136,312,579	302,686,614	155,543,107	37,491,960	17,679,555	32,313,220	34,021,555	2,278,449	718,327,039
At 31 March 2013	125,143,329	276,349,674	310,539,672	28,947,877	1,823,589	26,254,955	7,327,100	1,572,150	777,958,346

* Disposals represent fully depreciated assets of Rs. Nil (Previous year Rs. 20,171,828) retired from active use.

Particulars	Gross block	Depreciation charge for the year	Accumulated Depreciation	Assets transferred pursuant to the business transfer agreement	Net book value
a. Land includes land held on leasehold basis					
As at March 31, 2013	10,815,430	18,206	564,386	(10,815,430)	-
As at March 31, 2012	10,815,430	109,236	546,180	-	10,269,250
b. Buildings includes those constructed on leasehold land					
As at March 31, 2013	34,542,456	185,933	5,753,864	(34,542,456)	-
As at March 31, 2012	34,542,456	1,230,474	5,567,931	-	28,974,525
c. Plant and machinery includes assets given on operating lease (Represent plant and machinery leased for a term of 11 months to subsidiaries of the company)					
As at March 31, 2013	26,121,240	1,647,200	2,456,749	-	23,664,491
As at March 31, 2012	26,121,240	809,549	809,549	-	25,311,691
d. Buildings include assets given on operating lease					
As at March 31, 2013	255,238,872	6,808,832	42,154,924	-	206,275,116
As at March 31, 2012	-	-	-	-	-

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10 Intangible assets

Particulars	Goodwill	Computer software	Total
Gross block			
At 1 April 2011	13,816,060	36,570,580	50,386,640
Additions	-	12,274,625	12,274,625
At 31 March 2012	13,816,060	48,845,205	62,661,265
Additions	-	2,458,828	2,458,828
Disposals (refer note 27)	-	(48,785,134)	(48,785,134)
At 31 March 2013	13,816,060	2,518,899	16,334,959
Amortisation			
At 1 April 2011	13,816,060	22,375,807	36,191,867
Charge for the year	-	8,557,628	8,557,628
At 31 March 2012	13,816,060	30,933,435	44,749,495
Charge for the year	-	1,055,487	1,055,487
Disposals (refer note 27)	-	(31,821,668)	(31,821,668)
At 31 March 2013	13,816,060	167,254	13,983,314
Net block			
At 31 March 2012	-	17,911,770	17,911,770
At 31 March 2013	-	2,351,645	2,351,645

	<u>31 March 2013</u>	<u>31 March 2012</u>
11 Deferred tax liabilities (net)		
Deferred tax liability		
Fixed assets: Impact on difference between tax depreciation and depreciation / amortisation charged for the financial reporting	123,492,317	74,423,960
Gross deferred tax liability	123,492,317	74,423,960
Deferred tax asset		
Provision for doubtful debts and advances	-	(1,203,565)
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1,245,611)	(7,814,340)
Gross deferred tax asset	(1,245,611)	(9,017,905)
Deferred tax liabilities (net)	122,246,706	65,406,055

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12 Non-current investments

	<u>31 March 2013</u>	<u>31 March 2012</u>
Trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments of subsidiaries (unquoted)		
104,000 (2012 - 104,000) equity shares of Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited'), Rs.100 each fully paid	10,400,000	10,400,000
Nil (2012 - 100) equity shares of Mauritius Rupee 1,000 each fully paid in Numeric Power System (Mauritius) Private Limited	-	146,708
Nil (2012 - 200,000) equity shares of Sri Lankan Rupee 100 each fully paid in Numeric Lanka Technologies (Private) Limited	-	9,560,000
12,232,500 (2012 - 1,141,000) equity shares of Singapore Dollar 1 each fully paid in Swelect Energy Systems Pte.Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore').	437,290,241	31,317,090
4,999,900 (2012 - 1,999,900) of equity shares of Amex Irons Private Limited, Rs.10 each fully paid	99,500,000	74,500,000
920,000 (2012 - 920,000) of equity shares of Amex Alloys Private Limited, Rs.10 each fully paid	42,171,400	42,171,400
1,832,470 (2012 - Nil) of equity shares of HHV Solar Technologies Private Limited, Rs.10 each fully paid (Refer note below)	218,603,302	-
Investment in preference instruments of subsidiaries (unquoted)		
375,000 (2012 - 375,000) of 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, Rs.100 each fully paid	37,500,000	37,500,000
10,000,000 (2012 - Nil) of 10% Cumulative redeemable preference shares of HHV Solar Technologies Private Limited, Rs.10 each fully paid	100,000,000	-
Investment in joint ventures (unquoted)		
2,500 (2012 - 2,500) equity shares of Rs 100 each fully paid in Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')	250,000	250,000
	<u>945,714,943</u>	<u>205,845,198</u>

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

	<u>31 March 2013</u>	<u>31 March 2012</u>
Non trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (unquoted)		
300,000 (2012 - 300,000) equity shares of Rs 10 each fully paid in Gem Sugars Limited	3,000,000	3,000,000
Investment in associates (unquoted)		
12,250 (2012 - 12,250) equity shares of Rs 100 each fully paid in Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	1,225,000	1,225,000
	<u>4,225,000</u>	<u>4,225,000</u>
	<u>949,939,943</u>	<u>210,070,198</u>
Aggregate amount of unquoted investments	949,939,943	210,070,198

Note

The Company has pursuant to the Share Purchase and Subscription Agreements, acquired 49% of equity share capital of HHV Solar Technologies Private Limited ('HHV') and also obtained majority control over the board of directors of HHV.

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

Raw materials and components	60,845,272	626,131,354
Work-in-progress	4,041,753	18,437,752
Finished goods	966,238	80,579,473
Traded goods	52,941,246	312,403,921
	<u>118,794,509</u>	<u>1,037,552,500</u>

14 Loans and advances

	Non-current		Current	
	<u>31 March 2013</u>	<u>31 March 2012</u>	<u>31 March 2013</u>	<u>31 March 2012</u>
Capital advances				
Unsecured, considered good	7,649,571	11,962,086	-	-
(A)	<u>7,649,571</u>	<u>11,962,086</u>	-	-
Security deposit				
Unsecured, considered good	8,095,394	25,743,366	10,577,297	10,718,129
(B)	<u>8,095,394</u>	<u>25,743,366</u>	<u>10,577,297</u>	<u>10,718,129</u>
Loan and advances to related parties (refer note 32)				
Unsecured, considered good	202,802,307	86,563,314	6,246,828	-
(C)	<u>202,802,307</u>	<u>86,563,314</u>	<u>6,246,828</u>	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	13,385,158	30,593,301
(D)	<u>-</u>	<u>-</u>	<u>13,385,158</u>	<u>30,593,301</u>

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Notes to financial statement for the year ended 31 March 2013

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

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Other loans and advances				
Unsecured, considered good				
Advance income-tax (net of provision for taxation)	-	33,208,894	-	-
Prepaid expenses	-	-	816,783	12,409,305
Loans to employees	2,013,200	8,933,035	1,284,759	5,430,860
Balances with government authorities	33,251,897	31,744,643	1,569,669	33,777,116
(E)	35,265,097	73,886,572	3,671,211	51,617,281
Unsecured, considered doubtful:				
Balances with government authorities	-	-	3,159,000	3,159,000
Provision for doubtful advance	-	-	(3,159,000)	(3,159,000)
(F)	-	-	-	-
Total (A+ B + C + D + E + F)	253,812,369	198,155,338	33,880,494	92,928,711

Loans and advances to related parties include:

Due from subsidiary Companies in which Managing director is a director:

	Non-current		Maximum amount outstanding	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
-- Amex Alloys Private Limited	74,244,720	57,242,626	80,869,977	57,242,626
-- Amex Irons Private Limited	68,359,206	13,912,040	68,359,206	13,912,040
-- BS Powertech Solutions Private Limited	22,459,748	-	18,709,539	-
-- Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')	37,681,627	9,240,586	46,053,048	9,240,586
-- Numeric Power Systems (Mauritius) Private Limited-	-	1,555,252	-	1,555,252
-- Numeric Lanka Technologies (Private) Limited	-	3,403,220	-	3,403,220
-- Swelect Energy Systems Pte. Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore')	-	1,209,590	-	1,209,590
	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
-- HHV Solar Technologies Private Limited	57,005	-	6,246,828	-
Maximum amount outstanding	-	-	109,847,397	-

SWELECT ENERGY SYSTEMS LIMITED

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Notes to financial statement for the year ended 31 March 2013

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

15. Trade receivables and other assets

15.1 Trade receivables

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Outstanding for a period exceeding six months from the date they are due for payment	54,309,371	—	12,473,588	68,924,416
(A)	54,309,371	—	12,473,588	68,924,416
Other receivables				
— Unsecured considered good	4,409,464	38,222,949	64,421,565	979,116,326
(B)	4,409,464	38,222,949	64,421,565	979,116,329
Total (A + B)	5,87,18,835	38,222,949	76,895,153	1,04,80,40,742

Included in trade receivables are :

Dues from subsidiary Companies to which the Managing Director is a director.

-- BS Powertech Solutions Private Limited	54,309,371	—	—	—
-- Amex Alloys Private Limited	—	—	13,833,347	3,670,780
-- Amex Irons Private Limited	—	—	123,803	80,000
-- Swelect Energy Systems Pte. Limited (Formerly known as Numeric Power Systems Pte. Limited, Singapore)	—	—	26,692	4,923,298

15.2 Other assets

Unsecured, considered good

Non-current bank balance (note 16)*	435,722,000	—	—	—
Interest accrued on fixed deposits	—	—	98,104,316	1,154,337
Interest accrued on investments	—	—	41,488,024	—
Others	—	—	2,347,397	—
	435,722,000	—	141,939,737	1,154,337

* Non-current bank balance include deposits amounting to Rs. 435,722,000 (Previous Year Rs. Nil) retained in Escrow account pursuant to the transfer of uninterruptible power supply system business.

16 Cash and bank balances

Cash and cash equivalents

Balances with banks

On current accounts	—	—	105,739,842	102,201,159
On unpaid dividend accounts	—	—	4,184,314	985,379
Cheques on hand	—	—	—	17,017,491
Cash on hand	—	—	115,142	539,985
Total (A)	—	—	110,039,298	120,744,014

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Notes to financial statement for the year ended 31 March 2013

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

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Other bank balances				
Deposits with originals maturity for more than 12 months	435,722,000	—	—	—
Deposits with original maturity for more than 3 months but less than 12 months*	—	—	1,338,941,477	43,461,569
Total (B)	435,722,000	—	1,338,941,477	43,461,569
Amount disclosed under other assets (note 15.2)	(435,722,000)	—	—	—
Total cash and bank balances (A+B)	—	—	1,448,980,775	164,205,583

* Deposits to the extent of Rs. 130,000,000 have been as collateral to the bank to facilitate the borrowing by subsidiary companies.

17 Current Investments

	31 March 2013	31 March 2012
Current investments (valued at lower of cost and fair value unless stated otherwise)		
Unquoted mutual funds		
9,598 (2012 – 9,598) units of Rs. 10 each fully paid and HDFC Prudence Fund – Long term investment valued at cost less provisions for diminution	2,000,000	2,000,000
282,736 (2012 – 282,736) units of Rs. 10 each fully paid Templeton Fund Income Opportunities Fund – Long term investment valued at cost less provision for diminution	3,000,000	3,000,000
20,449,714 (2012 – Nil) units of Rs. 10 each fully paid of IDFC Dynamic bond quarterly dividend plan	208,883,669	—
19,687,530 (2012 – Nil) units of Rs. 10 each fully paid of Templeton India low duration fund monthly dividend plan	204,806,184	—
2,930,604 (2012 – Nil) units of Rs. 10 each fully paid of Prudential ICICI income plan – growth plan	104,600,000	—
35,309,816 (2012 – Nil) units of Rs. 10 each fully paid of SBI Magnum income fund - regular growth plan.	1,008,227,135	—
50,000,000 (2012 – Nil) units of Rs. 10 each fully paid of SBI debt fund growth plan	500,000,000	—
68,845 (2012 – Nil) units of Rs. 10 each fully paid of Templeton India short term income plan monthly dividend plan	157,588,296	—
3,362,467 (2012 – Nil) units of Rs. 10 each fully paid of Reliance dynamic bond fund growth plan	52,157,908	—
5,722,583 (2012 – Nil) units of Rs. 10 each fully paid of IDFC dynamic bond fund regular growth plan	80,000,000	—
13,014,376 (2012 – Nil) units of Rs. 10 each fully paid of HSBC flexi debt growth plan	207,938,491	—
5,170,104 (2012 – Nil) units of Rs. 10 each fully paid of DWS short maturity fund growth plan	106,602,334	—
3,124,416 (2012 – Nil) units of Rs. 10 each fully paid of Birla Sun Life income plus growth plan	163,439,982	—
17,931 (2012 – Nil) units of Rs. 10 each fully paid of Birla Sun life saving fund daily dividend reinvestment plan	1,794,845	—
	2,801,038,844	5,000,000
Aggregate cost of unquoted investments	2,801,038,844	5,000,000

SWELECT ENERGY SYSTEMS LIMITED

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Notes to financial statement for the year ended 31 March 2013

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

18 Revenue from operations (net)

	<u>31 March 2013</u>	<u>31 March 2012</u>
Revenue from operations		
Sale of products		
Manufactured goods	532,123,103	3,273,564,525
Traded goods	390,033,111	1,719,324,375
Sale of services	122,641,216	591,340,112
Sale of power	17,123,411	6,690,152
Other operating revenue		
Scrap sales	6,873,020	23,856,908
Other	39,677,480	11,114,587
Revenue from operations (gross)	1,108,471,341	5,625,890,659
Less : Excise duty	53,487,719	279,469,185
Revenue from operations (net)	1,054,983,622	5,346,421,474
Details of products sold		
Manufactured goods sold		
Continuing operations		
– Contract manufacturing	185,550,701	–
– Solar Energy Systems/Services	28,397,960	74,258,532
– Others	–	–
Discontinued operation		
– UPS	318,174,442	3,077,067,073
– Solar	–	122,238,920
	532,123,103	3,273,564,525
Traded goods sold		
Continuing operations		
– Solar Energy Systems/Services	138,161,393	–
Discontinued operation		
– UPS	251,871,718	1,495,211,419
– Others	–	224,112,956
	390,033,111	1,719,324,375
Details of services rendered		
Continuing operations		
– Solar Energy Systems/Services	10,978,945	–
Discontinued operation		
– Annual maintenance contract services	111,662,271	558,430,274
– Others	–	32,909,838
	122,641,216	591,340,112

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Notes to financial statement for the year ended 31 March 2013

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

19 Other Income

	31 March 2013	31 March 2012
Interest income	278,479,746	10,018,115
Dividend income from:		
Long term, trade investments	–	30,416,633
Investment in subsidiaries	3,750,000	–
Long term, Non trade investments	180,000	150,000
Net gain from the sale of current investments	62,792,099	1,111,540
Dividend income on current investments - mutual fund	90,948,312	–
Rental income	9,184,368	4,396,170
Liabilities no longer required, written back	23,500,000	6,869,655
Other non-operating income	4,096,101	–
	472,930,626	52,962,113

20 Cost of raw material and components consumed

Inventory at the beginning of the year	626,131,354	708,015,214
Purchases	503,257,749	2,370,985,337
Less: Transferred pursuant to the business transfer agreement (refer note 27)	(628,247,695)	–
	501,141,408	3,079,000,551
Less: inventory at the end of the year	60,845,272	626,131,354
Cost of raw material and components consumed	440,296,136	2,452,869,197

Details of raw material and components consumed

Batteries	274,181,743	1,282,501,263
Semi-knocked down components	149,970,331	498,563,784
Others	16,144,062	671,804,150
	440,296,136	2,452,869,197

Details of inventory at the end of the year

Raw material and components

Batteries	26,783,011	106,875,979
Semi-knocked down components	23,515,631	249,530,461
Others	10,546,630	269,724,914
	60,845,272	626,131,354

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Notes to financial statement for the year ended 31 March 2013

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

21 (Increase)/decrease in inventories

	31 March 2013	31 March 2012
Inventories at the end of the year		
Traded goods	52,941,246	312,403,921
Work-in-progress	4,041,753	18,437,752
Finished goods	966,238	80,579,473
	57,949,237	411,421,146
Add : Transferred pursuant to the business transfer agreement (Refer note 27)		
Traded goods	211,759,021	—
Work-in-progress	374,428	—
Finished goods	188,323,820	—
	400,457,269	—
Inventories at the beginning of the year		
Traded goods	312,403,921	328,504,210
Work-in-progress	18,437,752	14,175,380
Finished goods	80,579,473	70,899,699
	411,421,146	413,579,289
	(46,985,360)	2,158,143
Details of purchase of traded goods		
Traded UPS Systems	117,621,207	417,378,101
Batteries	44,349,500	712,939,839
Solar PV modules	141,376,578	—
Others	2,921,108	80,447,170
	306,268,393	1,210,765,110
Details of inventory		
Traded goods		
Traded UPS Systems	—	64,240,211
Batteries	—	82,974,243
Solar PV modules	52,237,492	—
Others	703,754	165,189,467
	52,941,246	312,403,921
Work-in-progress		
Semi-manufactured UPS Systems	4,041,753	18,437,752
Others	—	—
	4,041,753	18,437,752
Finished goods		
Manufactured UPS Systems	844,238	61,330,106
Others	122,000	19,249,367
	966,238	80,579,473

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Notes to financial statement for the year ended 31 March 2013

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	31 March 2013	31 March 2012
22 Employee benefit expense		
Salaries, wages and bonus	174,386,448	502,639,402
Contribution to provident and other funds	14,643,281	35,203,033
Gratuity expense (refer note 28)	2,569,162	8,984,826
Staff welfare expenses	9,321,317	24,523,236
	200,920,208	571,350,497
23 Other expenses		
Sub-contracting and processing expenses	13,286,782	47,151,529
Service and maintenance charges	2,597,036	20,200,977
(Increase) of excise duty on inventory	–	(464,302)
Power and fuel	4,863,165	15,525,676
Freight and forwarding charges	18,651,388	142,207,513
Rent (refer Note No. 29)	8,698,391	39,433,663
Rates and taxes	7,089,151	20,540,355
Insurance	2,967,759	6,343,004
Repairs and maintenance		
– Plant & Machinery	471,388	2,655,188
– Buildings	918,552	1,145,999
– Others	11,480,115	26,374,590
Sales promotion	15,314,677	83,974,676
Advertisement	7,079,548	12,082,255
Travelling and conveyance	32,091,771	105,499,511
Communication costs	4,652,676	16,872,801
Printing and stationery	2,398,065	10,617,308
Exchange differences (net)	25,432,715	38,389,326
Legal and professional fees	27,097,923	14,115,867
Loss on sale of assets	–	91,198
Payment to auditor (Refer details below)	3,046,904	3,100,000
Bad debts/advances written off	1,701,960	6,449,263
Miscellaneous expenses	16,034,568	21,548,275
	205,874,534	633,854,672
Payment to auditor		
As auditor:		
Audit fee	2,100,000	2,100,000
Limited review	900,000	900,000
In other capacity:		
Reimbursement of expenses	46,904	100,000
	3,046,904	3,100,000

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	31 March 2013	31 March 2012
24 Depreciation and amortisation expense		
Depreciation of tangible assets	44,747,110	47,938,760
Amortisation of intangible assets	1,055,487	8,557,628
	45,802,597	56,496,388
25 Finance costs		
Interest	14,829,067	10,371,177
Bank and other charges	7,397,950	25,933,618
	22,227,017	36,304,795
26 Earnings price per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
	31 March 2013	31 March 2012
Profit after tax as per Statement of Profit & Loss - (A)	5,107,964,513	346,310,987
Less: Net profit attributable to the discontinued operations and exceptional items (refer note 27) - (B)	4,762,059,725	339,315,049
Net profit attributable to the equity share holders for continuing operations (A - B) = C	345,904,788	6,995,938
	Number of shares	Number of shares
Weighted average number of equity shares - (D)	10,105,840	10,105,840
Basic and diluted earnings per share - continuing operations - (C/D)	34.23	0.69
Basic and diluted earnings per share - total Profit - (A/D)	505.45	34.27

27 Discontinued operations - Sale of Uninterruptible power supply systems (UPS)

On May 29, 2012 the Company had consummated sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated February 9, 2012. The UPS business undertaking comprising of operations in India, Singapore and its investment in Srilanka was transferred as a going concern on a slump sale basis for an aggregate consideration of Rs. 811.13 Crores (including, an amount of Rs. 19.46 Crores for the Singapore operations). The net assets transferred pursuant to the slump sale of its UPS Business, being operations in India and investment in Srilanka is Rs. 176.56 Crores and the profit recognised pursuant to the slump sale is Rs. 615.12 Crores and disclosed as an exceptional item in the statement of profit & loss.

The Company's continuing operations represent revenues from Solar and wind power generation, contract manufacturing services, installation and maintenance services and sale of energy efficient lighting systems.

Discontinuance of UPS division falls within the meaning of Accounting Standard 24 - Discontinuing Operations. The following table summarises the revenues, expenses, profits and cash flows from ordinary activities attributable to the discontinued operations and assets/liabilities transferred pursuant to the slump sale of UPS Business comprising the Company's operations in India and investment in Srilanka.

SWELECT ENERGY SYSTEMS LIMITED

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Notes to financial statement for the year ended 31 March 2013

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

a) Revenues, profits and expenses from ordinary activities attributable to discontinued operations

Particulars	For the period April 1, 2012 to 28 May 2012	For the year ended 31 March 2012
Revenue (including other income)	652,354,315	5,283,164,742
Expenses	693,437,138	4,788,632,164
(Loss) / profit from operating activities	(41,082,823)	494,532,578
Finance costs	4,030,953	35,697,533
Depreciation/amortisation	3,148,070	32,049,648
(Loss) / profit before tax	(48,261,846)	426,785,397

b) The assets and liabilities transferred pursuant to the slump sale in the current year and amounts for initial disclosure event

Particulars	As at 28 May 2012	As at 31 March 2012
Total liabilities (A)	546,511,382	558,834,957
Other long-term liabilities	1,323,330	1,323,330
Long-term provisions	19,190,570	19,190,570
Trade payables	356,079,393	315,078,611
Other current liabilities	121,148,097	165,317,630
Short-term provisions	48,769,992	57,924,816
Total assets (B)	2,312,068,761	2,335,594,573
Fixed assets (including capital work-in-progress)	164,066,392	167,735,539
Non-current investments	9,560,000	9,560,000
Long-term loans and advances	15,776,516	40,816,347
Trade receivables	27,026,662	37,779,476
Inventories	1,028,704,964	1,029,890,331
Trade receivables	983,365,582	1,003,211,329
Short-term loans and advances	83,568,645	46,601,548
Net assets (B-A)	1,765,557,379	1,776,759,616

c) Cash flows from ordinary activities attributable to discontinued operations

Particulars	For the period April 1, 2012 to 28 May 2012	For the year ended 31 March 2012
Operating activities	(35,891,518)	437,109,379
Investing activities	516,837	(3,873,642)
Financing activities	(1,689,172)	(10,197,700)
Net cash inflows	37,063,853	423,038,037

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

28 Employee benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The following tables summaries the components of net benefit expense recognised in the Statement of profit and loss and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in personnel expenses)

Particulars	31 March 2013	31 March 2012
Current service cost	6,013,355	4,905,992
Interest cost on benefit obligations	3,611,970	2,847,670
Expected return on plan assets	(547,459)	(2,958,250)
Net actuarial (gain) / loss recognised in the year	(6,508,704)	4,189,414
Net benefit expense	2,569,162	8,984,826
Actual return on plan assets	(547,459)	(2,958,250)
Details of provision for gratuity		
Present value of obligations at the end of the year	2,257,421	45,149,623
Less : Fair value of plan assets at the end of the year	(1,230,149)	(36,164,797)
Plan liability	1,027,272	8,984,826

Changes in the present value of the defined benefit obligations are as follows:

Present value of obligations at the beginning of the year	45,149,623	35,595,878
Interest cost	3,611,970	2,847,670
Current service cost	6,013,355	4,905,992
Benefits paid		
- Continuing operations	(1,825,717)	—
- Discontinued operations (Also refer note 27)	(44,183,106)	(2,389,331)
Actuarial (gain) / loss on obligations	(6,508,704)	4,189,414
Present value of obligations at the end of the year	2,257,421	45,149,623

Changes in the fair value of plan assets are as follows:

Fair value of planned assets at the beginning of the year	36,164,797	29,698,026
Expected return on plan assets	547,459	2,958,250
Contributions	10,526,716	5,897,852
Benefits paid		
- Continuing operations	(1,825,717)	—
- Discontinued operations (Also refer note 27)	(44,183,106)	(2,389,331)
Fair value of plan assets at the end of the year	1,230,149	36,164,797

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Notes to financial statement for the year ended 31 March 2013

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

Amount for the current and previous four years are as follows:

Year ended	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligations	2,257,421	45,149,623	35,595,878	28,904,822	22,704,272
Plan assets	1,230,149	36,164,797	29,698,026	23,298,833	16,927,698
Deficit	1,027,272	8,984,826	5,897,852	5,605,989	5,776,574
Experience adjustments on plan (asset) / liabilities	(6,508,704)	4,189,414	2,839,441	2,283,086	5,220,462

The principal assumptions used in determining gratuity benefit obligations for the Company's plan is shown below:

Particulars	31 March 2013	31 March 2012
Discount rate (p.a)	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% – 3%	1% – 3%
Contribution expected to be paid during the next year	1,000,000	5,000,000

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligations is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

29. Leases

Operating leases : Company as lessee

Particulars	31 March 2013	31 March 2012
Lease payments for the year	8,698,391	39,433,663
Future minimum rentals payable under operating leases are as follows:		
Not later than one year	783,350	6,256,213
Later than one year but not later than five years	562,258	9,506,226
Later than five years	–	172,800
	1,345,608	15,935,239

The lease term (office building for branch offices at various locations) ranges between 1 to 6 years. Escalation clause ranges from 5-10% in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases.

Operating leases : Company as lessor

Particulars	31 March 2013	31 March 2012
Lease rent received for the year	47,684,945	4,451,231
Future minimum lease rental receivable under operating lease are as follows:		
Not later than one year	54,418,233	4,451,231
Later than one year but not later than five years	116,502,719	–
Later than five years	–	–
	170,920,952	4,451,231

The Company has entered into non - cancellable operating lease of its buildings (remaining term 5 years) and plant and machinery (remaining term 11 months). Terms for lease of building include annual escalation rental charges from the second year of such lease.

SWELECT ENERGY SYSTEMS LIMITED

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Notes to financial statements for the year ended 31 March 2013

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

30 Segment information

A. Primary segment information (By Business segments)

The Company's continuing operations represents revenue from Solar roof top power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar PV inverters and energy efficient lighting systems. During the year the Company has discontinued its operations relating to Uninterruptible power supply systems (UPS) (Also refer note 27).

Business (Primary) segments of the Company are:

Continuing operations

- a) Contract manufacturing - UPS Systems
- b) Solar Energy Systems / Services
- c) Others

Discontinued operations

- a) Uninterruptible power supply systems

Particulars	31 March 2013	31 March 2012
1. Segment revenue		
Continuing operations		
-- Contract Manufacturing	165,312,677	-
-- Solar Energy Systems / Services	192,565,412	89,428,437
-- Others	44,754,931	11,114,582
Discontinued operations		
-- Uninterruptible power supply systems	652,350,602	5,245,878,455
Total revenue (net)	1,054,983,622	5,346,421,474
2. Segment results		
Segment Profits before finance charges and tax		
Continuing operations		
-- Contract Manufacturing	13,727,804	-
-- Solar Energy Systems / Services	(105,631,383)	(426,220)
-- Others	39,677,480	9,832,871
Discontinued operations		
-- Uninterruptible power supply systems	(48,261,846)	426,785,394
Exceptional items - UPS (refer note 27)	6,151,176,806	-
Other unallocable income	468,827,735	-
Finance Charges	(14,829,067)	(607,262)
Total profits before tax	6,504,687,529	435,584,784
Tax expenses	(1,396,723,016)	(89,273,796)
Total profits after tax	5,107,964,513	346,310,987
3. Segment assets		
Continuing operations		
-- Contract Manufacturing	151,510,618	-
-- Solar Energy Systems / Services	2,101,214,159	19,535,323
-- Others	4,827,681,356	1,354,319,742
-- Un-allocable assets	24,714,081	25,951,758
Discontinued operations		
-- Uninterruptible power supply systems	-	2,335,594,572
Total assets	7,105,120,214	3,735,401,395

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Notes to financial statements for the year ended 31 March 2013

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

	<u>31 March 2013</u>	<u>31 March 2012</u>
4. Segment liabilities		
Continuing operations		
-- Contract Manufacturing	18,168,947	-
-- Solar Energy Systems/Services	19,352,296	2,025,030
-- Others	746,138,231	457,027,370
Discontinued operations		
-- Uninterruptible power supply systems	-	558,834,957
Total liabilities	783,659,474	1,017,887,357
5. Addition in tangible & intangible fixed assets		
Continuing operations		
-- Solar Energy Systems/Services	242,459,946	23,042,995
-- Others	8,289,155	42,785,560
Discontinued operations		
-- Uninterruptible power supply systems	2,216,461	39,288,520
Total addition in tangible & intangible fixed assets	252,965,562	105,117,075
6. Depreciation / Amortisation		
Continuing operations		
-- Contract Manufacturing	2,378,394	-
-- Solar Energy Systems/Services	30,877,090	8,273,935
-- Others	9,399,043	28,134,065
Discontinued operations		
-- Uninterruptible power supply systems	3,148,070	20,088,388
Total depreciation / amortisation	45,802,597	56,496,388

B. Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended March 31, 2013 and year ended March 31, 2012. All tangible and intangible assets are located only in India.

Particulars	Geographical segment			
	31 March 2013		31 March 2012	
	Outside India	India	Outside India	India
Revenues				
Sale to external customer	17,711,761	1,037,271,861	73,177,576	5,273,243,898
Less: sale attributable to discontinued operations (refer note 27)	(14,782,259)	(637,568,343)	(73,177,576)	(5,172,700,879)
Revenue from Continuing operation	2,929,502	399,703,518	-	100,543,019
Additions to tangible and intangible assets	-	252,965,562	-	105,117,075
Segment assets	441,023,518	6,664,096,696	84,594,068	3,650,807,327

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Notes to financial statements for the year ended 31 March 2013

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31 Information in respect of Joint Venture in terms of Accounting Standard 27 -

Financial Reporting of Interests in Joint Ventures'

Name of the Joint Venture: Swelect Infrastructure Services Private Limited
(Formerly known as'Numeric Infrastructure Services Private Limited')

Nature of business Providing infrastructure services.

Proportion of ownership interest: 50 %

Date of incorporation: April 2, 2004

Country of incorporation: India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	<u>31 March 2013</u>	<u>31 March 2012</u>
Equity and liabilities		
Shareholders' funds		
Share capital	250,000	250,000
Reserves and surplus	601,021	613,985
	<u>851,021</u>	<u>863,985</u>
Non-current liabilities		
Deferred tax liabilities (net)	22,549	22,549
Current liabilities		
Trade payables	334,172	334,173
Other current liabilities	563,633	563,581
	<u>897,805</u>	<u>897,754</u>
Total	<u><u>1,771,375</u></u>	<u><u>1,784,288</u></u>
Asset		
Non-current assets		
Fixed assets		
Tangible assets	58,178	68,178
	<u>58,178</u>	<u>68,178</u>
Current assets		
Trade receivables	641,398	641,399
Cash and bank balances	750,229	753,141
Short-term loans and advances	321,570	321,570
	<u>1,713,197</u>	<u>1,716,110</u>
Total	<u><u>1,771,375</u></u>	<u><u>1,784,288</u></u>
Summary of income and expenditure:		
(Details given below represent proportionate amount of the Company's share in joint venture)		
	<u>31 March 2013</u>	<u>31 March 2012</u>
Expenses		
Personnel expenses	-	23,625
Manufacturing and other expenses	2,861	2,758
Depreciation	10,000	10,000
Financial expenses	104	2,131
	<u>12,965</u>	<u>38,514</u>

SWELECT ENERGY SYSTEMS LIMITED
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Notes to financial statements for the year ended 31 March 2013

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

32. Related party transactions

1. Names of related parties and nature of relationship

Subsidiaries	Swelect Energy Systems Pte. Limited. (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore')
	Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')
	Amex Alloys Private Limited
	Amex Irons Private Limited (With effect from November 14, 2011)
	HHV Solar Technologies Private Limited (With effect from January 21, 2013)
Associate	BS Powertech Solutions Private Limited (With effect from January 25, 2012)
	Numeric Lanka Technologies (Private) Limited (up to May 29, 2012)
	Swelect - Sunpac Power Protection Private Limited
	(Formerly known as 'NPSL - Sunpac Power Protection Private Limited')
	Swelect Infrastructure Services Private Limited
Joint Venture	(Formerly known as 'Numeric Infrastructure Services Private Limited')
	Swelect Electronics Private Limited
	(Formerly known as 'Numeric Electronics Private Limited')
	Swelect Technologies Private Limited
	(Formerly known as 'Numeric Technologies Private Limited')
Enterprises owned or significantly influenced by key management personnel or their relatives	Swelect Green Energy Solutions Private Limited
	(Formerly known as 'Numeric Green Energy Solutions Private Limited')
	Mr. R Chellappan - Managing Director
	Mr. A Balan - Director (Resigned with effect from May 30, 2012)
	Mr. K V Nachiappan - Director (Resigned with effect from May 30, 2012)
Key Management Personnel	Mrs. Vasantha Balan (With effect from August 13, 2012)
	Mrs. Gunasundari Chellappan
	Mr. V.C.Raghunath
	Mrs. Jayashree Nachiappan (With effect from August 13, 2012)
	Mrs. V.C.Mirunalini
Relatives of key management personnel	Miss. Aarthi Balan

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32. Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Sale of goods										
-- Numeric Lanka Technologies (Private) Limited	67,659,845	40,765,066	-	-	-	-	-	-	67,659,845	40,765,066
-- Swelect Energy Systems Pte. Limited, Singapore	-	343,484	-	-	-	-	-	-	-	343,484
-- Amex Alloys Private Limited	-	20,890,699	-	-	-	-	-	-	-	20,890,699
-- Amex Irons Private Limited	13,229,367	19,450,883	-	-	-	-	-	-	13,229,367	19,450,883
-- HHV Solar Technologies Private Limited	108,125	80,000	-	-	-	-	-	-	108,125	80,000
-- BS Powertech Solutions Private Limited	12,982	-	-	-	-	-	-	-	12,982	-
Purchases of traded goods										
-- Numeric Lanka Technologies (Private) Limited	54,309,371	37,450,214	-	-	-	-	-	-	54,309,371	37,450,214
-- Amex Alloys Private Limited	45,806,301	18,397,721	-	-	-	-	-	-	45,806,301	18,397,721
-- Swelect Energy Systems Pte. Limited, Singapore	7,981	7,687,257	-	-	-	-	-	-	7,981	7,687,257
-- HHV Solar Technologies Private Limited	45,798,320	11,365,236	-	-	-	-	-	-	45,798,320	11,365,236
Receipt of services										
-- Swelect Technologies Private Limited	-	-	-	302,400	-	-	-	-	-	302,400
Rental income										
-- Swelect Technologies Private Limited	9,184,368	4,396,170	-	6,000	-	-	-	-	9,184,368	4,402,170
-- Amex Alloys Private Limited	-	-	-	6,000	-	-	-	-	-	6,000
-- Amex Irons Private Limited	6,951,440	4,396,170	-	-	-	-	-	-	6,951,440	4,396,170
-- BS Powertech Solutions Private Limited	2,202,928	-	-	-	-	-	-	-	2,202,928	-
Interest income										
-- Amex Alloys Private Limited	30,000	4,519,966	-	-	-	-	-	-	30,000	-
-- Amex Irons Private Limited	17,159,763	4,113,577	-	-	-	-	-	-	17,159,763	4,519,966
-- HHV Solar Technologies Private Limited	7,616,382	4,113,577	-	-	-	-	-	-	7,616,382	4,113,577
-- Swelect Solar Energy Private Limited	4,037,927	406,389	-	-	-	-	-	-	4,037,927	406,389
-- BS Powertech Solutions Private Limited	2,608,219	-	-	-	-	-	-	-	2,608,219	-
Rent expense										
-- Swelect Electronics Private Limited	1,130,336	-	-	-	-	-	-	-	1,130,336	-
Remuneration										
-- Mr. R Chellappan	1,766,899	-	-	4,500,000	-	-	-	-	1,766,899	4,500,000
-- Mr. A Balan	-	-	750,000	4,500,000	-	-	-	-	750,000	4,500,000
-- Mr. K V Nachiappan	-	-	-	-	6,903,328	13,348,388	1,431,149	1,340,598	6,903,328	14,688,986
-- Mr. V.C.Ragunath	-	-	-	-	6,099,161	7,398,767	-	-	6,099,161	7,398,767
-- Mrs. V.C.Mirunalini	-	-	-	-	429,167	3,699,621	-	-	429,167	3,699,621
-- Miss Aarthi Balan	-	-	-	-	375,000	2,250,000	-	-	375,000	2,250,000
	-	-	-	-	-	-	566,766	532,236	-	532,236
	-	-	-	-	-	-	331,655	320,382	-	331,655
	-	-	-	-	-	-	532,728	487,980	-	532,728

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32. Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Dividend paid										
-- Mr. R Chellappan	-	-	-	-	619,845,600	14,934,540	19,214,160	317,262	639,059,760	15,251,802
-- Others	-	-	-	-	569,646,480	14,241,162	-	-	569,646,480	14,241,162
	-	-	-	-	50,199,120	693,378	19,214,160	317,262	69,413,280	1,010,640
Management fees										
-- BS Powertech Solutions Private Limited	2,400,000	-	-	-	-	-	-	-	2,400,000	-
	2,400,000	-	-	-	-	-	-	-	2,400,000	-
Dividend received										
-- Amex Alloys Private Limited - Preference Shares	3,750,000	30,416,633	-	-	-	-	-	-	3,750,000	30,416,633
-- Numeric Lanka Technologies (Private) Limited	3,750,000	-	-	-	-	-	-	-	3,750,000	-
	-	30,416,633	-	-	-	-	-	-	-	30,416,633
Non-current investments made										
-- Swelect Solar Energy Private Limited - Equity shares	749,576,453	84,500,000	-	-	-	-	-	-	749,576,453	84,500,000
-- Swelect Energy Systems Pte. Limited, Singapore - Equity shares	-	10,000,000	-	-	-	-	-	-	-	10,000,000
	405,973,151	-	-	-	-	-	-	-	405,973,151	-
-- Amex Irons Private Limited - Equity shares	25,000,000	74,500,000	-	-	-	-	-	-	25,000,000	74,500,000
-- HHV Solar Technologies Private Limited - Equity shares	218,603,302	-	-	-	-	-	-	-	218,603,302	-
-- HHV Solar Technologies Private Limited - Preference shares	100,000,000	-	-	-	-	-	-	-	100,000,000	-
	9,706,708	-	-	-	-	-	-	-	9,706,708	-
Investments disposed off										
-- Numeric Power Systems (Mauritius) Private Limited	146,708	-	-	-	-	-	-	-	146,708	-
-- Numeric Lanka Technologies (Private) Limited	9,560,000	-	-	-	-	-	-	-	9,560,000	-
	273,559,835	67,600,915	1,035,904	2,244	-	-	-	-	274,595,739	67,603,159
Advances made										
-- Swelect Technologies Private Limited	-	-	5,494	2,244	-	-	-	-	5,494	2,244
-- Numeric Power Systems (Mauritius) Private Limited	-	227,446	-	-	-	-	-	-	-	227,446
-- Swelect Solar Energy Private Limited	28,869,963	8,713,289	-	-	-	-	-	-	28,869,963	8,713,289
-- Amex Irons Private Limited	70,305,896	13,952,679	-	-	-	-	-	-	70,305,896	13,952,679
-- Amex Alloys Private Limited	50,424,227	44,707,501	-	-	-	-	-	-	50,424,227	44,707,501
-- Swelect Electronics Private Limited	-	-	1,030,410	-	-	-	-	-	1,030,410	-
-- HHV Solar Technologies Private Limited	100,000,000	-	-	-	-	-	-	-	100,000,000	-
-- BS Powertech Solutions Private Limited	23,959,749	-	-	-	-	-	-	-	23,959,749	-

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32. Related party transactions

Particulars	Subsidiaries		Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Repayment of advances	151,470,609	19,792,208	957,167	-	-	-	-	-	152,427,776	19,792,208
-- Amex Alloys Private Limited	33,422,133	19,792,208	-	-	-	-	-	-	33,422,133	19,792,208
-- Amex Irons Private Limited	15,858,731	-	-	-	-	-	-	-	15,858,731	-
-- Swelect Electronics Private Limited	-	-	957,167	-	-	-	-	-	957,167	-
-- HHV Solar Technologies Private Limited	260,822	-	-	-	-	-	-	-	260,822	-
-- BS Powertech Solutions Private Limited	1,500,000	-	-	-	-	-	-	-	1,500,000	-
-- Swelect Solar Energy Private Limited	428,923	-	-	-	-	-	-	-	428,923	-
-- HHV Solar Technologies Private Limited - converted to preference share	100,000,000	-	-	-	-	-	-	-	100,000,000	-
Balance outstanding at year end:										
Trade payables	163,418	19,602,892	-	194,168	-	-	-	-	163,418	19,797,060
-- Swelect Electronics Private Limited	-	-	-	194,168	-	-	-	-	-	194,168
-- Numeric Lanka Technologies (Private) Limited	-	8,237,656	-	-	-	-	-	-	-	8,237,656
-- Swelect Energy Systems Pte. Limited., Singapore	-	11,365,236	-	-	-	-	-	-	-	11,365,236
-- HHV Solar Technologies Private Limited	163,418	-	-	-	-	-	-	-	163,418	-
Amounts receivable from related parties	279,689,744	95,237,392	78,737	14,834	-	-	-	-	279,768,481	95,252,226
Trade receivables										
-- Amex Irons Private Limited	123,803	80,000	-	-	-	-	-	-	123,803	80,000
-- Amex Alloys Private Limited	13,833,347	3,670,780	-	-	-	-	-	-	13,833,347	3,670,780
-- Swelect Energy Systems Pte. Limited., Singapore	26,692	4,923,298	-	-	-	-	-	-	26,692	4,923,298
-- BS Powertech Solutions Private Limited	54,309,371	-	-	-	-	-	-	-	54,309,371	-
Advances										
-- Swelect Energy Systems Pte. Limited., Singapore	-	1,209,590	-	-	-	-	-	-	-	1,209,590
-- Numeric Lanka Technologies (Private) Limited	-	3,403,220	-	-	-	-	-	-	-	3,403,220
-- Numeric Power Systems (Mauritius) Private Limited	-	1,555,252	-	-	-	-	-	-	-	1,555,252
-- Swelect Technologies Private Limited	-	-	5,494	14,834	-	-	-	-	5,494	14,834
-- Swelect Solar Energy Private Limited	37,681,627	9,240,586	-	-	-	-	-	-	37,681,627	9,240,586
-- Amex Irons Private Limited	68,359,206	13,912,040	-	-	-	-	-	-	68,359,206	13,912,040
-- Swelect Electronics Private Limited	-	-	73,243	-	-	-	-	-	73,243	-
-- HHV Solar Technologies Private Limited	6,303,833	-	-	-	-	-	-	-	6,303,833	-
-- BS Powertech Solutions Private Limited	22,459,748	-	-	-	-	-	-	-	22,459,748	-
-- Amex Alloys Private Limited	74,244,720	57,242,626	-	-	-	-	-	-	74,244,720	57,242,626
Other Current Assets										
--HHV Solar Technologies Private Limited	2,347,397	-	-	-	-	-	-	-	2,347,397	-

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33. Directors' remuneration

	31 March 2013	31 March 2012
Salaries	3,302,708	7,865,871
Commission	3,600,620	5,482,517
	6,903,328	13,348,388

34. Contingent liabilities

	31 March 2013	31 March 2012
Claims against the Company not acknowledged as debts		
a) Excise / cenvat related matters	2,630,000	2,630,000
b) Sales tax related matters	11,344,380	11,936,446
	13,974,380	14,566,446

Contingent liabilities are not probable and hence not provided for.

35. Derivative instruments and foreign currency exposures

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

Particulars	Foreign Currency	31 March 2013		31 March 2012	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	40,014	2,176,354	458,660	23,332,011
	SGD	-	-	15,000	623,850
Advances receivable	USD	17,898	973,484	260,568	13,255,070
	MUR	-	-	835,613	1,555,252
	CHF	-	-	8,048	431,534
	EUR	8,390	583,441	30,527	2,072,200
	GBP	-	-	31,600	2,300,354
Non-current Investments	SLR	-	-	20,000,000	9,560,000
	SGD	12,232,500	437,290,241	1,141,000	31,317,090
	MUR	-	-	100,000	146,708
Trade payables	USD	1,816	98,794	6,603,558	335,922,976
	EUR	-	-	497,803	33,790,834
Balance with banks	USD	-	-	8,390	426,811
	EURO	-	-	2	122
Buyers credit availed from banks	USD	1,105,102	60,106,498	4,702,048	239,193,170

36. Value of imports calculated on CIF basis

	31 March 2013	31 March 2012
Raw materials	174,028,091	512,853,891
Traded goods	20,077,176	798,994,144
Capital goods	12,664,510	119,072,448
	206,769,777	1,430,920,483

SWELECT ENERGY SYSTEMS LIMITED

(Formerly Known as Numeric Power Systems Limited)

Notes to financial statements for the year ended 31 March 2013

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

37. Expenditure in foreign currency (on accrual basis)

	31 March 2013	31 March 2012
Travelling	4,208,130	1,795,043
Freight and insurance	-	4,899,586
Interest	-	3,127,793
Professional and consultancy charges	-	288,539
Others	-	22,849
	4,208,130	10,133,810

38. Imported and indigenous raw materials

	% of total consumption		Value	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Imported	35%	35%	152,031,672	864,916,168
Indigenous	65%	65%	288,264,464	1,587,953,029
	100%	100%	440,296,136	2,452,869,197

39. Net dividend remitted in foreign exchange

Final equity dividend	31 March 2013	31 March 2012
Period to which it relates	2011-12	2010-11
Number of non-resident shareholders	16	14
Number of equity shares of Rs. 10 each held on which dividend was due	573,800	704,900
Amount remitted	1,721,400	2,114,700

40. Earnings in foreign exchange (on accrual basis)

	31 March 2013	31 March 2012
Exports at F.O.B. value	17,540,759	73,177,575
Dividend income	-	30,416,633
	17,540,759	103,594,208

41. Capital and other commitments

- At 31 March, 2013, the estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (31 March 2012: Rs 19,453,447).
- Commitments relating to lease arrangements, please refer to note 29.

42. Previous year figures have been regrouped/reclassified, where necessary, to conform to the current year's classification.

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan

Managing Director

J. Bhuvaneswari

Company Secretary

Vasanth Balan

Director

Place: Chennai

Date: May 29, 2013

Place: Chennai

Date: May 29, 2013

INDEPENDENT AUDITOR'S REPORT

To

The Board of Directors of Swelect Energy Systems Limited (Formerly 'NUMERIC POWER SYSTEMS LIMITED')

We have audited the accompanying consolidated financial statements of Swelect Energy Systems Limited (Formerly 'NUMERIC POWER SYSTEMS LIMITED') ("the Company") and its subsidiaries, joint venture and associates which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit total assets of Rs. 9264.11 lacs as at March 31, 2013, total revenues of Rs. 511.31 lacs and net cash outflows amounting to Rs. 5245.95 lacs for the year then ended, included in the accompanying consolidated financial statements in respect of certain subsidiaries and joint ventures whose financial statements and other financial information have been audited by other auditors and whose reports have been furnished to us. Our opinion, in so far as it relates to the affairs of such subsidiaries, joint ventures is based solely on the report of other auditors. Our opinion is not qualified in respect of this matter.

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

Place: Chennai
Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Consolidated Balance Sheet as at 31 March 2013

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

	Notes	31 March 2013	31 March 2012
Equity and liabilities			
Shareholders' funds			
Share capital	3	101,058,400	101,058,400
Reserves and surplus	4	6,551,195,571	2,823,569,704
		6,652,253,971	2,924,628,104
Minority interest		(43,663,918)	6,889,547
Preference shares in subsidiary held by minority shareholders		26,160,130	-
Non-current liabilities			
Long term Borrowings	5a	47,300,000	73,706,378
Other long-term liabilities	5b	19,380,856	1,323,330
Deferred tax liabilities (net)	11	130,809,846	71,453,301
Long-term provisions	7	13,040,517	19,746,010
		210,531,219	166,229,019
Current liabilities			
Short-term borrowings	6	400,206,149	361,803,966
Trade payables	8	374,187,582	416,469,820
Other current liabilities	8	134,828,293	285,692,418
Short-term provisions	7	306,681,571	93,177,966
		1,215,903,595	1,157,144,170
TOTAL		8,061,184,997	4,254,890,840
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	1,489,630,275	1,085,319,707
Intangible assets	10	27,302,327	18,754,105
Capital work-in-progress		7,494,492	211,511,694
Goodwill on consolidation		327,276,561	52,984,784
Non-current investments	12	6,077,178	6,078,554
Long-term loans and advances	14	96,704,475	122,018,172
Trade receivables	15.1	58,718,835	38,222,949
Other assets	15.2	435,722,000	-
		2,448,926,143	1,534,889,965
Current assets			
Current investments	16	2,801,038,844	5,000,000
Inventories	13	291,514,717	1,130,269,189
Trade receivables	15.1	268,444,914	1,243,542,747
Cash and bank balances	17	2,030,788,044	226,687,119
Short-term loans and advances	14	77,801,739	113,335,138
Other assets	15.2	142,670,596	1,166,682
		5,612,258,854	2,720,000,875
Total		8,061,184,997	4,254,890,840

Summary of significant accounting policies

2

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W

Chartered Accountants

per Subramanian Suresh

Partner

ICAI Membership no.: 083673

Place: Chennai

Date: May 29, 2013

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneswari
Company Secretary

Place: Chennai

Date: May 29, 2013

Vasanth Balan
Director

SWELECT ENERGY SYSTEMS LIMITED

(formerly known as 'NUMERIC POWER SYSTEMS LIMITED')

Consolidated statement of profit and loss for the year ended 31 March 2013

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

	Notes	31 March 2013	31 March 2012
Income			
Revenue from operations (gross)	18	1,868,452,045	6,307,465,090
Less: Excise duty		103,780,223	307,099,198
Revenue from operations (net)		1,764,671,822	6,000,365,892
Other income	19	448,452,656	8,148,872
Total revenue		2,213,124,478	6,008,514,764
Expenses			
Cost of raw material and components consumed	20	732,661,448	2,671,085,017
Purchase of traded goods		365,247,741	1,364,406,700
(Increase) / decrease in inventories of finished goods, work-in-progress and traded goods	21	(75,066,276)	19,126,625
Employee benefits expense	22	266,927,826	616,811,799
Other expenses	23	441,956,220	764,435,638
Depreciation and amortisation expense	24	74,406,698	66,012,366
Finance costs	25	40,200,325	48,909,862
Total expenses		1,846,333,982	5,550,788,007
Share in loss of associate company		(1,376)	(189,196)
Net profit before tax, prior period items, minority interest and exceptional items		366,789,120	457,537,561
Exceptional items (refer note 26)		6,293,930,654	-
Net prior period items	33	(13,061,296)	(5,594,027)
Net profit before tax and minority interest		6,647,658,478	451,943,534
Tax expense			
Less: Current tax		1,380,283,668	98,140,118
Less: Deferred tax		59,124,752	4,301,558
Total tax expense		1,439,408,420	102,441,676
Net profit after tax before minority interest		5,208,250,058	349,501,858
Minority interest		459,642	(1,721,407)
Net profit for the year		5,208,709,700	347,780,451
Pre-tax (loss)/ profit from ordinary activity attributable to discontinued operations	26	(31,185,249)	416,630,807
(Net of related Income tax effect for 31 March 2013: Rs.Nil) (31 March 2012: Rs. 89,476,957)			
Earnings per equity share [nominal value of share Rs.10 (31 March 2012: Rs.10)]	34		
Basic and diluted earnings per share			
--- continuing operations		30.78	2.04
--- total profit for the year		515.42	34.41
Summary of significant accounting policies	2		

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

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director
J. Bhuvaneshwari
Company Secretary

Vasanthan Balan
Director

Place: Chennai
Date: May 29, 2013

Place: Chennai
Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(Formerly Known as Numeric Power Systems Limited)

Consolidated cash flow statement for the year ended 31 March 2013

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

	31 March 2013	31 March 2012
A. Cash flow from operating activities:		
Profit before taxation excluding minority interest	6,660,719,774	457,537,561
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation/amortisation on continuing operations	64,696,585	31,400,558
Depreciation/amortisation on discontinued operations	9,710,113	34,611,808
Share of loss in associate company	1,376	189,196
Profit on sale of Uninterruptible power supply systems business (refer note 26)	(6,293,930,654)	-
Loss on sale of fixed assets	1,700,111	91,198
Bad debts written off	4,852,230	10,009,611
Unrealised foreign exchange (gain) / loss, net	(11,022,578)	7,306,828
Net gain from sale of current investment	(62,792,099)	(1,111,540)
Dividend income – mutual fund	(90,948,312)	-
Interest expense	28,771,176	19,415,514
Interest income	(263,417,314)	(5,870,954)
Dividend income	(180,000)	(150,000)
Operating profit before working capital changes	48,160,408	553,429,780
Adjustments for changes in working capital:		
Increase in trade receivables	(419,156,996)	(797,295)
Increase in loans and advances	(215,290,662)	(21,990,354)
(Increase) / decrease in inventories	(249,447,762)	88,460,758
Increase / (decrease) in trade payables, current and long term liabilities	510,901,567	(71,360,985)
Increase in provisions	5,433,748	13,100,320
Cash generated from operations	(319,399,697)	560,842,224
Taxes paid net	(35,659,543)	(125,945,368)
Net cash flow (used in)/ generated from operating activities (A)	(355,059,240)	434,896,856
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(749,557,108)	(306,542,207)
Proceeds from sale of Uninterruptible power supply systems business, (net of tax aggregating to Rs. 1,109,420,724) - (refer note 26)	7,001,878,211	-
(Investment) / redemption of current investments	(2,642,297,307)	16,111,540
Investment in subsidiaries	(218,604,678)	(74,689,196)
Proceeds from sale of fixed assets	2,603,661	1,307,376
(Investment) / redemption in bank deposits (having original maturity of more than 3 months)	(2,011,404,317)	8,749,226
Interest received	360,614,312	5,699,822
Dividend received	180,000	150,000
Net cash generated / (used in) investing activities (B)	1,743,412,774	(349,213,439)
C. Cash flow from financing activities:		
Proceeds from issue of preference share capital	26,160,129	-
Proceeds / (Repayment) of short term borrowings (net)	221,337,511	(84,101,912)
Repayment of long term borrowings	41,893,622	-

SWELECT ENERGY SYSTEMS LIMITED

(Formerly Known as Numeric Power Systems Limited)

Consolidated cash flow statement for the year ended 31 March 2013

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

	31 March 2013	31 March 2012
Proceeds from long term borrowings	-	14,860,965
Interest paid	(23,106,342)	(19,606,704)
Dividend paid	(1,243,018,320)	(30,317,520)
Dividend tax paid	(201,648,650)	(4,918,260)
Net cash flow (used in) in financing activities A	(1,178,382,050)	(124,083,432)
Exchange differences on translation of foreign currency cash and cash equivalents and movement in foreign currency translation reserve (D)	13,999,312	5,355,147
Net increase/(decrease) in cash and cash equivalents (A + B + C + D)	223,970,796	(33,044,868)
Add: Cash acquired on acquisition of subsidiary	1,248,877	154,576
Cash and cash equivalents at the beginning of the year	159,333,471	192,223,763
Closing cash and cash equivalents (Refer Note 2 & 3 below)	384,553,144	159,333,471
a) The reconciliation to the cash and bank balances as given in note 17 is as follows:		
Cash and bank balances including non-current bank balance, as per note 17	2,466,510,044	226,687,119
Less: Term deposit placed with the banks	(1,642,050,586)	(66,368,269)
Less: Non-current bank balance (refer note 15.2)	(435,722,000)	-
Less: unpaid dividend accounts*	(4,184,314)	(985,379)
Cash and cash equivalents at the end of the year	384,553,144	159,333,471
*These balances are not available for use by the Company as they represent corresponding unpaid dividend liabilities.		
b) Components of cash and cash equivalents		
Balances with banks:		
On current accounts	109,953,681	140,911,671
On deposit accounts	239,347,167	-
Cheques on hand	-	17,017,490
Cash on hand	35,252,296	1,404,310

Notes :

- Increase in capital expenditure include payments for items in capital work in progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- Fixed deposits with banks with maturity period of more than three months including interest accrued thereon amounting to Rs. 2,077,772,586 (previous year Rs. 66,368,269) are not included under cash and cash equivalents. These fixed deposits include deposit amounting to Rs. 435,722,000 (Previous year Rs. Nil) retained in Escrow account pursuant to transfer of uninterruptible power supply systems business.
- The accompanying notes are an integral part of this statement.

As per our report of even date

For S.R Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh

Partner
ICAI Membership no.: 083673

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneswari
Company Secretary

Vasanth Balan
Director

Place: Chennai
Date: May 29, 2013

Place: Chennai
Date: May 29, 2013

SWELECT ENERGY SYSTEMS LIMITED

(Formerly Known as Numeric Power Systems Limited)

Notes to consolidated financial statements for the year ended 31 March 2013

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

Company overview

SWELECT ENERGY SYSTEMS LIMITED ('the Company') was incorporated as a public limited company on September 12, 1994 and was formerly known as NUMERIC POWER SYSTEMS LIMITED. The Company along with its subsidiaries, joint venture and associate, together referred to as ('the Group') is engaged in the manufacturing, sale and trading of Uninterruptible Power Supply Systems (UPS), solar roof top power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of Solar PV inverters, energy efficient lighting system, manufacture of iron and aluminum alloy foundry castings and manufacture and sale of Solar PV modules.

On May 29, 2012 the Company had consummated the sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated February 9, 2012 (refer note 26 for further details).

1. Basis of preparation and presentation of consolidated financial statements

The consolidated financial statements are prepared in accordance with Indian GAAP under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and relevant requirements/guidelines issued by SEBI, under the Companies Act, 1956. The consolidated financial statements ('CFS') have been prepared in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(i) The particulars of subsidiary companies, which are included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage holding as at March 31, 2013	Percentage holding as at March 31, 2012
Swelect Energy Systems Pte. Ltd. (formerly known as 'Numeric Power Systems Pte Ltd')	Singapore	100	100
Numeric Lanka Technologies (Private) Ltd. ('Numeric Lanka')	Sri Lanka	Nil	100
Numeric Power System (Mauritius) Private Ltd. ('Numeric Mauritius')	Mauritius	Nil	100
Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')	India	100	100
Amex Alloys Private Limited	India	92	92
Amex Irons Private Limited	India	100	100
BS Powertech Solutions Private Limited	India	76	38
HHV Solar Technologies Private Limited	India	49	Nil

a) Investment in BS Powertech Solutions Private Limited

During the previous year, the Company's wholly owned subsidiary Swelect Solar Energy Private Limited (Formerly 'Numeric Solar Energy Private Limited') entered into a Share Purchase Agreement dated January 25, 2012 to acquire 76% of the equity share capital of BS Powertech Solutions Private Limited ('BSPSPL'), a company engaged as an implementer to produce solar power. Up to March 31, 2012 the Company had acquired 38% of the equity share capital and also obtained majority control over the board of directors of BSPSPL.

During the year the Company had acquired an additional 38% of the equity share capital of BSPSPL, resulting in completing its acquisition of 76% of the equity share capital of BSPSPL. BSPSPL has commenced its commercial operations and the consolidated

SWELECT ENERGY SYSTEMS LIMITED
(Formerly Known as Numeric Power Systems Limited)

Notes to consolidated financial statements for the year ended 31 March 2013

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

results, includes revenues of Rs.161.28 Lakhs and profit of Rs.19.35 Lakhs of this entity for the period July to March 31, 2013. The group results include the net assets of Rs. 2,035,184 acquired as results of acquisition of 76% of equity share capital of the Company.

b) Investment in HHV Solar Technologies Private Limited

The Company has pursuant to share purchase and subscription agreement dated January 10, 2013 acquired 49% of the Equity share capital of HHV Solar Technologies Private Limited ('HHV') and also obtained majority control over the board of directors of HHV. The group results, includes revenues of Rs.458.33 lakhs and profit of Rs.217.66 lakhs of HHV from the date of effective control to March 31, 2013 and the financial position includes the net assets of Rs. 18,430,820 pursuant to such acquisition.

(ii) The particulars of joint venture company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage Holding as at March 31, 2013	Percentage Holding as at March 31, 2012
Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')	India	50	50

(iii) The particulars of associate company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of incorporation	Percentage Holding as at March 31, 2013	Percentage Holding as at March 31, 2012
Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	India	49	49

(iv) The financial statements of the subsidiaries, joint venture and associate used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2013.

(v) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealized profits/losses.

(vi) Any excess/shortage of cost to the Company of its investment in the subsidiaries over its proportionate share in the equity of such subsidiaries as at the date of the investment are recognised as goodwill/capital reserve in the CFS.

(vii) The Company has prepared the accompanying CFS by including the Company's proportionate interest in the joint venture's assets, liabilities, income, expenses etc on a line by line basis. Intra-group balances, intra-group transactions and unrealized profits / losses have been eliminated to the extent of the Company's proportionate share.

(viii) The investment in the associate company has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accounts of India ('ICAI'). The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's percentage holding in its share capital.

(ix) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year.

SWELECT ENERGY SYSTEMS LIMITED
(Formerly Known as Numeric Power Systems Limited)

Notes to consolidated financial statements for the year ended 31 March 2013

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

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

(b) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. 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.

In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the consolidated statement of profit and loss, in which case the increase is recognised in the consolidated statement of profit and loss. A revaluation deficit is recognised in the consolidated statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

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. Intangible assets comprise of goodwill and computer software.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Gains and losses arising from derecognition of tangible and intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of the profit and loss when the asset is derecognised.

(c) Depreciation and amortisation

Depreciation is provided using the straight line method as per the useful lives of the assets as estimated by the management. The Management estimates the useful lives of fixed assets as follows:

Building	1% - 3.34%
Plant and machinery (Other than Windmills)	4.75%
Windmills (included under Plant & Machinery)	10.00%
Office equipment, electrical etc	4.75%
Computers	16.21%
Furniture and fittings	6.33%
Patterns	11.31%
Vehicles	9.50%

Assets individually costing Rs. 5,000 or less are fully depreciated in the year of purchase.

Leasehold improvements are amortised using the straight line method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Lease hold land is amortised on a straight-line basis over the primary lease period of 99 years.

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

Where a depreciable asset is revalued, the additional depreciation relatable to revaluation is adjusted against "Revaluation reserve" by transfer to the consolidated statement of profit and loss from revaluation reserve.

SWELECT ENERGY SYSTEMS LIMITED
(Formerly Known as Numeric Power Systems Limited)

Notes to consolidated financial statements for the year ended 31 March 2013

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

(d) Impairment of tangible and intangible fixed assets

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

(e) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statement at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(f) Inventories

Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress, finished goods	Lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
Traded goods	Valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(g) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from sales of goods, its accessories and other traded/manufactured goods are recognised when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognised on dispatch as such services are generally considered insignificant to the contract. The Group collects sales taxes and valued added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the company. Hence they are excluded from revenue.

Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

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Sale of Power

Income from sale of power

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

Income from Sale of Renewable Energy Certificates

The revenue from Renewable Energy Credit (REC) is recognised on delivery thereof or sale of right therein, as the case may be, in accordance with the terms of contract with the respective buyer.

Income from service

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company. Service tax is excluded from revenue.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.

Dividend

Revenue is recognised when the company's right as a shareholder/unit holder to receive payment is established by the reporting date.

(h) Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

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.

Translation of Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

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Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the consolidated statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(i) Retirement and other employee benefits

- (i) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent of the pre payment.
- (ii) Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial gains / losses are immediately taken to consolidated statement of profit and loss and, are not deferred.
- (iii) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(j) Income taxes

Provision for income tax is made for current and deferred taxes. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

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

Provision for income-tax has been determined on the basis of the tax laws of the respective countries in which the companies have been incorporated.

(k) Earnings per share

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

(l) Leases

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.

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Leases in which the Group 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 consolidated statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the consolidated statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the consolidated statement of profit and loss.

(m) Provision

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

Provision for warranty:

Provisions for warranty-related costs are recognised when the product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is revised annually. A provision is recognised for expected warranty claims on product sold, based on past experience of the levels of repairs and returns. Assumptions used to calculate the provision for warranties are based on the current sales levels and current information available about returns based on the average warranty period for the product portfolio of the Group.

(n) Contingent liabilities

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 Group or a present obligation that is not recognised 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 recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

(o) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, cheques in hand and short-term investments with an original maturity of three months or less.

(p) 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 respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(q) Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payments and items associated with investing or financing cash flows. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

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3 Share capital

	<u>31 March 2013</u>	<u>31 March 2012</u>
Authorised shares		
20,000,000 (previous year - 20,000,000) equity shares of Rs.10/- each	200,000,000	200,000,000
Issued, subscribed and fully paid-up shares		
10,105,840 (previous year - 10,105,840) equity shares of Rs. 10/- each fully called up	101,058,400	101,058,400
Total issued, subscribed and fully paid-up share capital	<u>101,058,400</u>	<u>101,058,400</u>

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

Equity shares

	31 March 2013		31 March 2012	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	10,105,840	101,058,400	10,105,840	101,058,400
Movement during the year	-	-	-	-
Outstanding at the end of the year	<u>10,105,840</u>	<u>101,058,400</u>	<u>10,105,840</u>	<u>101,058,400</u>

b. Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended 31 March 2013, the amount of per share dividend recognised as distributions to equity shareholders for interim dividend was Rs.120 (31 March 2012: Rs.Nil) and proposed dividend of Rs. 8 (31 March 2012: Rs. 3).

In the event of the liquidation of the Company, the holder of equity share will be entitled to receive remaining assets of the Company, after distribution of all preference amounts. The distribution will be proportionate to the number of equity shares held by the shareholders.

c. Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	<u>31 March 2013</u>	<u>31 March 2012</u>
	Number of shares	Number of shares
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	5,052,920	5,052,920
Equity shares allotted as fully paid up pursuant to merger of UPS division of Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited') for consideration other than cash.	52,920	52,920

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

	31 March 2013		31 March 2012	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10 each fully paid of the Company				
R. Chellappan, Managing Director	4,747,054	46.97%	4,747,054	46.97%

As per records of the Company, including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

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4 Reserves and surplus	31 March 2013	31 March 2012
Capital reserve		
Balance as per the last financial statements	31,813,073	31,813,073
Movement during the year	-	-
Closing balance	31,813,073	31,813,073
Securities premium account		
Balance as per the last financial statements	18,268,300	18,268,300
Movement during the year	-	-
Closing balance	18,268,300	18,268,300
Revaluation reserve		
Balance as per the last financial statements	42,274,231	-
Movement during the year	(480,096)	42,274,231
Closing balance	41,794,135	42,274,231
General reserve		
Balance as per the last financial statements	272,021,028	237,389,929
Add: amount transferred from surplus balance in the statement of profit and loss	1,489,661,863	34,631,099
Closing balance	1,761,682,891	272,021,028
Foreign currency translation reserve		
Balance as per last account	5,122,674	(5,943,780)
Add: Additions during the year	23,414,073	11,066,454
Closing balance	28,536,747	5,122,674
Surplus in the consolidated statement of profit and loss		
Balance as per last financial statements	2,454,070,398	2,176,156,826
Profit for the year	5,208,709,700	347,780,451
<u>Less: Appropriations</u>		
Interim equity dividend (amount per share: Rs.120 (31 March 2012: Rs. Nil))	(1,212,700,800)	-
Tax on interim equity dividend	(196,730,390)	-
Proposed final equity dividend (amount per share : Rs. 8 (31 March 2012: Rs. 3))	(80,846,720)	(30,317,520)
Tax on proposed equity dividend	(13,739,900)	(4,918,260)
Transfer to general reserve	(1,489,661,863)	(34,631,099)
Total appropriations	(2,993,679,673)	(69,866,879)
Net surplus in the consolidated statement of profit and loss	4,669,100,425	2,454,070,398
Total reserves and surplus	6,551,195,571	2,823,569,704

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5a Long term Borrowings	Non-current		Current maturities	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Secured borrowings				
Term Loans	47,300,000	73,706,378	20,100,000	14,514,898
Finance lease obligation	-	-	330,343	-
Less: amount disclosed under the head 'other current liabilities' (refer note 8)	-	-	(20,430,343)	(14,514,898)
Total	47,300,000	73,706,378	-	-

Term loans represents loans taken from banks by HHV Solar Technologies Private Limited, aggregating to Rs. 47,300,000 (Previous year: Rs. Nil) and secured by hypothecation of fixed assets purchased out of bank finance, and by collateral charge created by:

- Equitable mortgage of land and building owned by Hind High Vacuum Company Private Limited ('HHVCPL');
- Extension of equitable mortgage of residential premises of two directors of HHVCPL;
- Personal guarantees of three directors of HHVCPL; and
- Corporate guarantee from HHVCPL.

The loan is repayable in variable quarterly installments by March 2016.

Finance lease obligation is secured by hypothecation of vehicle taken on lease by Amex Irons Private Limited. The gross investment in lease obligation including interest, is payable in 5 years.

5b Other long-term liabilities	31 March 2013	31 March 2012
Rental deposits	19,380,856	-
Deferred service income	-	1,323,330
	19,380,856	1,323,330

6 Short-term borrowings	31 March 2013	31 March 2012
Secured borrowings		
Cash credit from Bank	234,052,977	-
Packing Credit Foreign Currency (PCFC)	42,875,030	-
Working capital loans	50,917,699	116,300,271
Buyer's credit	72,360,443	245,503,695
	400,206,149	361,803,966

Cash Credit

Cash Credit from bank aggregating to Rs. 189,971,959 (Previous year: Rs. Nil) of Swelect Energy Systems Limited (formerly known as 'Numeric Power Systems Limited') is secured against the inventory and book debts of the Company and it is repayable in demand.

Cash credit from bank aggregating to Rs. 44,081,018 (Previous year: Rs. Nil) represents facility availed by HHV Solar Technologies Private Limited (HSTPL), secured by hypothecation of inventories, receivables and other current assets present and future, and is repayable on demand.

Further the facility is collaterally secured by:

- Equitable mortgage of land and building owned by Hind High Vacuum Company Private Limited (HHVCPL).
- Extension of equitable mortgage of residential premises of two directors of HHVCPL.
- Personal guarantees of three directors of HHVCPL; and
- Corporate guarantee from HHVCPL.

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Packing Credit Foreign Currency (PCFC)

Packing Credit Foreign Currency (PCFC) aggregating to Rs. 42,875,030 (previous year Rs. Nil), of Amex Alloys Private Limited are secured by exclusive first charge on entire current assets and all movable fixed assets of the Company. Fixed deposit of Rs. 80,000,000 in the name of Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') have been offered as collateral security. The above loans are further secured by the corporate guarantee extended by the holding Company. These loans are repayable on demand.

Working Capital Loans and Buyer's Credit

Working Capital Loan aggregating to Rs. 30,917,699 (Previous year of Rs. 37,060,850) represents loan taken by Amex Irons Private Limited ('AIPL'), are secured by the equitable mortgage of land and building, hypothecation of plant and machinery present and future, inventory and book debts of the Company. Fixed deposit of Rs. 50,000,000 in the name of Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') have been offered as collateral security. In addition the above loan is secured by corporate guarantee given by the holding Company. Working capital loan is repayable on demand.

Working capital loans (WCL) aggregating to Rs. 20,000,000 (Previous year Rs. 20,000,000) and buyer's credit aggregating to Rs. 60,106,498 (previous year Rs. 239,193,170) are taken from banks by Swelect Energy Systems Limited (Formerly known as 'Numeric Power Systems Limited') and are secured by a pari passu charge on inventory, book debts and investments in liquid mutual fund of the Company. WCL and Buyer's credit are repayable over a period of 71 days and 200-244 days respectively.

Working capital loans aggregating to Rs. Nil (Previous year of Rs. 59,239,421) and buyers credit amounting to Rs. 12,253,944 (Previous year of Rs 6,310,525), of Amex Alloys Private Limited are secured by exclusive first charge on the entire current assets and all movable fixed assets of the Company. Fixed deposit of Rs. 80,000,000 in the name of Swelect Energy Systems Limited have been offered as collateral security The above loans are further secured by the corporate guarantee given by the holding Company. These loans are repayable on demand.

7 Provisions

	Long-term		Short-term	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Provision for employee benefits				
Provision for gratuity (refer note 27)	3,811,787	555,440	998,312	9,346,386
Provision for leave benefits	1,655,766	-	2,415,752	16,279,467
Total (A)	5,467,553	555,440	3,414,064	25,625,853
Other provisions				
Provision for income tax	-	-	206,245,072	-
Provision for warranties	7,572,964	19,190,570	2,435,815	32,316,333
Proposed equity dividend	-	-	80,846,720	30,317,520
Provision for tax on proposed equity dividend	-	-	13,739,900	4,918,260
Total (B)	7,572,964	19,190,570	303,267,507	67,552,113
Total (A)+(B)	13,040,517	19,746,010	306,681,571	93,177,966
Provision for warranties (refer note 2(m))				
At the beginning of the year			51,506,903	46,587,571
Arising during the year			10,008,779	25,509,000
Utilised during the year			-	(20,589,668)
Less: Transferred pursuant to Business Transfer Agreement (refer note 26)			(51,506,903)	-
At the end of the year			10,008,779	51,506,903

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8 Trade payables and other current liabilities

	31 March 2013	31 March 2012
Trade payables	374,187,582	416,469,820
(refer note below regarding dues to micro and small enterprises)		
Other current liabilities		
Interest accrued but not due on borrowings	6,650,333	985,499
Interest accrued and due on borrowings	1,049,674	-
Deferred service income	-	90,492,773
Unpaid dividend	4,184,315	985,379
Current maturities of long-term borrowings (Refer note 5a)	20,430,345	14,514,898
Payables for capital purchases	38,421,126	98,769,429
Retention money payables	1,076,245	5,000,000
Advance from customers	29,716,171	22,765,047
Statutory dues payables	33,300,086	52,179,393
	134,828,293	285,692,418
	509,015,875	702,162,238

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 Group has not paid any interest to any Micro, Small and Medium Enterprises during the year.

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9 Tangible assets

Particulars	Land (Refer note 9 (a))	Buildings (Refer note 9 (b & d))	Plant and machinery (Refer note 9 (c))	Office equipment	Computers	Furniture and fittings	Vehicles	Leasehold improvements	Total
Cost									
At 1 April 2011	157,690,764	483,672,144	238,447,311	58,462,131	51,945,395	51,221,352	54,533,969	2,083,295	1,098,056,361
Additions	23,042,995	36,623,596	73,185,733	7,139,737	5,361,349	14,549,695	10,056,172	1,964,529	171,923,806
Revaluation adjustment (refer note 9(h))	-	42,274,231	-	-	-	-	-	-	42,274,231
Asset acquired on acquisition (refer note 9(g))	2,577,315	11,209,027	27,926,588	6,070,216	220,287	170,309	3,758,581	-	51,932,323
Disposals *	-	(473,628)	(2,291,242)	(4,592,466)	(7,804,161)	(2,814,939)	(4,710,550)	-	(22,686,986)
Other adjustment†	-	19,229,281	66,109	(4,022)	7,315	408,966	(541)	-	19,707,108
At 31 March 2012	183,311,074	592,534,651	337,334,499	67,075,596	49,730,185	63,535,383	63,637,631	4,047,824	1,361,206,843
Additions	-	47,606,457	399,096,165	16,669,898	2,627,267	926,041	3,950,336	121,927	470,998,091
Asset acquired on acquisition (refer note 9(g))	-	-	183,129,947	2,238,180	2,329,637	8,229,648	1,817,950	-	197,745,362
Disposals	-	(943,240)	(6,101,049)	(339,897)	(210,501)	(497,652)	(1,261,556)	-	(9,353,895)
Disposals (refer note 26)	(11,715,430)	(36,914,377)	(73,028,078)	(15,923,383)	(46,459,469)	(9,970,797)	(42,453,421)	-	(236,464,955)
Other adjustment†	-	10,884,249	-	-	(207)	311,309	-	-	11,195,351
At 31 March 2013	171,595,644	613,167,740	840,431,484	69,720,394	8,016,912	62,533,932	25,690,940	4,169,751	1,795,326,797
Depreciation									
At 1 April 2011	436,944	48,829,691	82,907,969	20,110,526	32,508,609	23,319,269	22,171,634	1,352,715	231,637,357
Charge for the year	109,236	15,147,866	20,710,501	4,482,762	6,393,855	4,945,005	5,117,927	416,658	57,323,810
Disposals	-	(473,628)	(2,194,391)	(4,592,465)	(7,804,160)	(2,814,939)	(3,408,829)	-	(21,288,412)
Accumulated depreciation on acquisition	-	903,767	4,372,549	1,395,840	84,888	36,687	920,643	-	7,714,374
Other adjustment†	-	285,579	162,064	(98,300)	7,559	164,051	(946)	-	500,007
At 31 March 2012	546,180	64,673,275	105,958,692	21,298,363	31,190,751	25,650,073	24,800,429	1,769,373	275,887,136
Charge for the year (refer note 9(e) and 9(f))	18,206	15,618,022	49,126,774	3,177,275	1,734,212	4,493,988	3,924,039	828,226	78,920,742
Accumulated depreciation on acquisition	-	-	32,988,268	2,216,426	2,265,488	6,640,649	1,642,955	-	45,753,786
Deletions	-	(661,466)	(2,956,791)	(308,737)	(76,784)	(392,037)	(654,308)	-	(5,050,123)
Disposals (refer note 26)	(564,386)	(6,145,729)	(23,602,027)	(6,222,029)	(30,024,097)	(6,566,228)	(17,011,994)	-	(90,136,490)
Other adjustment†	-	184,217	29,840	-	4,947	102,467	-	-	321,471
At 31 March 2013	-	73,668,319	161,544,756	20,161,298	5,094,517	29,928,912	12,701,121	2,597,599	305,696,522
Net Block									
At 31 March 2012	182,764,894	527,861,376	231,375,807	45,777,233	18,539,434	37,885,310	38,837,202	2,278,451	1,085,319,707
At 31 March 2013	171,595,644	539,499,421	678,886,728	49,559,096	2,922,395	32,605,020	12,989,819	1,572,152	1,489,630,275

* Disposals represents fully depreciated assets of Rs. Nil (Previous year : Rs. 20,171,828) retired from active use.

† Other adjustment represents adjustment pursuant to foreign currency translation.

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Particulars	Gross block	Depreciation charge for the year	Accumulated Depreciation	Asset transferred pursuant to business transfer agreement	Net book value
9a. Land includes land held on leasehold basis					
As at March 31, 2013	10,815,430	18,206	564,386	(10,815,430)	-
As at March 31, 2012	10,815,430	109,236	546,180	-	10,269,250
b. Buildings includes those constructed on leasehold land					
As at March 31, 2013	34,542,456	185,933	5,753,864	(34,542,456)	-
As at March 31, 2012	34,542,456	1,230,474	5,567,931	-	28,974,525
c. Plant and machinery includes assets given on operating lease (Represent plant and machinery leased for a term of 11 months to subsidiaries of the company)					
As at March 31, 2013	26,121,240	1,647,200	2,456,749	-	23,664,491
As at March 31, 2012	26,121,240	809,549	809,549	-	25,311,691
d. Buildings include asset given on operating lease					
As at March 31, 2013	255,238,872	6,808,832	48,963,756	-	206,275,116
As at March 31, 2012	-	-	-	-	-

e. Depreciation charge also includes prior period charge of Rs. 7,258,631 (Previous year Rs. Nil).

f. Charge for the year includes amount recouped from revaluation reserve of Rs. 480,096 (Previous year: Rs. Nil)

g. Asset acquired out of acquisition represents asset acquired from Amex Irons Private Limited in November, 2011 and HHV Solar Technologies Private Limited in January 31, 2013

h. During the previous year, Swelect Energy Systems Pte. Limited (formerly known as 'Numeric Power Systems Pte Ltd') had revalued its buildings located in Singapore as at June 10, 2011. The valuation was undertaken by an independent valuer, on a open market value basis as at March 31, 2011, adjusted for any differences in the nature, location or condition of specific property.

10 Intangible assets

Particulars	Goodwill	Computer software	Certification process	Total
Gross block				
At 1 April 2011	13,816,060	37,177,438	-	50,993,498
Additions	-	12,994,018	-	12,994,018
At 31 March 2012	13,816,060	50,171,456	-	63,987,516
Additions	-	2,458,828	294,361	2,753,189
Assets acquired during the year	-	-	59,211,518	59,211,518
Disposals (refer note 26)	-	(48,785,134)	-	(48,785,134)
At 31 March 2013	13,816,060	3,845,150	59,505,879	77,167,089
Amortisation				
At 1 April 2011	13,816,060	22,728,795	-	36,544,855
Charge for the year	-	8,688,556	-	8,688,556
At 31 March 2012	13,816,060	31,417,351	-	45,233,411
Accumulated depreciation on acquired asset	-	-	33,228,337	33,228,337
Charge for the year	-	1,222,360	2,002,323	3,224,683
Disposals (refer note 26)	-	(31,821,668)	-	(31,821,668)
At 31 March 2013	13,816,060	818,042	35,230,660	49,864,762
Net block				
At 31 March 2012	-	18,754,105	-	18,754,105
At 31 March 2013	-	3,027,108	24,275,219	27,302,327

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11 Deferred tax liabilities (net)

	<u>31 March 2013</u>	<u>31 March 2012</u>
Deferred tax liability		
Fixed assets: Impact on difference between tax depreciation and depreciation / amortisation charged for the financial reporting	135,273,963	80,471,205
Gross deferred tax liability	<u>135,273,963</u>	<u>80,471,205</u>
Deferred tax asset		
Provision for doubtful debts and advances	(898,651)	(1,203,563)
Impact of expenditure charged to the consolidated statement of profit and loss in the current year but allowed for tax purposes on payment basis	(3,565,466)	(7,814,341)
Gross deferred tax asset	<u>(4,464,117)</u>	<u>(9,017,904)</u>
Deferred tax liabilities (net)	<u>130,809,846</u>	<u>71,453,301</u>

12 Non-current investments

	<u>31 March 2013</u>	<u>31 March 2012</u>
Non trade investments (valued at cost unless stated otherwise)		
Investment in equity instruments (unquoted)		
300,000 (2012 - 300,000) equity shares of Rs 10 each fully paid in Gem Sugars Limited	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>
Investment in associates (unquoted)		
12,250 (2012 - 12,250) equity shares of Rs 100 each fully paid in Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')	1,225,000	1,225,000
Add: Share of accumulated profit in Associate Company	1,852,178	1,853,554
	<u>3,077,178</u>	<u>3,078,554</u>
	<u>6,077,178</u>	<u>6,078,554</u>

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

	<u>31 March 2013</u>	<u>31 March 2012</u>
Raw materials and components	141,409,669	653,670,769
Work-in-progress	54,186,098	57,118,254
Finished goods	37,972,716	84,246,588
Traded goods	57,946,234	335,233,578
	<u>291,514,717</u>	<u>1,130,269,189</u>

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14 Loans and advances

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Capital advances				
Unsecured, considered good	9,256,299	13,184,285	-	-
(A)	9,256,299	13,184,285	-	-
Security deposit				
Unsecured, considered good	28,031,785	30,813,721	10,747,185	10,871,877
(B)	28,031,785	30,813,721	10,747,185	10,871,877
Advances recoverable in cash or kind				
Unsecured, considered good	6,699,917	5,880,063	33,418,362	34,296,432
(C)	6,699,917	5,880,063	33,418,362	34,296,432
Other loans and advances				
<u>Unsecured, considered good:</u>				
Advance income-tax (net of provision for taxation)	-	28,958,329	-	-
MAT credit entitlement	2,504,096	2,504,096	-	-
Prepaid expenses	736,211	-	2,753,392	12,859,443
Loans to employees	2,013,200	8,933,035	1,744,550	5,430,860
Balances with government authorities	47,462,967	31,744,643	29,138,250	49,876,526
(D)	52,716,474	72,140,103	33,636,192	68,166,829
<u>Unsecured, considered doubtful:</u>				
Balances with government authorities	-	-	3,159,000	3,159,000
Provision for doubtful advance	-	-	(3,159,000)	(3,159,000)
(E)	-	-	-	-
Total (A + B + C + D + E)	96,704,475	122,018,172	77,801,739	113,335,138

15 Trade receivables and other assets

15.1 Trade receivables

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good	54,309,371	-	31,806,949	70,521,516
Doubtful	-	-	40,824,101	-
(A)	54,309,371	-	72,631,050	70,521,516
Other receivables				
Unsecured, considered good	4,409,464	38,222,949	236,637,965	1,173,021,231
(B)	4,409,464	38,222,949	236,637,965	1,173,021,231
Provision for doubtful receivables				
	-	-	(40,824,101)	-
(C)	-	-	(40,824,101)	-
Total (A + B + C)	58,718,835	38,222,949	268,444,914	1,243,542,747

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15.2 Other assets

	Non - Current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Unsecured, considered good				
Non - current bank balances (note 17)*	435,722,000	-	-	-
Income accrued on investments	-	-	41,795,931	-
Interest accrued on fixed deposits	-	-	98,363,679	1,166,682
Others	-	-	2,510,986	-
	435,722,000	-	142,670,596	1,166,682

*Non-current bank balance includes deposits amounting to Rs. 435,722,000 (previous year : Rs. Nil) retained in Escrow account pursuant to transfer of Uninterruptible Power Supply systems business)

16 Current investments

	31 March 2013	31 March 2012
Current investments (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted mutual funds		
9,598 (2012 - 9,598) units of Rs. 10 each fully paid HDFC Prudence Fund	2,000,000	2,000,000
282,736 (2012 - 282,736) units of Rs. 10 each fully paid up Templeton India Income Opportunities Fund	3,000,000	3,000,000
20,449,714 (2012 - Nil) units of Rs.10 each fully paid of IDFC Dynamic bond Quarterly Dividend plan	208,883,669	-
19,687,530 (2012 - Nil) units of Rs. 10 each fully paid of Templeton India low duration fund monthly Dividend plan	204,806,184	-
2,930,604 (2012 - Nil) units of Rs. 10 each fully paid of Prudential ICICI Income Plan - Growth plan	104,600,000	-
35,309,816 (2012 - Nil) units of Rs. 10 each fully paid of SBI Magnum Income Fund - Regular Growth Plan	1,008,227,135	-
50,000,000 (2012 - Nil) units of Rs. 10 each fully paid of SBI Debt Fund Growth plan	500,000,000	-
68,845 (2012 - Nil) units of Templeton India Short term Income Plan Monthly Dividend plan	157,588,296	-
3,362,467 (2012 - Nil) units of Rs.10 each fully paid of Reliance Dynamic Bond Fund Growth plan	52,157,908	-
5,722,583 (2012 - Nil) units of Rs 10 each fully paid of IDFC Dynamic Bond Fund Regular Growth plan	80,000,000	-
13,014,376 (2012 - Nil) units of Rs.10 each fully paid of HSBC Flexi Debt Growth plan.	207,938,491	-
5,170,104 (2012 - Nil) units of Rs.10 each fully paid of DWS Short Maturity Fund Growth plan	106,602,334	-
3,124,416 (2012 - Nil) units of Rs.10 each fully paid of Birla Sun Life Income Plus Growth plan	163,439,982	-
17,931 (2012 - Nil) units of Rs.10 each fully paid of Birla Sun Life Saving Fund Daily Dividend Reinvestment plan	1,794,845	-
	2,801,038,844	5,000,000
Aggregate cost of unquoted investments	2,801,038,844	5,000,000

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17 Cash and bank balances

	Non-current		Current	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	109,953,681	140,911,671
On deposit accounts	-	-	239,347,167	-
On unpaid dividend accounts	-	-	4,184,314	985,379
Cheques on hand	-	-	-	17,017,490
Cash on hand	-	-	35,252,295	1,404,310
Total (A)	-	-	388,737,458	160,318,850
Other bank balances				
Deposits with original maturity for more than 3 months but less than 12 months *	-	-	1,642,050,586	66,368,269
Deposits with original maturity for more than 12 months	435,722,000	-	-	-
Total (B)	435,722,000	-	1,645,050,586	66,368,269
Amount disclosed under Other Current Assets (refer note 15.2)	(435,722,000)	-	-	-
Total cash and bank balances (A+B)	-	-	2,030,788,044	226,687,119

* Deposits to the extent of Rs. 130,000,000 have been given as collateral to the banks to facilitate the borrowing by subsidiary companies.

18 Revenue from operations (net)

	31 March 2013	31 March 2012
Revenue from operations		
Sale of products		
Manufactured goods	1,344,293,573	3,972,245,568
Traded goods	323,307,713	1,707,959,139
Sale of services	122,641,216	591,340,112
Sale of Power	17,123,411	-
Other operating revenue		
Scrap sales	11,010,266	29,230,119
Other	50,075,866	6,690,152
Revenue from operations (gross)	1,868,452,045	6,307,465,090
Less: Excise duty	103,780,223	307,099,198
Revenue from operations (net)	1,764,671,822	6,000,365,892

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19 Other income

	31 March 2013	31 March 2012
Interest income	263,417,314	5,870,954
Dividend income from:		
Long term, non trade investments	180,000	150,000
Net gain from the sale of current investments	62,792,099	1,111,540
Dividend income on current investments - mutual fund	90,948,312	-
Rental income	1,207,235	-
Liabilities no longer required, written back	23,602,661	-
Other non-operating income	6,305,035	1,016,378
	448,452,656	8,148,872

20 Cost of raw material and components consumed

	31 March 2013	31 March 2012
Inventory at the beginning of the year	653,670,769	740,874,740
Add: Inventories acquired on acquisition	38,954,600	7,126,539
Add: Purchases	809,693,442	2,576,754,507
	1,502,318,811	3,324,755,786
Less: Inventory transferred pursuant to Business transfer agreement (Refer note 26)	628,247,695	-
Less: Inventory at the end of the year	141,409,669	653,670,769
Cost of raw material and components consumed	732,661,447	2,671,085,017

21 (Increase)/decrease in inventories

	31 March 2013	31 March 2012
Inventories at the end of the year		
Work-in-progress	54,186,098	57,118,254
Traded goods	57,946,234	335,233,578
Finished goods	37,972,716	84,246,588
(A)	150,105,048	476,598,420
Inventories transferred pursuant to Business Transfer Agreement (refer note 26)		
Work-in-progress	374,428	-
Traded goods	229,612,069	-
Finished goods	188,323,820	-
(B)	418,310,317	-
Inventories obtained on account of acquisition		
Work-in-progress	4,618,294	14,806,888
Finished goods	12,132,375	-
(C)	16,750,669	14,806,888
Inventories at the beginning of the year		
Work-in-progress	57,118,254	59,282,972
Traded goods	335,233,578	328,504,210
Finished goods	84,246,588	93,130,975
(D)	476,598,420	480,918,157
Total (D + C - B - A)	(75,066,276)	19,126,625

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22 Employee benefit expense

	31 March 2013	31 March 2012
Salaries, wages and bonus	231,925,130	543,504,825
Contribution to provident and other funds	16,550,280	37,078,770
Gratuity expense (also refer note 27)	4,081,771	8,984,826
Staff welfare expenses	14,370,645	27,243,378
	266,927,826	616,811,799

23 Other expenses

	31 March 2013	31 March 2012
Sub-contracting and processing expenses	96,365,474	108,094,689
Service and maintenance charges	2,597,036	20,200,977
(Increase) of excise duty on inventory	-	(464,302)
Power and fuel	94,797,789	52,057,758
Freight and forwarding charges	26,181,897	151,986,661
Rent (refer note 28)	11,215,827	40,046,628
Rates and taxes	13,308,560	21,323,613
Insurance	5,866,300	7,292,056
Repairs and maintenance		
- Plant & Machinery	9,684,347	6,918,710
- Buildings	2,802,831	1,538,647
- Others	12,520,949	32,310,367
Sales promotion	18,927,696	82,797,092
Advertisement	7,413,988	12,431,368
Travelling and conveyance	37,111,080	107,071,921
Communication costs	5,656,715	17,995,489
Printing and stationery	3,141,422	11,435,098
Exchange differences (net)	29,289,194	34,569,187
Legal and professional fees	37,938,484	20,925,586
Loss on sale of assets	1,700,111	91,198
Bad debts/advances written off	4,852,230	10,009,610
Provision for warranties (net of reversals)	1,827,072	-
Amortisation of Preliminary Expenses	1,380,424	-
Miscellaneous expenses	17,376,794	25,803,285
	441,956,220	764,435,638

24 Depreciation and amortisation expense

	31 March 2013	31 March 2012
Depreciation of tangible assets (refer note 9 (e) and (f))	71,182,015	57,323,810
Amortisation of intangible assets	3,224,683	8,688,556
	74,406,698	66,012,366

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25 Finance costs	31 March 2013	31 March 2012
Interest	28,771,176	19,415,514
Bank and other charges	11,429,149	29,494,348
	40,200,325	48,909,862

26 Discontinued operations - Sale of Uninterruptible power supply systems

On May 29, 2012 the Company had consummated sale of its UPS Business to Novateur Electrical & Digital Systems Private Limited, a group company of Legrand S.A, pursuant to the Business Transfer Agreement dated February 9, 2012. The UPS business undertaking comprising of operations in India, Singapore and its investment in Srilanka is being transferred as a going concern on a slump sale basis for an aggregate consideration of Rs. 811.13 Crores (including, an amount of Rs. 19.46 Crores for the Singapore operations). The net assets transferred pursuant to the slump sale of its UPS Business, being operations in India, Singapore and investment in Srilanka is Rs. 181.74 Crores and the profit recognised pursuant to the slump sale is Rs. 629.39 Crores and disclosed as an exceptional item in the consolidated statement of profit & loss.

The Group's continuing operations represents revenues from Solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of energy efficient lighting systems and foundry.

Discontinuance of UPS division falls within the meaning of Accounting Standard 24 - Discontinuing Operations. The following table summarises the revenues, expenses, profits and cash flows from ordinary activities attributable to the discontinued operations and assets/liabilities transferred pursuant to slump sale of UPS Business comprising the Company's operations in India, Singapore and investment in Srilanka.

a) Revenues, profits and expenses from ordinary activities attributable to discontinued operations

Particulars	For the period April 1, 2012 28 May 2012	For the year ended 31 March 2012
Revenue (including other income)	698,585,827	5,463,784,182
Expenses	722,592,054	4,975,072,389
(Loss) / profit from operating activities	(24,006,227)	488,711,793
Finance costs	4,030,952	37,469,178
Depreciation/amortisation	3,148,070	34,611,808
(Loss) / profit before tax	(31,185,249)	416,630,807

b) The assets and liabilities transferred pursuant to slump sale in the current year and corresponding amounts for initial disclosure event

Particulars	As at 28 May 2012	As at 31 March 2012
Total liabilities (A)	597,644,606	573,713,672
Other long-term liabilities	1,323,330	1,323,330
Long-term provisions	19,190,570	19,190,570
Trade payables	405,244,895	322,746,496
Other current liabilities	122,457,648	172,528,458
Short-term provisions	49,428,163	57,924,818
Total assets (B)	2,415,012,887	2,387,600,204
Fixed assets (including capital work-in-progress)	164,714,543	171,413,953
Long-term loans and advances	15,776,516	33,612,544
Non-current trade receivables	27,026,663	37,779,476
Inventories	1,047,039,692	1,045,369,681
Trade receivables	1,076,332,365	1,051,381,674
Short-term loans and advances	84,123,108	48,042,876
Net assets (B-A)	1,817,368,281	1,813,886,532

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c) Cash flows from ordinary activities attributable to discontinued operations

Particulars	For the period April 1, 2012 28 May 2012	For the year ended 31 March 2012
Operating activities	(24,148,681)	474,772,947
Investing activities	516,837	(36,998,788)
Financing activities	(1,689,172)	(13,852,374)
Net cash inflows	(25,321,016)	423,921,785

The consolidated results includes revenues of Rs.3,784,791 (Previous year Rs.18,174,535) and profit of Rs.1,328,615 (Previous year Rs. 8,035,156) of Numeric Lanka Technologies Private Limited and revenue of Rs. Nil (Previous year of Rs. 36,853) and loss of Rs. Nil (Previous year of Rs.. 340,146) of Numeric Power Systems (Mauritius) Private Limited for the period April 01, 2012 to May 29, 2012.

27 Employee benefit plans

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an Insurance Company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the consolidated balance sheet for the gratuity plan.

Net employee benefit expense (recognised in personnel expenses)

Particulars	31 March 2013	31 March 2012
Current service cost	6,767,246	4,905,992
Interest cost on benefit obligations	3,799,422	2,847,670
Expected return on plan assets	(651,934)	(2,958,250)
Net actuarial (gain) / loss recognised in the year	(5,832,963)	4,189,414
Net benefit expense	4,081,771	8,984,826
Actual return on plan assets	(651,934)	(2,958,250)
Details of provision for gratuity		
Present value of obligations at the end of the year	4,791,775	46,066,623
Less : Fair value of plan assets at the end of the year	18,324	(36,164,797)
Plan liability	4,810,099	9,901,826
Changes in the present value of the defined benefit obligations are as follows:		
Present value of obligations at the beginning of the year	46,066,623	36,512,878
Interest cost	3,799,422	2,847,670
Current service cost	6,767,246	4,905,992
Benefits paid		
- Continuing operations	(1,825,447)	-
- Discontinued operations (Also refer note 26)	(44,183,106)	(2,389,331)
Actuarial (gain) / loss on obligations	(5,832,963)	4,189,414
Present value of obligations at the end of the year	4,791,775	46,066,623

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Particulars	31 March 2013	31 March 2012
Changes in the fair value of plan assets are as follows:		
Fair value of planned assets at the beginning of the year	36,164,797	29,698,026
Expected return on plan assets	651,934	2,958,250
Contributions	9,173,498	5,897,852
Benefits paid		
- Continuing operations	(1,825,447)	-
- Discontinued operations (Also refer note 26)	(44,183,106)	(2,389,331)
Fair value of plan assets / (liability) at the end of the year	(18,324)	36,164,797

Amount for the current and previous four period are as follows:

Year ended	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Defined benefit obligations	4,791,775	46,066,623	36,512,878	28,904,822	22,704,272
Plan (liability) / assets	(18,324)	36,164,797	29,698,026	23,298,833	16,927,698
Deficit	4,810,099	9,901,826	6,814,852	5,605,989	5,776,574
Experience adjustments on plan (asset) / liabilities	(5,832,963)	4,189,414	2,736,875	2,283,086	5,220,462

The principal assumptions used in determining gratuity benefit obligations for the Group's plan is shown below:

Particulars	31 March 2013	31 March 2012
Discount rate	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	1,000,000	5,000,000

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligations is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

SWELECT ENERGY SYSTEMS LIMITED

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Notes to consolidated financial statements for the year ended 31 March 2013

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

28 Leases

Operating leases : Company as lessee

Particulars	31 March 2013	31 March 2012
Lease payments for the year	11,215,827	40,046,628
Future minimum lease rentals payable under operating leases are as follows:		
Minimum Lease Payments:		
Not later than one year	783,350	6,256,213
Later than one year but not later than five years	562,258	9,506,226
Later than five years	-	172,800
	1,345,608	15,935,239

The lease term (office building for branch offices at various locations) ranges between 1 to 6 years. Escalation clause ranges from 5-10% in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases.

Operating leases : Company as lessor

Particulars	31 March 2013	31 March 2012
Lease rent received for the year	40,884,715	-
Future minimum lease rental receivable under non-cancellable operating lease are as follows:		
Not later than one year	46,410,768	-
Later than one year but not later than five years	116,502,719	-
Later than five years	-	-
	162,913,487	-

The Company has entered into non-cancellable operating lease of its building (remaining term 5 years), and plant and machinery (remaining term 11 months). Terms for lease of building include annual escalation rental charges from the second year of such lease.

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Notes to consolidated financial statements for the year ended 31 March 2013

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29 Information in respect of Joint Venture in terms of Accounting Standard 27 -

Financial Reporting of Interests in Joint Ventures'

Name of the Joint Venture:	Swelect Infrastructure Services Private Limited (Formerly Known As 'Numeric Infrastructure Services Private Limited')
Nature of business	Providing infrastructure services.
Proportion of ownership interest:	50 %
Date of incorporation:	April 2, 2004
Country of incorporation:	India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2013	31 March 2012
Equity and liabilities		
Shareholders' funds		
Share capital	250,000	250,000
Reserves and surplus	601,021	613,985
	851,021	863,985
Non-current liabilities		
Deferred tax liabilities (net)	22,549	22,549
Current liabilities		
Trade payables	334,172	334,173
Other current liabilities	563,632	563,581
	897,804	897,754
Total	1,771,374	1,784,288
Asset		
Non-current assets		
Fixed assets		
Tangible assets	58,178	68,178
	58,178	68,178
Current assets		
Trade receivables	641,398	641,399
Cash and bank balances	750,228	753,141
Short-term loans and advances	321,570	321,570
	1,713,196	1,716,110
Total	1,771,374	1,784,288

Summary of income and expenditure:

(Details given below represent proportionate amount of the Company's share in joint venture)

	31 March 2013	31 March 2012
Expenses		
Personnel expenses	-	23,625
Manufacturing and other expenses	2,861	2,758
Depreciation	10,000	10,000
Financial expenses	103	2,131
	12,964	38,514

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30 Segment information

A. Primary segment information (By Business segments)

The Group operations predominantly relates to the Solar roof top power projects, solar and wind power generation, contract manufacturing services, installation and maintenance services, sale of solar PV inverters and energy efficient lighting systems and foundry. During the year the Group has discontinued its operations relating to Uninterruptible power supply systems (UPS) (Also refer note 26). Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Business (Primary) segments of the Group are:

Continuing operations

- a) Contract Manufacturing - UPS Systems
- b) Solar Energy Systems / Services
- c) Others

Discontinuing operations

- a) Uninterrupted power supply systems

Particulars	31 March 2013	31 March 2012
1. Segment revenue		
Continuing operations		
--- Contract manufacturing	165,312,677	-
--- Foundry	665,916,358	456,808,874
--- Solar Energy Systems / Services	382,006,288	89,428,436
--- Others	55,090,686	16,580,252
Discontinued operations		
-- Uninterruptible power supply systems	698,582,114	5,456,079,212
Total	1,966,908,123	6,019,896,774
Less: Inter segment revenue	(202,236,301)	(19,530,882)
Gross sales and service income	1,764,671,822	6,000,365,892
2. Segment results		
Segment profits before finance charges and tax		
Continuing operations		
--- Contract manufacturing	13,728,000	-
--- Foundry	31,764,774	29,600,407
--- Solar Energy Systems / Services	(115,990,302)	5,901,519
--- Others	15,813,684	46,999,256
Discontinued operations		
-- Uninterruptible power supply systems	(31,185,249)	416,630,807
Other unallocable income	468,827,735	-
Exceptional items - UPS (refer note 26)	6,293,930,654	-
Finance charges	(28,771,176)	(48,909,862)
	6,648,118,120	450,222,127
Tax expense	(1,439,408,420)	(102,441,676)
Total profits after tax	5,208,709,700	347,780,451

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Notes to consolidated financial statements for the year ended 31 March 2013

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	<u>31 March 2013</u>	<u>31 March 2012</u>
3. Segment assets		
Continuing operations		
--- Contract manufacturing	151,510,618	-
--- Foundry	552,159,327	451,123,910
--- Solar Energy Systems / Services	2,065,252,083	884,217,287
--- Others	5,267,548,888	505,997,676
--- Un-allocable assets	24,714,081	25,951,759
Discontinued operations		
-- Uninterruptible power supply systems	-	2,387,600,204
Total assets	<u>8,061,184,997</u>	<u>4,254,890,836</u>
4. Segment liabilities		
Continuing operations		
--- Contract manufacturing	18,552,295	-
--- Foundry	370,393,763	232,589,644
--- Solar Energy Systems / Services	447,313,453	324,104,960
--- Others	590,175,303	199,854,457
--- Unallocable liability	(17,503,788)	-
Discontinued operations		
-- Uninterruptible power supply systems	-	573,713,672
Total liabilities	<u>1,408,931,026</u>	<u>1,330,262,733</u>
5. Addition in tangible & intangible fixed assets		
Continuing operations		
--- Contract Manufacturing	-	-
--- Foundry	86,139,229	149,053,369
--- Solar Energy Systems / Services	353,612,086	23,042,996
--- Others	95,918,531	212,476,116
Discontinued operations		
-- Uninterruptible power supply systems	2,216,463	98,236,473
Total addition in tangible & intangible fixed assets	<u>537,886,309</u>	<u>482,808,954</u>
*including tangible & intangible fixed assets on acquisition of HHV Solar Technologies Private Limited.		
6. Depreciation / amortisation		
Continuing operations		
— Contract manufacturing	2,378,394	-
— Foundry	22,782,631	6,953,818
— Solar Energy Systems / Services	32,327,663	8,273,935
— Others	13,769,938	10,287,915
Discontinued operations		
— Uninterruptible power supply systems	3,148,070	40,496,698
Total Depreciation / amortisation	<u>74,406,696</u>	<u>66,012,366</u>

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31 Segment information

B. Secondary segment information (By geographical segments)

The following table shows the geographical distribution of the Group's segment revenues and additions to tangible and intangible assets for the year ended March 31, 2013 and year ended March 31, 2012. All Fixed and intangible assets are located only in India

Particulars	Geographical segment			
	31 March 2013		31 March 2012	
	Outside India	India	Outside India	India
Revenues				
Sale to external customer	141,157,257	1,623,514,565	334,375,472	5,665,990,420
Less: sale attributable to discontinued operations (refer note 26)	(61,013,771)	(637,568,343)	(283,378,333)	(5,172,700,879)
Revenue from the continuing operations	202,171,027	2,261,082,908	617,753,805	10,838,691,298
Additions to tangible and intangible assets	11,291,638	526,594,671	49,021,585	433,787,369
Segment assets	844,071,203	7,217,113,793	393,331,257	3,861,559,583

32 Capital and other commitments

- At 31 March, 2013, the estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 9,000,000 (31 March 2012: Rs.19,453,447).
- Commitments relating to lease arrangements, please refer to note 28.

33 Prior period item

It represents the components of prior period items and its impact in the consolidated statement of profit and loss.

Particulars	31 March 2013	31 March 2012
A Revenue from operations (net)	-	605,430
Purchase of traded goods (net)	-	3,977,046
Other expenses	5,802,665	2,491,220
Depreciation and amortisation expense	7,258,631	(268,811)
B Total expenses	13,061,296	6,199,457
Net prior period item (A - B)	(13,061,296)	(5,594,027)

	<u>31 March 2013</u>	<u>31 March 2012</u>
34 Earnings per share		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit after tax as per consolidated statement of profit and loss (A)	5,208,709,700	347,780,451
Less: Net profit attributable to discontinued operations and exceptional item (B)	(4,897,687,973)	(327,153,850)
Net Profit attributable to the equity share holders for continuing operation (A - B = C)	<u>311,021,727</u>	<u>20,626,601</u>
	<u>Number of shares</u>	<u>Number of shares</u>
Weighted average number of equity shares (D)	10,105,840	10,105,840
Basic and diluted earnings per share - Continuing operations (C / D)	30.78	2.04
Basic and diluted earnings per share - Total Profit (A / D)	515.42	34.41

SWELECT ENERGY SYSTEMS LIMITED
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Notes to consolidated financial statements for the year ended 31 March 2013
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35 Related party transactions

Particulars	Associate / Joint Venture / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Receipt of services								
-- Swelect Technologies Private Limited	-	302,400	-	-	-	-	-	302,400
Rental income								
-- Swelect Technologies Private Limited	-	6,000	-	-	-	-	-	6,000
Rent expense								
-- Swelect Electronics Private Limited	750,000	4,500,000	-	-	-	-	750,000	4,500,000
Remuneration								
-- Mr. R Chellappan	-	-	6,903,328	13,348,388	1,431,149	1,340,598	8,334,477	14,688,986
-- Mr. A Balan	-	-	6,099,161	7,398,767	-	-	6,099,161	7,398,767
-- Mr. K V Nachiappan	-	-	429,167	3,699,621	-	-	429,167	3,699,621
-- Mr. V.C.Ragunath	-	-	375,000	2,250,000	-	-	375,000	2,250,000
-- Mrs. V.C.Mirunalini	-	-	-	-	566,766	532,236	566,766	532,236
-- Miss. Aarthi Balan	-	-	-	-	331,655	320,382	331,655	320,382
Dividend paid								
-- Mr. R Chellappan	-	-	619,845,600	14,934,540	19,214,160	501,462	639,059,760	15,436,002
-- Others	-	-	569,646,480	14,241,162	-	-	569,646,480	14,241,162
Advances made								
-- Swelect Technologies Private Limited	1,035,904	2,244	50,199,120	693,378	19,214,160	501,462	1,035,904	2,244
-- Swelect Electronics Private Limited	5,494	2,244	-	-	-	-	5,494	2,244
Repayment of advances								
-- Swelect Electronics Private Limited	1,030,410	-	-	-	-	-	1,030,410	-
Balance outstanding at the year end:								
-- Swelect Electronics Private Limited	957,167	-	-	-	-	-	957,167	-
Trade Payable								
-- Swelect Electronics Private Limited	78,737	209,002	-	-	-	-	78,737	209,002
Advances								
-- Swelect Electronics Private Limited	-	194,168	-	-	-	-	-	194,168
Advances								
-- Swelect Technologies Private Limited	5,494	14,834	-	-	-	-	5,494	14,834
-- Swelect Electronics Private Limited	73,243	-	-	-	-	-	73,243	-

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Notes to consolidated financial statements for the year ended 31 March 2013

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35 Related party transactions

1. Names of related parties and nature of relationship

Associate	Swelect - Sunpac Power Protection Private Limited (Formerly known as 'NPSL - Sunpac Power Protection Private Limited')
Joint Venture	Swelect Infrastructure Services Private Limited (Formerly known as 'Numeric Infrastructure Services Private Limited')
Enterprises owned or significantly influenced by key management personnel or their relatives	Swelect Electronics Private Limited (Formerly known as 'Numeric Electronics Private Limited') Swelect Technologies Private Limited (Formerly known as 'Numeric Technologies Private Limited') Swelect Green Energy Solutions Private Limited (Formerly known as 'Numeric Green Energy Solutions Private Limited')
Key Management Personnel	Mr. R Chellappan - Managing Director Mr. A Balan - Director (Resigned with effect from May 30, 2012) Mr. K V Nachiappan - Director (Resigned with effect from May 30, 2012) Mrs. Vasantha Balan (With effect from August 13, 2012)
Relatives of key management personnel	Mrs. Gunasundari Chellappan Mr. V C Raghunath Mrs. Jayashree Nachiappan (With effect from August 13, 2012) Mrs. V C Mirunalini Miss. Aarthi Balan

36 Contingent liabilities

	<u>31 March 2013</u>	<u>31 March 2012</u>
Claims against the Group not acknowledged as debts		
a) Excise / CENVAT related matters	44,195,835	3,036,131
b) Sales tax related matters	11,344,380	11,936,446
	<u>55,540,215</u>	<u>14,972,577</u>

Contingent liabilities are not probable and hence not provided for.

SWELECT ENERGY SYSTEMS LIMITED

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Notes to consolidated financial statements for the year ended 31 March 2013

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37 Derivative instruments and foreign currency exposures

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

Particulars	Foreign Currency	31 March 2013		31 March 2012	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	1,008,262	54,748,607	784,574	39,911,298
	EURO	1,063,269	72,806,382	747,465	50,737,932
	AUD	165,920	7,546,042	-	-
	GBP	3,750	311,850	-	-
Advances	USD	20,093	1,091,074	260,568	13,255,070
	CHF	-	-	8,048	431,534
	EURO	8,390	574,463	32,500	2,072,200
	GBP	-	-	31,600	2,300,354
Payables	USD	2,756,641	149,685,611	6,229,268	316,882,886
	EURO	56,481	3,879,659	497,803	33,790,834
	GBP	53,397	4,352,353	-	-
Bank balance	USD	586	31,820	8,390	426,811
	EURO	-	-	2	122
Secured loans	USD	240,236	13,044,815	-	-
	EURO	437,088	29,927,393	-	-
Buyers credit	USD	1,332,659	72,360,442	4,826,491	245,503,695

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Notes to consolidated financial statements for the year ended 31 March 2013
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38 Information relating to Subsidiaries

Information required pursuant to General Circular No. 2/2011 No: 5/12/2007-CL-III dated February 08, 2011 issued by Ministry of Corporate Affairs.

Sl no.	Name of the Subsidiary	Country	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (except in case of Investment in subsidiary)	Turnover	Profit / (loss) before Taxation	Provision for Taxation	Profit / (loss) after Taxation	Proposed Dividend
1	Swelect Energy Systems Pte. Limited (Formerly known as 'Numeric Power Systems Pte. Limited, Singapore')	Singapore	USD	54.39	437,290,241	307,700,579	840,337,924	95,347,104	-	119,660,705	149,314,292	24,255,287	125,059,005	-
2	HHV Solar Technologies Private Limited	India	INR	1.00	163,557,290	(145,126,471)	417,042,154	398,611,335	-	278,361,936	(291,180,255)	-	(291,180,255)	-
3	Numeric Lanka Technologies Private Limited	Sri Lanka	SLR	0.43	-	-	-	-	-	3,784,791	1,328,615	-	1,328,615	-
4	Amex Alloys Private Limited	India	INR	1.00	47,500,000	101,832,525	375,904,463	226,571,338	-	487,757,723	53,046,349	18,320,274	34,726,075	3,750,000
5	Amex Irons Private Limited	India	INR	1.00	45,000,000	(12,566,959)	177,495,088	145,062,047	-	192,961,607	(18,374,863)	109,843	(18,484,706)	-
6	Swelect Solar Energy Private Limited (Formerly known as 'Numeric Solar Energy Private Limited')	India	INR	1.00	10,400,000	(5,510,873)	44,119,517	39,230,390	-	-	(2,304,048)	-	(2,304,048)	-
7	BS Powertech Solutions Private Limited	India	INR	1.00	100,000	1,935,185	138,608,711	136,573,526	-	16,128,191	1,935,184	-	1,935,184	-

Note:

- 1 Indian rupee equivalents of the figures given in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2013.
- 2 Numeric Lanka Technologies Private Limited was sold on 29th May, 2012.

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Notes to consolidated financial statements for the year ended 31 March 2013

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

39 Previous year figures have been regrouped / reclassified, where necessary, to conform the current year's classification.

For S.R. Batliboi & Associates LLP

ICAI Firm's registration number: 101049W
Chartered Accountants

per Subramanian Suresh
Partner
Membership no.: 083673

Place: Chennai
Date: May 29, 2013

For and on behalf of the board of directors

R. Chellappan
Managing Director

J. Bhuvaneshwari
Company Secretary

Place: Chennai
Date: May 29, 2013

Vasantha Balan
Director



"Numeric House", No. 5, Sir P. S. Sivasamy Salai, Mylapore, Chennai - 600 004. Tamilnadu, India.

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