

July 8, 2020

BSE Limited  
Department of Corporate Services  
Floor 25, P. J. Towers,  
Dalal Street,  
Mumbai-400 001.

National Stock Exchange of India Limited  
Listing Department  
Registered Office: "Exchange Plaza",  
C-1, Block G, Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051.

Scrip Code: 532051

Scrip Code: SWELECTES

Dear Sir / Madam,

Sub: Intimation on the outcome of the Board Meeting held on July 8, 2020 through video conferencing and disclosures under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

**1. Audited Financial Results for the year ended March 31, 2020**

Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("LODR"), the Board of Directors at their meeting held today, approved the quarterly (standalone) and annual (both standalone and consolidated) audited financial results of the Company for the year ended 31st March 2020. In terms of Regulation 30 of the Listing Regulations, we enclose herewith the same for your information and record. The Board of Directors have also approved the Financial Statements (standalone and consolidated), Board's Report, Report on Corporate Governance for the financial year 2019-20 and took on record the Certificate on Corporate Governance, Secretarial Audit report for the financial year ended 31.03.2020.

We also enclose the Audit Reports of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, Chennai (Firm Registration No.117366W/W - 100018), Statutory Auditors on the Standalone and Consolidated financial results for the year ended March 31, 2020. M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, have given an unmodified opinion on the Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2020.

Pursuant to Regulation 47 of the LODR and SEBI Circular, we would be publishing an extract of the standalone and consolidated financial results in the prescribed format in English and Tamil Newspapers within the prescribed time. The details of the standalone and consolidated financial results of the Company would be available on the website of the Company [www.swelectes.com](http://www.swelectes.com) as well as on the websites of the stock exchanges.

**2. Annual General Meeting and Book Closure Dates**

The 25<sup>th</sup> Annual General Meeting (AGM) of the shareholders of the Company is scheduled to be held on Thursday, September 10, 2020 and the Register of members will be closed from Thursday, September 3, 2020 to Thursday, September 10, 2020.

**3. Dividend**

The Board of Directors have recommended a Final dividend of Rs.0.75 (Rupees Seventy Five paise only) per equity share (Face value of Rs.10/- each) for the year ended March 31, 2020. The dividend, if approved by the shareholders at the ensuing AGM, will be paid, within 30 days from the date of AGM.



**4. Re-appointment of Mr. A. Balan, as Joint Managing Director of the Company**

Mr. A. Balan, was re-appointed as the Joint Managing Director of the Company for a period of five years from 03rd October 2015 to 02nd October 2020 vide Shareholders' resolution at the Twenty First Annual General meeting held on 28th July 2016. The term of his appointment will expire on 02nd October 2020. Pursuant to the proviso of Section 196(2) of the Companies Act, 2013, the reappointment may be made within one year before the expiry of the term. Accordingly the Board considered the re-appointment of Mr. A. Balan, as the Joint Managing Director of the Company for a period of five years with effect from 03rd October 2020 and such appointment shall be subject to approval of shareholders at the ensuing Annual General Meeting.

Brief details of the above re-appointment is being furnished in Annexure- A.

**5. Resignation of Mr. P. Jagan, Chief Financial Officer of the Company**

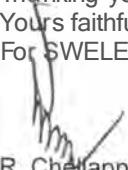
With reference to the communication dated 09<sup>th</sup> May, 2020 from Mr. P Jagan, via e-email, has tendered his resignation as the Chief Financial Officer of the Company.

The Board at its meeting held today accepted his resignation and requested him to complete the service period up to 10<sup>th</sup> August, 2020. The Board also placed on record appreciation for his valuable contribution to the Company.

The meeting commenced at 3.00 p.m. and ended at 8.45 p.m.

We request you to take the above on record.

Thanking you,  
Yours faithfully,  
For SWELECT Energy Systems Limited

  
R. Chellappan  
Managing Director

Enc.: as above

## ANNEXURE A

Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated September 9, 2015

### 1. Brief details of Mr. A. Balan

S. No	Particulars	Details
1.	Reason for change viz. Appointment resignation, removal, death or otherwise;	Re-appointment
2.	Date of appointment / cessation (as applicable) & term of appointment;	Re-appointed as Joint Managing Director for a period of 5 years with effect from October 3, 2020.
3.	Disclosure of relationships between directors (in case of appointment of a Director	NIL
4.	Brief profile of Mr. A. Balan	
	Age & Date of Birth	67 years & 10.5.1953
	Educational Qualification	BE (Electrical and Electronics)
	Professional Memberships	N.A
	Professional Experience	<ul style="list-style-type: none"><li>• Served in Best &amp; Crompton Engineering Ltd, in the middle management cadre for over 15 years. Had undertaken various assignments of the company, in the field of Manufacturing, Plant Maintenance, and vendor development.</li><li>• He also served in Novateur Electrical &amp; Digital Systems Pvt. Ltd. as Director-operations, responsible for sales and technical support, for a period of 3 years.</li><li>• At present heading Operations and technical support of SWELECT Energy Systems Ltd</li></ul>

For Swelect Energy Systems Limited

Authorised Signatory



<p align="center"><b>SWELECT ENERGY SYSTEMS LIMITED</b>  Corporate Identity Number: L93090TN1994PLC028578  Registered &amp; Corporate Office: 'SWELECT HOUSE' 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai - 600 004.  Email: cg.ird@swelectes.com, Website: www.swelectes.com, Tel: +91 44 2499 3266, Fax: +91 44 2499 5179  <b>STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020 AND STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2020</b></p>					
(Rs. in Lakhs except EPS)					
S.No	PARTICULARS	Quarter ended			Year ended
		31 March 2020	31 December 2019	31 March 2019	31 March 2019
		Refer Note 2	Unaudited	Refer Note 2	Audited
	<b>Income</b>				
	Revenue from operations	3,371.53	3,883.12	2,162.69	14,204.04
	Other Income	766.76	925.14	838.04	3,170.98
<b>1</b>	<b>Total Income</b>	<b>4,138.29</b>	<b>4,808.26</b>	<b>3,000.73</b>	<b>17,375.02</b>
	<b>Expenses</b>				
	a. Cost of materials consumed	1,712.71	3,170.44	412.74	9,839.85
	b. Purchase of Stock-in-Trade	15.32	6.18	851.22	111.66
	c. Changes in Inventories of Finished goods, Work-in-progress and Stock-in-Trade	(181.45)	(563.98)	(302.15)	(1,948.73)
	d. Employee benefits expense	297.54	276.85	367.75	1,194.66
	e. Depreciation and amortisation expense	381.20	443.00	380.40	1,659.43
	f. Finance Costs	228.67	257.75	187.82	981.15
	g. Other expenses (Refer Note 10)	1,355.88	859.58	569.51	4,481.64
<b>2</b>	<b>Total expenses</b>	<b>3,809.87</b>	<b>4,449.82</b>	<b>2,467.29</b>	<b>16,319.66</b>
<b>3</b>	<b>Profit / (Loss) before Exceptional Item and Tax (1- 2)</b>	<b>328.42</b>	<b>358.44</b>	<b>533.44</b>	<b>1,055.36</b>
<b>4</b>	<b>Exceptional Item (Refer Note 4)</b>	<b>(2,471.99)</b>	<b>-</b>	<b>-</b>	<b>30.00</b>
<b>5</b>	<b>(Loss) / Profit before Tax Expense (3+4)</b>	<b>(2,143.57)</b>	<b>358.44</b>	<b>533.44</b>	<b>1,540.08</b>
<b>6</b>	<b>Tax expense:</b>				
	(i) Current Tax	71.73	77.16	144.04	256.53
	(ii) Deferred Tax	-	-	-	-
<b>7</b>	<b>Total Tax Expense</b>	<b>71.73</b>	<b>77.16</b>	<b>144.04</b>	<b>256.53</b>
<b>8</b>	<b>Net (Loss) / Profit after Tax Expense (5-6)</b>	<b>(2,215.30)</b>	<b>281.28</b>	<b>389.40</b>	<b>1,283.55</b>
<b>9</b>	<b>Other Comprehensive Income</b>				
	A i) Items that will not be reclassified to profit or loss	54.88	-	15.77	54.88
	ii) Income tax relating to items that will not be reclassified to profit or loss	(9.59)	-	(3.40)	(9.59)
	B i) Items that will be reclassified to profit or loss	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Total Other Comprehensive Income/(Loss) for the period</b>	<b>45.29</b>	<b>-</b>	<b>12.37</b>	<b>45.29</b>
<b>10</b>	<b>Total Comprehensive (Loss) / Income for the period (7+8)</b>	<b>(2,170.01)</b>	<b>281.28</b>	<b>401.77</b>	<b>1,328.84</b>
<b>11</b>	<b>Paid up Equity share Capital (Face value of Rs.10/- each)</b>	<b>1,515.87</b>	<b>1,515.87</b>	<b>1,010.58</b>	<b>1,515.87</b>
<b>12</b>	<b>Reserves (Other Equity)</b>				<b>64,263.05</b>
<b>13</b>	<b>Earnings Per Share (EPS) of Rs.10/- each</b>				<b>66,940.32</b>
	(a) Basic (Refer Note 5)	(14.61)	1.86	2.57	(11.04)
	(b) Diluted (Refer Note 5)	(14.61)	1.86	2.57	(11.04)

**Notes:**

- The above standalone financial results of the Company for the quarter and year ended 31 March 2020 are prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
  
The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 8, 2020. The results for the year ended March 31, 2020 has been audited and the results for the quarter ended March 31, 2020 has been reviewed.
- The figures for the quarter ended 31 March 2020 and 31 March 2019 are balancing figures between audited figures in respect of the full financial years and the unaudited published year-to-date figures up to the third quarter for respective years which were subject to limited review.
- Effective 1 April 2019, the Company has adopted Ind AS 116 Leases using modified retrospective approach and accordingly, the comparatives have not been retrospectively adjusted. Based on Management's assessment, the adoption of Ind AS 116 did not have any material impact on the results for the quarter and year ended 31 March 2020.
- The Company is carrying investments (net) aggregating Rs. 7,877.18 lakhs (As at 31 March 2019 Rs. 10,349.17 lakhs), loans & advances aggregating Rs. 4,486.20 lakhs (As at 31 March 2019 Rs. 4,674.96 lakhs) relating to two operating subsidiaries of the Company whose net worth has substantially eroded/incurring continuous losses and decrease in revenues, as per the audited financial statements of those subsidiaries as at 31 March 2020. The Company has assessed the recoverability of its investments and loans & advances duly considering the significant estimates and judgements which inter-alia includes revenue projections based on most recent long-term forecasts, resultant cash flows using an appropriate discount rate. All of these estimates and judgements have inherent uncertainties and the actual results may differ from that estimated as at the date of the Balance sheet. The estimation of revenue projections is based on the management's assessment of probability of securing new businesses in the future, duly considering adverse business impact and uncertainties arising on account of the COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results dependent on circumstances that may evolve in the future.  
  
The Company based on the assessment, made a provision for diminution in the value of investment relating to a Wholly Owned Subsidiary for Rs.2,471.99 lakhs and disclosed the same as an exceptional item in the standalone financial results of the Company. The Management has concluded that the carrying value of the investments, net of the above provision, and Loans & Advances are recoverable duly considering the expected future business projections as at 31 March 2020.  
Exceptional item for the year ended 31 March 2019 represents reversal of provision on account of collection of advances made for acquisition of land which were written off in the earlier years.
- The Board of Directors in their meeting on 8 July 2019, considered and recommended to issue bonus shares in the ratio of 1 Equity Share for every 2 Equity Shares held by the shareholders of the Company as on the record date determined by the Board. The issue of bonus shares was approved by the shareholders in the Annual General Meeting held on 9 August 2019. Accordingly, the EPS for prior periods has been restated in accordance with the requirements of Ind AS 33 'Earnings per Share'.
- Segment information has been presented in the Consolidated financial statements as permitted by Ind AS 108 - Operating Segments.



**STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020**  
(Rs. in Lakhs except EPS)

Notes:

**7. Balance Sheet**

Particulars	As at 31 March 2020 Audited	As at 31 March 2019 Audited
<b>A) ASSETS</b>		
<b>Non-current assets</b>		
(a) Property, Plant and Equipment	15,337.45	12,167.43
(b) Capital work-in-progress	-	120.46
(c) Right of Use Assets (Refer Note 3)	6.67	-
(d) Investment Property	1,652.59	1,607.39
(e) Intangible assets	6,568.95	6,849.56
(f) Financial Assets		
(i) Investment in Subsidiaries (Refer Note 4)	12,772.93	15,244.92
(ii) Other Non-current Investments	530.35	530.35
(iii) Loans	218.49	575.57
(iv) Trade receivables	1,419.36	-
(v) Other financial assets	134.87	99.57
(vi) Bank balances	4,584.00	1,604.48
(g) Income Tax Asset (Net)	154.23	362.35
(h) Other non-current assets	136.72	72.20
<b>Total Non-current assets</b>	<b>43,516.61</b>	<b>39,234.28</b>
<b>Current assets</b>		
(a) Inventories	5,448.94	4,541.46
(b) Financial Assets		
(i) Investments	23,703.25	25,249.66
(ii) Loans	9,361.48	8,034.41
(iii) Trade receivables	3,122.11	1,778.04
(iv) Cash and cash equivalents	238.77	180.88
(v) Other bank balances	3,642.05	6,136.56
(vi) Other financial assets	780.75	1,028.25
(c) Other Current assets	627.00	603.75
<b>Total Current assets</b>	<b>46,924.35</b>	<b>47,553.01</b>
<b>Total Assets</b>	<b>90,440.96</b>	<b>86,787.29</b>
<b>(B) EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
(a) Equity share capital	1,515.87	1,010.58
(b) Other Equity	64,263.05	66,940.32
<b>Total Equity</b>	<b>65,778.92</b>	<b>67,950.90</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	2,943.08	624.34
(ii) Other financial liabilities	138.71	115.59
(b) Provisions	452.11	454.34
(c) Other non-current liabilities	387.07	-
<b>Total Non-current liabilities</b>	<b>3,920.97</b>	<b>1,194.27</b>
<b>Current liabilities</b>		
(a) Financial Liabilities		
(i) Borrowings	8,908.80	8,471.92
(ii) Trade payables		
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	7,765.11	7,550.06
(iii) Lease Liabilities (Refer Note 3)	7.87	-
(iv) Other financial liabilities	1,219.45	878.25
(b) Other current liabilities	2,726.43	346.13
(c) Provisions	113.41	395.76
<b>Total Current liabilities</b>	<b>20,741.07</b>	<b>17,642.12</b>
<b>Total Liabilities</b>	<b>24,662.04</b>	<b>18,836.39</b>
<b>Total Equity and Liabilities</b>	<b>90,440.96</b>	<b>86,787.29</b>

8. Pursuant to Regulation 33, sub-regulation (3), the Company has prepared the following Statement of Standalone Condensed Cash Flows for the year ended 31 March 2020 and 31 March 2019.

Particulars	For Year ended 31 March 2020	For Year ended 31 March 2019
<b>A. Cash flow from operating activities:</b>		
i) (Loss) / Profit after taxes	(1,673.16)	1,105.35
ii) Operating Profit before working capital changes	2,041.25	752.95
<b>iii) Net cash generated from operating activities</b>	<b>748.77</b>	<b>2,456.91</b>
<b>B. Cash flow used in Investing activities</b>	<b>(2,101.27)</b>	<b>(4,317.36)</b>
<b>C. Cash flow generated from / (used in) financing activities</b>	<b>432.65</b>	<b>(2,272.99)</b>

9. A nation-wide lockdown was announced by the Government of India w.e.f. March 24, 2020 as a result of the outbreak of COVID 19 pandemic. Due to the lockdown announced by the Government of India, since March 24, 2020 the operations of the Company came to a temporary halt. As per MNRE guidelines, Solar Power Generating plants continued in operation with the plant staff after obtaining permission from the local authorities.

In assessing the recoverability of receivables, property plant and equipments, other intangible assets and certain investments, the Company has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

10. During the current year, certain mutual funds had significantly downgraded their investment value in Infrastructure projects resulting in a decline in the market value of such investments. The Company has recorded a loss of Rs.800.56 Lakhs in the movement in the Net Asset Value from 31 March 2019 to the date of sale of such investments which has been included in Other Expenses.

11. The Board of Directors have recommended a final dividend of Rs 0.75 per equity share of Rs. 10/- each.

12. The previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

13. The Standalone Financial Results are also available on the website of the Company and on the Stock Exchange websites www.bseindia.com and www.nseindia.com.

For and on behalf of the Board

Place : Coimbatore  
Date : 8 July 2020

**R. Chellappan**  
Managing Director  
DIN:00016958

Corporate Identity Number: L93090TN1994PLC028578

Registered & Corporate Office: 'SWELECT HOUSE' 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai - 600 004.

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2020 AND STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2020**

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31 MARCH 2020						
S.No	PARTICULARS	Quarter ended			(Rs. in Lakhs except EPS)	
		Year ended				
		31 March 2020	31 December 2019	31 March 2019	31 March 2020	31 March 2019
		Refer Note 2	Unaudited	Refer Note 2	Audited	Audited
1	Income:					
	Revenue from operations	6,306.00	6,300.65	4,811.06	25,221.82	22,764.94
	Other Income	612.06	766.74	743.01	2,759.30	2,625.50
	Total Income	6,918.06	7,067.39	5,554.07	27,981.12	25,390.44
	Expenses					
	a. Cost of materials consumed	2,781.24	4,146.05	2,298.08	13,212.88	3,100.43
	b. Purchase of Stock-in-Trade	119.46	65.74	1,467.44	1,382.47	5,978.14
	c. Changes in Inventories of Finished goods, Work-in-progress and Stock-in -Trade	(180.52)	(750.36)	(2,361.93)	(2,250.28)	1,849.20
	d. Employee benefits expense	540.91	599.91	675.21	2,415.12	2,536.99
	e. Depreciation and amortisation expense	774.83	782.71	670.36	2,985.25	2,599.25
	f. Finance costs	461.55	403.64	377.13	1,725.90	1,532.89
	g. Other expenses (Refer Note 10)	2,359.35	1,425.32	1,910.90	7,689.39	6,778.28
2	Total Expenses	6,856.82	6,673.01	5,037.19	27,160.73	24,375.18
3	Profit before Exceptional Item and Tax (1- 2)	61.24	394.38	516.87	820.39	1,015.26
4	Exceptional Item (Refer Note 6)	(1,522.61)	-	-	(1,522.61)	30.00
5	(Loss)/ Profit for the period (3+4)	(1,461.37)	394.38	516.87	(702.22)	1,045.26
6	Tax expense:					
	(i) Current Tax	122.53	179.27	162.37	410.81	475.95
	(ii) MAT credit entitlement	(26.56)	-	(15.70)	(26.56)	(35.89)
	(iii) Deferred Tax	(69.59)	-	(77.66)	(69.59)	(77.66)
	Total Tax expense	26.38	179.27	69.01	314.66	362.40
7	(Loss) / Profit for the year (5-6)	(1,487.75)	215.11	447.86	(1,016.88)	682.86
8	Other Comprehensive Income					
	A i) Items that will not be reclassified to profit or loss	54.88	31.08	7.29	54.88	7.29
	ii) Income tax relating to items that will not be reclassified to profit or loss	(9.77)	-	(3.40)	(9.77)	(3.40)
	B i) Items that will be reclassified to profit or loss	684.18	-	-	866.52	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income for the period	729.29	31.08	3.89	911.63	3.89
9	Total Comprehensive (Loss) / Income for the period (7+8)	(758.46)	246.19	451.75	(105.25)	686.75
10	Paid up Equity share Capital					
	Paid up Equity share Capital (Face value of Rs.10/- each)	1,515.87	1,515.87	1,010.58	1,515.87	1,010.58
11	Reserves (Other Equity)					
12	Earning Per Share (EPS) of Rs.10/- each				70,432.75	71,593.34
	(a) Basic (Refer Note 5)	(9.81)	1.42	2.95	(6.71)	4.50
	(b) Diluted (Refer Note 5)	(9.81)	1.42	2.95	(6.71)	4.50

**NOTES:**

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|----|--|
| 1. | <p>The above consolidated financial results of Swelect Energy Systems Limited ("the Group") for the quarter and year ended 31 March 2020 are prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</p> <p>The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors in their respective meetings held on July 8, 2020. The results for the year ended March 31, 2020 has been audited and the results for the quarter ended March 31, 2020 has been reviewed.</p>   |
| 2. | <p>The figures for the quarter ended 31 March 2020 and 31 March 2019 are balancing figures between audited figures in respect of the full financial years and the unaudited published year-to-date figures up to the third quarter for respective years which were subject to limited review.</p>  |
| 3. | <p>The consolidated results for the quarter and year ended March 31, 2020 and for the quarter and year ended March 31, 2019 include the results of the Group's wholly owned subsidiaries/ step down subsidiaries:</p> <ul style="list-style-type: none"> <li>Amex Alloys Private Limited</li> <li>Swelect Green Energy Solutions Private Limited</li> <li>Swelect Energy Systems Pte. Limited*</li> <li>Swelect Power Systems Private Limited</li> <li>Swelect Solar Energy Private Limited</li> <li>KJ Solar Systems Private Limited</li> <li>Noel Media &amp; Advertising Private Limited</li> <li>Swelect Inc., USA</li> <li>Swelect Energy Systems LLC, USA</li> <li>SWEES Employees Welfare Trust</li> </ul> <p>*Swelect Energy Systems Pte. Limited, Singapore (Wholly Owned Subsidiary) has entered into a Joint Venture agreement with Swelect Energy Systems Myanmar Company Limited, a Private Limited Company based on Myanmar Laws. However, no share capital is infused and the operations of the entity are yet to be commenced and hence the same was not consolidated.</p>   |
| 4. | <p>The Board of Directors in their meeting on 8 July 2019, considered and recommended to issue bonus shares in the ratio of 1 Equity Share for every 2 Equity Shares held by the shareholders of the Company as on the record date determined by the Board. The issue of bonus shares was been approved by the shareholders in the Annual General Meeting held on 9 August 2019. Accordingly, the EPS for prior periods has been restated in accordance with the requirements of Ind AS 33 'Earnings per Share'.</p>   |
| 5. | <p>Effective 1 April 2019, the Group has adopted Ind AS 116 Leases using modified retrospective approach and accordingly, the comparatives have not been retrospectively adjusted. Based on Management's assessment, the adoption of Ind AS 116 did not have any material impact on the results for the quarter and year ended 31 March 2020.</p>  |
| 6. | <p>The Group is carrying property, plant and equipment (net) and Other intangibles Assets aggregating Rs 9,503.35 lakhs (As at 31 March 2019 Rs. 11,368.97 lakhs), relating to two operating subsidiaries of the Group whose net worth has substantially eroded / incurring continuous losses and decrease in revenues, as per the audited financial statements of those subsidiaries as at 31 March 2020. The Group has assessed the recoverability of its property, plant and equipment duly considering the significant estimates and judgements which inter-alia includes revenue projections based on most recent long-term forecasts, resultant cash flows using an appropriate discount rate. All of these estimates and judgements have inherent uncertainties and the actual results may differ from that estimated as at the date of the Balance sheet. The estimation of revenue projections is based on the management's assessment of probability of securing new businesses in the future, duly considering adverse business impact and uncertainties arising on account of the COVID-19 pandemic to the extent known. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these financial results dependent on circumstances that evolve in the future.</p> <p>Based on the assessment, one of the subsidiaries of the Group has made provision for impairment of property plant and equipments in its financial statements to the extent of Rs. 1,522.61 Lakhs, which is disclosed in the consolidated results as an exceptional item. The Management has concluded that the carrying value of the property, plant and equipment and intangible assets are recoverable duly considering the expected future recoverable value as at 31 March 2020.</p> <p>Exceptional item during the year ended 31 March 2019 represents the amounts collected against payments made towards land acquisition written off due to defective titles. The Group is continuing to pursue recovery of the balance amounts through legal channels.</p> |



7. AUDITED CONSOLIDATED BALANCE SHEET			
Particulars		Rs. in Lakhs	
		As at	
		31 March 2020	31 March 2019
<b>A ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	26,763.67	25,253.77	
(b) Capital work-in-progress	1,085.79	1,276.78	
(c) Right of use Assets	474.73	-	
(d) Investment Property	2,084.32	2,057.43	
(e) Goodwill on consolidation	789.74	789.74	
(f) Other Intangible assets	13,992.89	14,630.78	
(g) Financial Assets			
(i) Investments	530.35	530.35	
(ii) Loans	348.34	649.31	
(iii) Trade receivables	1,419.36	-	
(iv) Other Financial Assets	620.79	398.17	
(h) Bank balances	4,584.00	1,604.48	
(i) Income Tax Asset (Net)	234.52	432.89	
(j) Deferred tax assets (net)	273.51	246.92	
(k) Other Non-current Assets	734.38	912.07	
<b>Total Non-Current Assets</b>	<b>53,936.39</b>	<b>48,782.69</b>	
<b>2. Current assets</b>			
(a) Inventories	7,082.04	5,723.73	
(b) Financial Assets			
(i) Investments	23,703.25	25,249.66	
(ii) Loans	447.41	435.04	
(iii) Trade receivables	5,400.72	3,985.86	
(iv) Cash and cash equivalents	1,194.52	876.72	
(v) Bank balances other than (iv) above	10,942.42	12,418.54	
(vi) Others	1,212.46	1,420.88	
(c) Other current assets	777.59	731.34	
<b>Total Current Assets</b>	<b>50,760.41</b>	<b>50,841.77</b>	
<b>Total Assets</b>	<b>104,696.80</b>	<b>99,624.46</b>	
<b>1. Equity</b>			
(a) Equity Share capital	1,515.87	1,010.58	
(b) Other Equity	70,432.75	71,593.34	
<b>Total Equity</b>	<b>71,948.62</b>	<b>72,603.92</b>	
<b>2. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	3,949.33	2,880.59	
(ii) Other financial liabilities	138.71	115.59	
(iii) Lease liabilities	306.51	-	
(b) Deferred Tax Liabilities (Net)	326.73	283.32	
(c) Provisions	452.11	548.57	
(d) Other non-current liabilities	387.07	-	
<b>Total Non-Current Liabilities</b>	<b>5,560.46</b>	<b>3,828.07</b>	
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17,405.11	16,636.58	
(ii) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	259.35	196.96	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,140.21	4,971.81	
(iii) Lease liabilities	157.22	-	
(iv) Others	1,188.65	500.20	
(b) Other current liabilities	2,846.73	509.70	
(c) Provisions	190.46	377.22	
<b>Total Current Liabilities</b>	<b>27,187.72</b>	<b>23,192.47</b>	
<b>Total Equity and Liabilities</b>	<b>104,696.79</b>	<b>99,624.46</b>	

8. Pursuant to Regulation 33, sub-regulation (3), the Group has prepared the following Statement of Condensed Cash Flows for the year ended 31 March 2020 and 31 March 2019.

Particulars	Rs. in Lakhs	
	For Year ended 31 March 2020	For Year ended 31 March 2019
<b>A. Cash flow from operating activities:</b>		
i) (Loss) / Profit after taxes	(1,016.88)	682.86
ii) Operating Profit before working capital changes	4,645.15	4,051.30
iii) Net cash generated from operating activities	2,841.01	6,918.16
<b>B. Cash flow used in Investing activities</b>	<b>(2,995.53)</b>	<b>(11,972.42)</b>
<b>C. Cash flow used in financial activities</b>	<b>(420.03)</b>	<b>(5,279.45)</b>

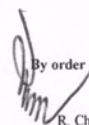
9. The business of the group has been segregated into segments for the purpose of Ind AS 108 is as stated below:  
**Audited Consolidated Segment wise Revenue, Results and Capital Employed for the year ended 31 March 2020**

PARTICULARS	Rs. in Lakhs	
	2019-20	2018-19
<b>SEGMENT REVENUE:</b>		
Solar Energy Systems / Services	17,053.90	14,287.74
Foundry	9,010.99	9,251.10
Less: Inter segment Revenue	(843.07)	(773.90)
<b>Total Revenue from Operations</b>	<b>25,221.82</b>	<b>22,764.94</b>
<b>SEGMENT RESULTS:</b>		
Solar Energy Systems / Services	(175.77)	215.59
Foundry	(37.24)	(291.00)
<b>Total Segment Results</b>	<b>(213.01)</b>	<b>(75.41)</b>
<b>Add/(Less) :</b>		
Other Income	2,759.30	2,623.56
Interest and other financial charges	(1,725.90)	(1,532.89)
<b>Profit before tax</b>	<b>820.39</b>	<b>1,015.26</b>
Exceptional item (Refer Note 4)	(1,522.61)	30.00
Income Taxes	314.66	362.40
<b>Profit After Tax</b>	<b>(1,016.88)</b>	<b>682.86</b>
<b>SEGMENT ASSETS:</b>		
Solar Energy Systems / Services	52,097.29	51,030.16
Foundry	9,582.97	7,312.14
Unallocable #	43,016.54	41,282.16
<b>Total</b>	<b>104,696.80</b>	<b>99,624.46</b>
<b>SEGMENT LIABILITIES:</b>		
Solar Energy Systems / Services	6,003.95	5,304.93
Foundry	4,051.17	1,915.12
Unallocable #	22,693.06	19,800.49
<b>Total</b>	<b>32,748.18</b>	<b>27,020.54</b>
<b>SEGMENT CAPITAL EMPLOYED: (SEGMENT ASSETS-SEGMENT LIABILITIES)</b>		
Solar Energy Systems / Services	46,093.34	45,725.23
Foundry	5,531.80	5,397.02
Unallocable #	20,323.49	21,481.67
<b>Total</b>	<b>71,948.63</b>	<b>72,603.92</b>

# Unallocable assets and liabilities include all tax assets and liabilities (including deferred tax) and such balances, being investments, investment property, cash and bank balances and borrowings, which are used interchangeably between segments/unallocable.

10. During the current year, certain mutual funds had significantly downgraded their investment value in Infrastructure projects resulting in a decline in the market value of such investments. The Group has recorded a loss of Rs.800.56 Lakhs in the movement in the Net Asset Value from March 2019 to the date of sale of such investments which has been included in Other Expenses.
11. A nation-wide lockdown was announced by the Government of India w.e.f. March 24, 2020 as a result of the outbreak of COVID 19 pandemic. Due to the lockdown announced by the Government of India, since March 24, 2020 the operations of the Company came to a temporary-halt. As per MNRE guidelines, Solar Power Generating plants continued in operation with the plant staff after obtaining permission from the local authorities.
- In assessing the recoverability of receivables, other intangible assets and certain investments, the Group has considered internal and external information up to the date of approval of these audited financials including credit reports and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Group will continue to closely monitor any material changes to future economic conditions.
12. The Board of Directors have recommended a final dividend of Rs 0.75 per equity share of Rs. 10/- each.
13. The previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.
14. The consolidated financial results are also available on the website of the Group and on the Stock Exchange websites [www.bscindia.com](http://www.bscindia.com) and [www.nscindia.com](http://www.nscindia.com).

Place : Coimbatore  
Date : 8 July 2020

By order of the board  
  
R. Chellappan  
Managing Director

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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE  
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF  
SWELECT ENERGY SYSTEMS LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended 31 March 2020 and;

(b) reviewed the Standalone Financial Results for the quarter ended 31 March 2020 (refer 'Other Matters' section below), which were subject to limited review by us,

both ((a) and (b)) included in the accompanying **"Statement of Standalone Financial Results for the Quarter and Year Ended 31 March 2020 and Unaudited Financial results for the Quarter Ended 31 March 2020"** of SWELECT ENERGY SYSTEMS LIMITED (**"the Company"**), (**"the Statement"**), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"the Listing Regulations"**).

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended 31 March 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended 31 March 2020

With respect to the Standalone Financial Results for the quarter ended 31 March 2020, based on our review conducted as stated in paragraph (b) of **Auditor's Responsibilities** section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended 31 March 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Standalone Financial Results for the year ended 31 March 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of **Auditor's Responsibilities** section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended 31 March 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the **ICAI's** Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 4 of the standalone financial results, which describes the **management's assessment** of impairment of investment in two operating subsidiaries and its assessment of the carrying value of investment and loans & advances given to two operating subsidiaries, on account of continuous losses/erosion of networth and decrease in revenues in those companies. The Company has also taken into consideration the adverse business impact and uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

**Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of **the Company's** Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended 31 March 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended 31 March 2020 that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the **Company's** ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.





## **Auditor's Responsibilities**

- (a) Audit of the Standalone Financial Results for the year ended 31 March 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended 31 March 2020 as a whole is free from **material misstatement, whether due to fraud or error, and to issue an auditor's report** that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- **Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern.** If we conclude that a material uncertainty exists, we are required to draw **attention in our auditor's report to the related disclosures in the Statement** or, if such disclosures are inadequate, to modify our opinion. Our conclusions are **based on the audit evidence obtained up to the date of our auditor's report.** However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

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

- (b) Review of the Standalone Financial Results for the quarter ended 31 March 2020

We conducted our review of the Standalone Financial Results for the quarter ended 31 March 2020 in accordance with the Standard on Review Engagements ("SRE") **2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'**, issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Other Matters

- As stated in Note 2 of the Statement, the figures for the corresponding quarter ended 31 March 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended 31 December 2018. We have not issued a separate limited review report on the results and figures for the quarter ended 31 March 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

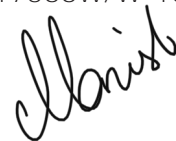




- Due to the COVID-19 related lock down, management carried out the physical verification of inventory, subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of Inventories as per the **guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items"** and as per specific guidances i.e. Physical Inventory Verification, Key Audit Considerations amid COVID-19 issued by The Institute of Chartered Accountants of India and have obtained sufficient appropriate audit evidence.

Our report on the Statement is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



C Manish Muralidhar  
Partner  
(Membership No. 213649)  
(UDIN: 20213649AAAADS1337)

Place: Hyderabad  
Date: 8 July 2020  
Ref: MM/MS/2020/26

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED  
FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF SWELECT ENERGY SYSTEMS LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended 31 March 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended 31 March 2020 (refer 'Other Matters' section below), which were subject to limited review by us, **both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended 31 March 2020" ("the statement")** of SWELECT ENERGY SYSTEMS LIMITED (**"the Parent"**) and its subsidiaries (the Parent and its **subsidiaries together referred to as "the Group"**) and a joint venture, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us the Consolidated Financial Results for the year ended 31 March 2020:

(i) includes the results of the following entities:

Name of the entity	Relationship
Swelect Energy Systems Limited	Parent Company
Amex Alloys Private Limited	Subsidiary Company
Swelect Green Energy Solutions Private Limited	Subsidiary Company
Swelect Energy Systems Pte. Limited	Subsidiary Company
Swelect Power Systems Private Limited	Subsidiary Company
Swelect Solar Energy Private Limited	Subsidiary Company
KJ Solar Systems Private Limited	Step down subsidiary
Noel Media & Advertising Private Limited	Step down subsidiary
Swelect Inc., USA	Subsidiary Company
Swelect Energy Systems LLC, USA	Step down subsidiary
SWEES Employees Welfare Trust	Controlled by entity
Swelect Energy Systems Myanmar Company Limited*	Joint Venture of Wholly Owned Subsidiary

\*Refer Note 3 to the Statement of Consolidated Financial Results for the year and quarter ended 31 March 2020

- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and consolidated total comprehensive loss and other financial information of the Group for the year ended 31 March 2020.

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(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended 31 March 2020

With respect to the Consolidated Financial Results for the quarter ended 31 March 2020, based on our review conducted and procedures performed as stated in **paragraph (b) of Auditor's Responsibilities** section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended 31 March 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended 31 March 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of **Auditor's Responsibilities** section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended 31 March 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the **ICAI's** Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 6 of the consolidated financial results, which describes the **management's assessment of** impairment of Property, plant and equipment and Other Intangible Assets in two operating subsidiaries, on account of continuous losses/erosion of networth and decrease in revenues in those companies. The Group has also taken into consideration the adverse business impact and uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

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## **Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the **Parent's** Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended 31 March 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended 31 March 2020 that give a true and fair view of the consolidated net loss and consolidated other comprehensive loss and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities**

- (a) Audit of the Consolidated Financial Results for the year ended 31 March 2020

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended 31 March 2020 as a whole are free from **material misstatement, whether due to fraud or error, and to issue an auditor's** report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.



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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- **Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.**
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.



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

- (b) Review of the Consolidated Financial Results for the quarter ended 31 March 2020

We conducted our review of the Consolidated Financial Results for the quarter ended 31 March 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

#### Other Matters

- The Statement includes the results for the Quarter ended 31 March 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of the above matter.
- We did not audit the financial statements of 7 subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of Rs. 33,982.75 lakhs as at 31 March 2020 and total revenues of Rs. 11,476.80 lakhs for the year ended 31 March 2020, total net (loss) after tax of Rs.(1,198.80) lakhs for the year ended 31 March 2020 and total comprehensive (loss) of Rs. (1,198.80)lakhs for the year ended 31 March 2020 and net cash (outflows) of Rs.(208.17) lakhs for the year ended 31 March 2020, as considered in the Statement. These financial statements have been audited, by other auditors whose reports have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above.

Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done.



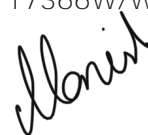
- The consolidated financial results includes the unaudited financial statements/ financial information of 2 subsidiaries, whose financial statements / financial information reflect total assets of Rs. 354.77 lakhs as at 31 March 2020 and total revenues of Rs. 0.09 lakhs and Rs. 0.09 lakhs for the quarter and year ended 31 March 2020 respectively, total net (loss) after tax of Rs. (13.31) and Rs. (30.30) lakhs for the quarter and year ended 31 March 2020 respectively and total comprehensive (loss) of Rs. (13.31) and Rs. (30.30) lakhs for the quarter and year ended 31 March 2020 respectively and net cash (outflows) of Rs. (7.13) lakhs for the year ended 31 March 2020, as considered in the Statement. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements/ financial information certified by the Board of the Directors.

- Due to the COVID-19 related lock down, management carried out the physical verification of inventory, subsequent to the year end. Consequently, we have performed alternate procedures to audit the existence of Inventories as per the guidance provided in SA 501 "Audit Evidence – Specific Considerations for Selected Items" and as per specific guidances i.e. Physical Inventory Verification, Key Audit Considerations amid COVID-19 issued by The Institute of Chartered Accountants of India and have obtained sufficient appropriate audit evidence.

Our report on the Statement is not modified in respect of the above matter.

For DELOITTE HASKINS & SELLS LLP  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



C Manish Muralidhar  
Partner  
(Membership No.213649)  
(UDIN: 20213649AAAADQ9092)

Place: Hyderabad  
Date: July 8, 2020  
Ref: MM/MS/2020/27