



CA Ramya Ganapathy
M.Com, F.C.A
Chartered Accountant

Cell: 8754430899
Landline: 044-43559396
Email: ramyagsub@gmail.com

Office: No: 6A, First Floor, 10th Street New Colony, Adambakkam, Chennai 600088
Resi: Plot No: 17, Door No: 10 Veera Ragavar St, Annanagar Layout, Puzhuthivakkam, Chennai 600091

INDEPENDENT AUDITOR'S REPORT

To the Members of **SWELECT Inc.**

I have audited the accompanying Ind AS financial statements of SWELECT Inc ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its Profit and the changes in equity for the year ended on that date.



Ramya Ganapathy

Membership Number: 232849

Place of Signature: Chennai

Date: July 8, 2020

UDIN: 20232849AAAACE3449

SWELECT Inc**Balance Sheet as at 31 march 2020**

(All amounts are in INR, unless otherwise stated)

	Notes	31 March 2020	31 March 2019
Assets			
Current assets			
Financial Assets			
Inventory		10,982,927	-
Loans	1	7,810,012	10,624,712
Cash and cash equivalents	2	16,683,849	12,512,119
Total current assets		35,476,788	23,136,831
Total Assets		35,476,788	23,136,831
Equity and liabilities			
Equity			
Equity share capital	3	6,885,000	6,885,000
Other Equity	4	(9,906,221)	(6,757,448)
		(3,021,221)	127,552
Current liabilities			
Financial Liabilities			
Borrowings	5	18,846,475	17,292,825
Trade payables	7	11,223,012	6,917
Other financial liabilities	6	8,428,523	5,709,537
		38,498,009	23,009,279
Total Liabilities		38,498,009	23,009,279
Total equity and liabilities		35,476,788	23,136,831

See accompanying notes forming part of the the Financial Statements.

As per my report of even date

For and on behalf of **the Board of Directors**
SWELECT Inc

Sd/-

Sd/-

Ramya GanapathyChartered Accountant
ICAI Membership no.: 232849**R. Chellappan**Director
DIN : 00016958

Place: Coimbatore

Date: 08 July 2020

Place: Chennai

Date: 08 July 2020

SWELECT Inc**Statement of Profit and Loss for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

	Notes	31 March 2020	31 March 2019
Other income	8	8,834	3,557
Total revenue		8,834	3,557
Expenses			
purchase of traded goods		10,530,227	-
Decrease / (Increase) in inventories of work-in-progress, traded goods and finished goods		(10,530,227)	-
Other expenses	9	923,757	435,798
Finance costs	10	2,115,044	1,875,123
Total expenses		3,038,802	2,310,921
Loss before tax		(3,029,968)	(2,307,364)
Tax expense			
Loss for the year		(3,029,968)	(2,307,364)
Earnings per equity share			
Basic and Diluted, computed on the basis of profit from operations attributable to equity holders		(303.00)	(230.74)

See accompanying notes forming part of the the Financial Statements.

As per my report of even date

For and on behalf of **the Board of Directors**
SWELECT Inc

Sd/-

Sd/-
R. Chellappan
Director
DIN : 00016958

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849

Place: Coimbatore
Date: 08 July 2020

Place: Chennai
Date: 08 July 2020

SWELECT Inc
Statement of Changes in Equity for the year ended 31 March 2020
(All amounts are in INR, unless otherwise stated)

a. Equity Share Capital

For the year ended 31 March 2020

Balance as at 1 April 2019	Changes in Equity Share Capital during the year (refer note 3)	Balance as at 31 March 2020
6,885,000		6,885,000

For the year ended 31 March 2019

Balance as at 31 March 2018	Changes in Equity Share Capital during the year (refer note 3)	Balance as at 31 March 2019
6,885,000	-	6,885,000

b. Other Equity

Particulars	Reserves & Surplus		
	Retained earnings	Foreign currency translation reserve	Total Other Equity
As at 1 April 2019	(6,483,883)	(273,565)	(6,757,448)
Loss for the year	(1,699,400)	-	(1,699,400)
Exchange differences on translation of foreign operations	-	(21,571)	(21,571)
Total comprehensive income	(8,183,284)	(295,135)	(8,478,419)
As at 31 March 2020	(8,183,284)	(295,135)	(8,478,419)

Particulars	Reserves & Surplus		
	Retained earnings	Foreign currency translation reserve	Total Other Equity
As at 1 April 2019	(6,483,883)	(273,565)	(6,757,448)
Loss for the year	(3,029,968)	-	(3,029,968)
Exchange differences on translation of foreign operations	-	(118,805)	(118,805)
Total comprehensive income	(9,513,851)	(392,370)	(9,906,221)
As at 31 March 2020	(9,513,851)	(392,370)	(9,906,221)

See accompanying notes forming part of the the Financial Statements.
As per our report of even date

For and on behalf of **the Board of Directors**
SWELECT Inc

Sd/-

Sd/-
R. Chellappan
Director
DIN : 00016958

Place:Coimbatore
Date: 08 July 2020

Ramya Ganapathy
Chartered Accountant
ICAI Membership no.: 232849

Place: Chennai
Date:08 July 2020

SWELECT Inc**Notes to financial statements for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

	<u>31 March 2020</u>	<u>31 March 2019</u>
Financial assets at Amortised cost		
1 Loans (Secured considered good unless otherwise stated)		
Loans to related party*	7,810,012.41	10,624,712.00
Total loans	<u>7,810,012.41</u>	<u>10,624,712.00</u>
* Loans to related party are non-derivative financial assets repayable on		
2 Cash and cash equivalents		
Balances with banks:		
On current accounts	3,469,461.91	395,521.00
Total (A)	<u>3,469,461.91</u>	<u>395,521.00</u>
Other bank balances		
Deposits with original maturity more than 3 months	13,214,386.87	12,116,598.00
Total (B)	<u>13,214,386.87</u>	<u>12,116,598.00</u>
Total cash and bank balances (A+B)	<u>16,683,848.78</u>	<u>12,512,119.00</u>

SWELECT Inc**Notes to financial statements for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

3 Share capital

Authorised Share Capital	Equity Shares of USD 10/- each	
	No.	Rs.
As at 1 April 2019	10,000	6,885,000
Increase/(Decrease) during the year	-	-
As at 31 March 2020	10,000	6,885,000
Equity warrants of USD 10/- each issued, subscribed & fully paid up	No.	Rs.
As at 1 April 2019	10,000	6,885,000
Issue of Share Capital	-	-
As at 31 March 2020	10,000	6,885,000

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

Equity warrants of USD 10/- each	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Swelect Energy Systems Limited	10,000	100%	10,000	100%

4 Other Equity**Other Equity movement during the year 2019-20:-**

Particulars	Retained earnings	Foreign currency translation reserve	Total Other Equity
As at 31 March 2018	(4,176,519)	(352,083)	(4,528,602)
Loss for the year	(2,307,364)	-	(2,307,364)
Movement during the year	-	78,518	78,518
As at 31 March 2019	(6,483,883)	(273,565)	(6,757,448)
As at 1 April 2019	(6,483,883)	(273,565)	(6,757,448)
Loss for the year	(3,029,968)	-	(3,029,968)
Movement during the year	-	(118,805)	(118,805)
As at 31 March 2020	(9,513,851.16)	(392,370)	(9,906,220.81)

SWELECT Inc**Notes to financial statements for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

5 Borrowings**Financial Liabilities carried at amortised cost**

	31 March 2020	31 March 2019
Loan from Related party	18,846,475	17,292,825
Total	18,846,475	17,292,825

Unsecured borrowings 18,846,475.00 17,292,825.00

Loan from Related party represents amounts borrowed from Swelect Energy Systems Limited, the Holding company and is repayable on demand.

6 Other Financial Liabilities**Other financial liabilities carried at amortised cost**

	31 March 2020	31 March 2019
Interest accrued	8,428,523	5,709,537
Total	8,428,523	5,709,537

7 Trade payables

	31 March 2020	31 March 2019
Trade payables	288,299	6,917
Trade payables to related party	10,934,713	-
Total	11,223,012	6,917

SWELECT Inc**Statement of Changes in Equity for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

	INR	INR
	31 March 2020	31 March 2019
8 Other income		
Interest	8,834	3,557.00
Total	8,834	3,557.00
9 Other expenses		
Sub-contracting and processing expenses	194,762	-
Communication charges	8,089	5,369
Travelling & Conveyance	-	59,323
Rent	-	187,902
Rates & taxes	30,574	15,435
Material Unloading charges	-	-
Labour charges	-	-
Storage container charges	181,411	-
Business development	5,949	-
Others	33,161	-
Professional consultancy	469,811	167,769
Total	923,757.37	435,798
10 Finance costs		
Interest on debts and borrowings	2,115,044	1,875,123
Bank and other charges	-	-
Total	2,115,044	1,875,123

SWELECT Inc**Notes to financial statements for the year ended 31 March 2020**

(All amounts are in INR, unless otherwise stated)

11 Related party transactions**Names of related parties**

Holding Company	Swelect Energy Systems Limited
Subsidiary Company	SWELECT Energy Systems LLC
Key Management Personnel	Mr. R. Chellappan - Director Mr. S. Sriram - Director

INR

Particulars	Swelect Energy Systems Limited		SWELECT Energy Systems LLC		Total	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Interest expense	29,262	27,942	-	-	29,262	27,942
Purchase of goods	145,689	-	-	-	145,689	-
Loan taken	-	-	-	-	-	-
Loan repayment received	-	-	50,000	-	50,000	-
Loan given	-	-	-	-	-	-
Exchange differences on translation	-	-	-	-	-	-
Balance outstanding as at the year end:						
Unsecured loan given	-	-	103,600	153,600	103,600	153,600
Interest accrued	111,805	82,543	-	-	111,805	82,543
Trade payable	145,050	-	-	-	145,050	-
Unsecured loan borrowed	250,000	250,000	-	-	250,000	250,000

SWELECT Inc

Notes to financial statements for the year ended 30 Sept 2019

(All amounts are in INR, unless otherwise stated)

- 12** Previous year figures have been regrouped/reclassified, wherever necessary, to conform to the current year's classification.

For and on behalf of the Board of Directors
SWELECT Inc

Sd/-
R. Chellappan
Director
DIN : 00016958

Place: Coimbatore
Date: 08 July 2020