

INDEPENDENT AUDITOR'S REPORT

To the Members of Amex Alloys Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Amex Alloys Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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 of the state of affairs of the Company as at March 31, 2016, its loss, and its 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position ;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh
Partner
Membership Number: 083673
Place of Signature: Chennai
Date: May 26, 2016

Annexure referred to in our report of even date

Re: Amex Alloys Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders or government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) is not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of sec 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act , 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP

Firm registration number: 101049W/E300004

Chartered Accountants

per Subramanian Suresh

Partner

Membership No.: 083673

Place: Chennai

Date: May 26, 2016

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF AMEX ALLOYS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Amex Alloys Private Limited

We have audited the internal financial controls over financial reporting of Amex Alloys Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Subramanian Suresh

Partner

Membership Number: 083673

Place of Signature: Chennai

Date: May 26, 2016

Amex Alloys Private Limited
Balance Sheet as at 31 March 2016

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

	Notes	31 March 2016	31 March 2015
Equity and liabilities			
Shareholders' funds			
Share capital	3	10,000,000	22,500,000
Reserves and surplus	4	150,210,830	153,152,387
		160,210,830	175,652,387
Non-current liabilities			
Long-term borrowings	5	20,496,800	56,253,893
Deferred tax liabilities (net)	11	37,693,473	37,693,473
		58,190,273	93,947,366
Current liabilities			
Short-term borrowings	6	387,525,431	217,270,211
Trade payables	8	47,451,407	104,447,624
Other current liabilities	8	145,346,679	131,804,076
Short-term provisions	7	-	2,941,250
		580,323,517	456,463,161
Total		798,724,620	726,062,914
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	449,546,977	435,788,661
Intangible assets	10	966,393	668,047
Long-term loans and advances	12	34,339,165	28,498,115
Other assets	15	80,909,151	-
		565,761,686	464,954,823
Current assets			
Inventories	13	68,944,134	92,406,207
Trade receivables	14	108,891,837	89,611,571
Cash and bank balances	15	3,552,488	16,455,579
Short-term loans and advances	12	51,574,475	62,634,734
		232,962,934	261,108,091
Total		798,724,620	726,062,914
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 Registration number 101049W/E300004
Chartered Accountants

For and on behalf of the board of directors

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

R.Chellappan
Director

V.C.Raghunath
Director

Place: Chennai
Date: 26 May 2016

Place: Chennai
Date: 26 May 2016

Place: Chennai
Date: 26 May 2016

Amex Alloys Private Limited**Statement of profit and loss for the year ended 31 March 2016**

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

	Notes	31 March 2016	31 March 2015
Income			
Revenue from operations (gross)	16	484,465,228	520,155,538
Less: excise duty		19,315,353	22,540,537
Revenue from operations (net)		465,149,875	497,615,001
Other income	17	9,194,977	574,410
Total revenue		474,344,852	498,189,411
Expenses			
Cost of raw material and components consumed	19	211,253,619	244,088,193
Decrease / (Increase) in inventories ,work-in-progress and traded goods	20	12,223,246	(31,318,015)
Employee benefits expense	21	73,056,947	61,558,286
Other expenses	22	125,633,320	154,297,344
Depreciation and amortisation expense	18	26,549,302	23,178,768
Finance costs	23	28,569,974	17,172,129
Total expenses		477,286,408	468,976,705
Profit before tax and before prior period item		(2,941,556)	29,212,706
Tax expense			
Current tax		-	5,566,481
Less: MAT credit entitlement for the year		-	(5,566,481)
Deferred tax		-	9,419,592
Total tax expense		-	9,419,592
(Loss) / Profit for the year		(2,941,556)	19,793,114
Basic and diluted (Loss) / Earnings per equity share [nominal value of share Rs.10/- (31 March 2015: Rs.10/-)]			
	24	(2.94)	16.85
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 LLPICAI Firm Registration number 101049W/E300004
Chartered Accountants**For and on behalf of the board of directors**per Subramanian Suresh
Partner
ICAI Membership no.: 083673R.Chellappan
DirectorV.C.Raghunath
DirectorPlace: Chennai
Date: 26 May 2016Place: Chennai
Date: 26 May 2016Place: Chennai
Date: 26 May 2016

Amex Alloys Private Limited**Cash flow statement for the year ended 31 March 2016**

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

	31 March 2016	31 March 2015
A. Cash flow from operating activities:		
(Loss) / Profit before tax	(2,941,556)	29,212,706
Non-cash adjustments to reconcile (loss) / profit before tax to net cash flows:		
Depreciation/amortisation	26,549,302	23,178,768
Unrealised foreign exchange gain, net	2,718,292	(665,596)
Interest expense	26,845,048	15,110,395
Interest income	(3,692,195)	(372,404)
Operating profit before working capital changes	49,478,891	66,463,869
Movement in working capital:		
(Increase) / Decrease in trade receivables	(21,998,558)	19,524,466
Decrease / (Increase) in loans and advances	11,066,772	(28,314,010)
(Increase) in other assets	(80,909,151)	-
Decrease / (Increase) in inventories	23,462,073	(47,055,007)
(Decrease)/ Increase in trade payables and other current liabilities	(55,541,896)	32,095,571
Cash flow (used in) / generated from operations	(74,441,868)	42,714,889
Taxes paid, net	(5,081,199)	(7,938,406)
Net cash flow (used in) / generated from operating activities (A)	(79,523,067)	34,776,483
B. Cash flow from investing activities:		
Capital expenditure	(48,558,454)	(185,341,622)
Proceeds from Government Grant	-	8,930,957
Interest received	2,925,831	372,404
Net cash used in investing activities (B)	(45,632,623)	(176,038,261)
C. Cash flow from financing activities:		
Proceeds/(Repayment) of short-term borrowings (net)	170,255,220	117,852,425
(Repayment) / Availment of long-term borrowings	(15,794,239)	70,644,963
Redemption of preference share capital	(12,500,000)	(12,500,000)
Interest paid	(26,767,132)	(15,085,844)
Dividend paid	(2,500,000)	(3,750,000)
Dividend tax paid	(441,250)	(637,313)
Net cash flow generated from financing activities (C)	112,252,599	156,524,231
Net (Decrease)/ Increase in cash and cash equivalents (A + B + C)	(12,903,092)	15,262,454
Cash and cash equivalents at the beginning of the year	16,455,579	1,193,125
Closing cash and cash equivalents	3,552,488	16,455,579

Amex Alloys Private Limited

Cash flow statement for the year ended 31 March 2016

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

Notes:

1. Increase in capital expenditure include payments for 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. 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 Registration number 101049W/E300004

Chartered Accountants

For and on behalf of the board of directors

per Subramanian Suresh
Partner
ICAI Membership no.: 083673

R.Chellappan
Director

V.C.Raghunath
Director

Place: Chennai
Date: 26 May 2016

Place: Chennai
Date: 26 May 2016

Place: Chennai
Date: 26 May 2016

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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

1. Nature of operations

Amex Alloys Private Limited ('AAPL or the Company') was incorporated in India as a Private Limited Company under the Companies Act, 1956 on December 26, 2003. The Company is a subsidiary of Swelect Energy System Limited, ('SESL'). The Company is primarily engaged in manufacturing and trading of sale of machine and alloy castings, patterns from its manufacturing Unit located at Coimbatore, Tamil Nadu.

2. Summary of significant accounting policies**(a) Basis of preparation and presentation of financial statements**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

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) which requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. 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 recognised prospectively in the current and future years.

(c) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at cost except freehold land which is stated at fair value, 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. The Company revalued its land at fair value.

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.

Amex Alloys Private Limited

Notes to financial statements for the year ended 31 March 2016

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

(d) Depreciation and amortisation

(i) Depreciation on fixed assets

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at, based on the useful lives estimated by the management.

(ii) Useful lives/ depreciation rates

The company has used the following rates to provide depreciation on its fixed assets.

Building	30 years
Plant and machinery (other than Windmills & Solar Plant)	15 years
Solar Plant	25 years
Office equipment	5 years
Electrical equipment	10 years
Computers	3 years
Furniture and fittings	10 years
Vehicles	8 /10 years

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets.

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

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.

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 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 the 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) Inventories

Raw materials and components are valued at 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 first in first out basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials (including all taxes and duties net of cenvat / VAT credits wherever applicable), labour and a proportion of manufacturing overheads based on normal

Amex Alloys Private Limited

Notes to financial statements for the year ended 31 March 2016

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

operating capacity. Cost of finished goods includes excise duty. 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 Company and the revenue can be reliably measured.

Sale of goods

Revenue from sale of goods is recognised on dispatch of goods when significant risks and rewards of ownership are passed to the buyer. Sales are net of excise duty and sales tax. 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. Duty Entitlement Pass Book (DEPB) recognised on accrual basis.

Income from Sale of Renewable Energy Certificates

The revenue from sale of Renewable Energy Certificates (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.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

(h) 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.

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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

(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 recognises 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 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.

(j) 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 Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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

case may be, that sufficient future taxable income will be available.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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) Operating 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 recognized as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

(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.

(n) Cash and cash equivalents

Cash and Cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand.

(o) 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.

Amex Alloys Private Limited

Notes to financial statements for the year ended 31 March 2016

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

3 Share capital

	31 March 2016	31 March 2015
Authorised shares		
1,000,000 (previous year - 1,000,000) equity shares of Rs.10/- each	10,000,000	10,000,000
375,000 (previous year - 375,000) 10% cumulative redeemable preference shares of Rs.100/- each	37,500,000	37,500,000
Issued, subscribed and fully paid-up shares		
1,000,000 (previous year - 1,000,000) equity shares of Rs. 10/- each	10,000,000	10,000,000
Nil. (previous year - 125,000) 10% cumulative redeemable preference shares of Rs.100/- each	-	12,500,000
Total issued, subscribed and fully paid-up share capital	10,000,000	22,500,000

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

Equity shares

	31 March 2016		31 March 2015	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	1,000,000	10,000,000	1,000,000	10,000,000
Movement during the year	-	-	-	-
Outstanding at the end of the year	1,000,000	10,000,000	1,000,000	10,000,000

Preference shares

	31 March 2016		31 March 2015	
	Number of shares	Rupees	Number of shares	Rupees
At the beginning of the year	125,000	12,500,000	250,000	25,000,000
Movement during the year	(125,000)	(12,500,000)	(125,000)	(12,500,000)
Outstanding at the end of the year	-	-	125,000	12,500,000

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 Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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. Terms/rights of redemption of 10% cumulative redeemable preference shares (CRPS)

During the year ended 31 March 2011, the Company issued 375,000 CRPS of `Rs 100 each fully paid-up share. CRPS carry cumulative dividend @ 10% p.a. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of CRPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to CRPS.

During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to preference shareholders was Rs.Nil/-(31 March 2015: Rs.10/-).

In the event of liquidation of the Company before conversion/ redemption of CRPS, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.

d. Shares held by holding company

	31 March 2016	31 March 2015
Swelect Energy Systems Limited		
1,000,000 (previous year - 1,000,000) equity shares of Rs. 10/- each	10,000,000	10,000,000
Nil (previous year - 125,000) 10% cumulative redeemable preference shares of Rs.100/- each	-	12,500,000

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Notes to financial statements for the year ended 31 March 2016

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

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

	31 March 2016		31 March 2015	
	Number of shares	% holding in the class	Number of shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
Swelect Energy Systems Limited	1,000,000	100%	1,000,000	100%
Cumulative redeemable Preference shares of Rs.100/- each fully paid				
Swelect Energy Systems Limited	-	0.00%	125,000	100%

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

4 Reserves and surplus

	31 March 2016	31 March 2015
Capital redemption reserve		
Balance as per the last financial statements	25,000,000	12,500,000
Movement during the year	12,500,000	12,500,000
Closing balance	37,500,000	25,000,000
Revaluation Reserve		
Balance as per the last financial statements (Also refer note 8)	43,606,500	43,606,500
Movement during the year	-	-
Closing Balance	43,606,500	43,606,500
Surplus in the statement of profit and loss		
Balance as per last financial statements	84,545,887	83,305,080
(Loss) / Profit for the year	(2,941,556)	19,793,114
<u>Less: Appropriations</u>	-	-
Impact of depreciation as per Schedule II of the Companies Act, 2013	-	3,111,057
Dividend on cumulative redeemable preference shares (Amount per share: Rs.Nil/- (31 March 2015: Rs.10/-))	-	2,500,000
Tax on redeemable preference shares dividend	-	441,250
Transfer to capital redemption reserve	12,500,000	12,500,000
Total appropriations	12,500,000	18,552,307
Net surplus in the statement of profit and loss	69,104,330	84,545,887
Total reserves and surplus	150,210,830	153,152,387

5 Long-term borrowings

	31 March 2016	31 March 2015
Term Loan - Secured	55,000,000	70,000,000
Less: amount disclosed under the head 'other current liabilities' (refer note 8)	(35,000,000)	(15,000,000)
Hire Purchase Loan -Secured	1,259,182	2,053,421
Less: amount disclosed under the head 'other current liabilities' (refer note 8)	(762,382)	(799,528)
Total	20,496,800	56,253,893

Term loan of INR 37.5 million from the bank carries interest @ 7.2% p.a. The loan is repayable in six quarterly instalments of INR 6.25 million each, relating to period starting from April 2016. The term loan is secured by first charge on the assets of the Company, movable property of the Company present and future and further secured by charge on the fixed deposits of the Company.

Term loan of INR 17.5 million from the bank carries interest @ 7.2% p.a. The loan is repayable in seven quarterly instalments of INR 2.5 million each, relating to the period starting from April 2016. The term loan is secured by first charge on the assets of the Company, movable property of the Company present and future, and further secured by charge on the fixed deposits of the Company.

Finance lease obligation is secured by hypothecation of vehicles taken on lease. The interest rate implicit in the lease is 7.72% p.a. The gross investment in lease, i.e., lease obligation plus interest, is payable in 60 monthly instalments. Hire purchase loan aggregating to INR 1,259,182 (Previous year INR 2,053,421) represents amount borrowed from Bank for the purpose of vehicle financing.

6 Short-term borrowings	31 March 2016	31 March 2015
Secured borrowings		
Working capital demand loans	49,353,176	47,686,616
Packing Credit Foreign Currency (PCFC)	88,807,571	77,114,706
Buyer's credit	26,483,482	24,168,888
Unsecured borrowings		
Inter Corporate Borrowings	222,881,202	68,300,000
	387,525,431	217,270,211
The above amount includes		
Secured borrowings	164,644,229	148,970,210
Unsecured borrowings	222,881,202	68,300,000

Working capital loans aggregating to Rs. 49,353,176 (Previous year : Rs. 47,686,616) and buyer's credit amounting to Rs. 26,483,482 (Previous year : Rs. 24,168,888) are secured by a charge on the fixed deposits of Swelect Energy Systems Limited and packing credit foreign currency (PCFC) loan amounting to Rs. 88,807,571 (Previous year: Rs. 77,114,706) are secured by a first charge on the entire current assets and movable property of the Company present and future and further secured by a charge on the fixed deposits of Swelect Energy Systems Limited. The working capital loan is repayable on demand. The PCFC loan and buyer's credit is repayable within a period of 6 months from the date of the loan.

7 Provisions

	31 March 2016	31 March 2015
Proposed preference dividend	-	2,500,000
Provision for tax on proposed preference dividend	-	441,250
Total (B)	-	2,941,250
Total (A)+(B)	-	2,941,250

8 Trade payables and other current liabilities

	31 March 2016	31 March 2015
Trade payables (refer note below regarding dues to micro and small enterprises)	47,451,407	104,447,624
Other current liabilities		
Current maturities of long-term borrowings (note 5)	35,762,382	15,799,528
Interest accrued but not due on borrowings	103,467	25,551
Payables for capital purchases	105,656,111	113,608,601
Advance from customers	1,721,629	312,691
Statutory dues payables	2,103,090	2,057,705
	145,346,679	131,804,076
	192,798,086	236,251,700

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.

11 Deferred tax liabilities (net)

	31 March 2016	31 March 2015
Deferred tax liability		
Fixed assets: Impact on difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	39,369,387	40,462,448
Gross deferred tax liability	39,369,387	40,462,448
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	(1,675,914)	(2,768,975)
Gross deferred tax asset	(1,675,914)	(2,768,975)
Deferred tax liabilities (net)	37,693,473	37,693,473

12 Loans and advances

	Non- current	
	31 March 2016	31 March 2015
Capital advances		
Unsecured, considered good	210,000	234,446
(A)	210,000	234,446
Security deposit		
Unsecured, considered good	6,922,833	6,138,536
(B)	6,922,833	6,138,536
Other loans and advances		
Unsecured, considered good:		
Advance income-tax (net of provision for taxation)	8,192,749	3,111,550
MAT credit entitlement	19,013,583	19,013,583
(C)	27,206,332	22,125,133
Total (A+ B + C)	34,339,165	28,498,115

	Current	
	31 March 2016	31 March 2015
Capital advances		
Unsecured, considered good	-	3,798,822
(A)	-	3,798,822
Advances recoverable in cash		
Unsecured, considered good	2,073,949	9,204,561
(B)	2,073,949	9,204,561
Other loans and advances		
Unsecured, considered good:		
Prepaid expenses	1,801,644	2,295,113
Loans to employees	419,233	454,600
Balances with government authorities	47,279,649	46,881,638
(C)	49,500,526	49,631,351
Total (A+ B + C)	51,574,475	62,634,734

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

	31 March 2016	31 March 2015
Raw materials and components	19,926,448	31,165,275
Work-in-progress	45,366,055	40,474,030
Traded goods/ Finished Goods	3,651,631	20,766,902
	68,944,134	92,406,207

14 Trade receivables

		<u>31 March 2016</u>	<u>31 March 2015</u>
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good		5,225,145	2,152,801
	(A)	<u>5,225,145</u>	<u>2,152,801</u>
Other receivables			
Unsecured, considered good		103,666,692	87,458,770
	(B)	<u>103,666,692</u>	<u>87,458,770</u>
Total (A + B)		<u>108,891,837</u>	<u>89,611,571</u>

15 Cash and bank balances

	<u>Non Current</u>		<u>Current</u>	
	<u>31 March 2016</u>	<u>31 March 2015</u>	<u>31 March 2016</u>	<u>31 March 2015</u>
Cash and cash equivalents				
Balances with banks:				
On current accounts	-	-	2,066,926	16,277,878
Cash on hand	-	-	985,562	-
	<u>-</u>	<u>-</u>	<u>3,052,488</u>	<u>16,277,878</u>
Other bank balances				
Deposits with original maturity for more than 12 months (Refer note below)	80,909,151	-	-	-
Margin money	-	-	500,000	177,701
	<u>80,909,151</u>	<u>-</u>	<u>500,000</u>	<u>177,701</u>
	<u>80,909,151</u>	<u>-</u>	<u>3,552,488</u>	<u>16,455,579</u>

Note:

Deposits to the extent of Rs.80,909,151 (Previous year: Nil) have been given as collateral to the bank for availing the term loan for the Company.

Amex Alloys Private Limited

Notes to financial statements for the year ended 31 March 2016

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

9 Tangible assets

Particulars	Freehold land	Buildings	Plant and machinery	Office Equipments	Computers	Furniture and fittings	Vehicles	Total
Cost								
At 1 April 2014	49,206,566	54,140,764	268,834,575	5,451,557	1,639,186	2,853,247	6,628,586	388,754,481
Additions	24,907,787	48,087,627	39,268,032	7,939,869	79,412	187,382	2,118,135	122,588,244
Disposals	-	-	(8,930,957)	-	-	-	-	(8,930,957)
At 31 March 2015	74,114,353	102,228,391	299,171,650	13,391,426	1,718,598	3,040,629	8,746,721	502,411,768
Additions	-	16,617,934	19,391,373	2,188,732	278,800	543,363	940,642	39,960,844
Disposals	-	-	-	-	-	-	-	-
At 31 March 2016	74,114,353	118,846,325	318,563,023	15,580,158	1,997,398	3,583,992	9,687,363	542,372,612
Depreciation								
At 1 April 2014	-	5,731,664	29,859,442	1,142,082	1,019,757	966,711	1,839,211	40,558,867
Charge for the year	-	1,939,567	17,726,120	1,453,656	424,117	359,593	1,050,130	22,953,183
Disposals	-	-	-	-	-	-	-	-
Adjustment to opening reserves	-	-	3,111,057	-	-	-	-	3,111,057
At 31 March 2015	-	7,671,231	50,696,619	2,595,738	1,443,874	1,326,304	2,889,341	66,623,107
Charge for the year	-	3,639,774	18,866,635	1,630,314	200,985	882,043	982,777	26,202,528
Disposals	-	-	-	-	-	-	-	-
At 31 March 2016	-	11,311,005	69,563,254	4,226,052	1,644,859	2,208,347	3,872,118	92,825,635
Net Block								
At 31 March 2016	74,114,353	107,535,320	248,999,769	11,354,106	352,539	1,375,645	5,815,245	449,546,977
At 31 March 2015	74,114,353	94,557,160	248,475,031	10,795,688	274,724	1,714,325	5,857,380	435,788,661

The Company had revalued its land on 19 September 2008, at fair values determined by an independent external valuer. The valuer determined the fair value by reference to market based evidence. The historical cost of free hold land, fair valued by the Company was Rs.318,000 and the fair value were Rs. 43,875,000. Such revaluations resulted in an increase in the value of freehold land by Rs.43,606,500. In accordance with the Guidance Note, the Company had credited the revaluation of land aggregating to Rs.43,606,500 to revaluation reserve.

10 Intangible assets

Particulars	Software	Total
Gross block		
At 1 April 2014	1,771,960	1,771,960
Additions	-	-
At 31 March 2015	1,771,960	1,771,960
Additions	645,120	645,120
At 31 March 2016	2,417,080	2,417,080
Amortisation		
At 1 April 2014	878,327	878,327
Charge for the year	225,586	225,586
At 31 March 2015	1,103,913	1,103,913
Charge for the year	346,774	346,774
At 31 March 2016	1,450,687	1,450,687
Net block		
At 31 March 2016	966,393	966,393
At 31 March 2015	668,047	668,047

Amex Alloys Private Limited
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

16 Revenue from operations (net)

	<u>31 March 2016</u>	<u>31 March 2015</u>
Revenue from operations		
Sale of products		
Manufactured goods	466,993,278	491,758,968
Other operating revenue		
Scrap sales	4,223,524	3,435,337
Other	13,248,426	24,961,233
Revenue from operations (gross)	484,465,228	520,155,538
Less: Excise duty	19,315,353	22,540,537
Revenue from operations (net)	465,149,875	497,615,001

Details of products sold

Manufactured goods sold		
Machined Castings	261,065,523	294,668,442
Rough Castings	160,296,662	154,211,843
Patterns	22,273,333	20,338,146
Others	23,357,760	22,540,537
	466,993,278	491,758,968

17 Other income

Interest income	3,692,195	372,404
Other non-operating income	5,502,782	202,006
	9,194,977	574,410

18 Depreciation and amortisation expense

Depreciation of tangible assets	26,202,528	22,953,182
Amortisation of intangible assets	346,774	225,586
	26,549,302	23,178,768

19 Cost of raw material and components consumed

	31 March 2016	31 March 2015
Inventories at the beginning of the year	31,165,275	15,428,283
Add: Purchases	200,014,792	259,825,185
	<u>231,180,067</u>	<u>275,253,468</u>
Less: inventories at the end of the year	19,926,448	31,165,275
Cost of raw material and components consumed	<u>211,253,619</u>	<u>244,088,193</u>

Details of raw materials and components consumed

Stainless steel scrap	51,769,221	73,302,397
M.S.scrap	24,531,218	42,646,008
Silica sand	31,350,915	28,961,761
Patterns	9,126,690	10,066,835
Sleeves	10,094,518	11,813,660
Others	84,381,057	77,297,532
	<u>211,253,619</u>	<u>244,088,193</u>

Details of inventories at the end of the year

Stainless steel scrap	949,543	7,437,606
M.S.scrap	233,509	304,909
Silica sand	926,461	3,857,780
Patterns	812,365	413,230
Sleeves	17,004,570	19,151,750
Others	<u>19,926,448</u>	<u>31,165,275</u>

20 Decrease /(Increase) in inventories**Inventories at the end of the year**

Traded goods		
Finished Goods	3,651,631	20,766,902
Work-in-progress	45,366,055	40,474,030
	<u>49,017,686</u>	<u>61,240,932</u>

Inventories at the beginning of the year

Traded goods		
Finished Goods	20,766,902	
Work-in-progress	40,474,030	29,922,917
	<u>61,240,932</u>	<u>29,922,917</u>
	<u>12,223,246</u>	<u>(31,318,015)</u>

Details of inventories at the end of the year

Semi-manufactured castings	3,651,631	40,474,030
Manufactured castings	45,366,055	20,766,902
	<u>49,017,686</u>	<u>61,240,932</u>

21 Employee benefits expense

Salaries, wages and bonus	62,901,685	53,327,823
Contribution to provident and other funds	4,590,859	3,056,832
Gratuity expense (also refer note 25)	1,116,034	810,798
Staff welfare expenses	4,448,369	4,362,833
	<u>73,056,947</u>	<u>61,558,286</u>

	<u>31 March 2016</u>	<u>31 March 2015</u>
22 Other expenses		
Sub-contracting and processing expenses	44,892,208	62,229,428
Power and fuel	30,710,871	39,601,534
Freight and forwarding charges	4,625,102	4,794,015
Rent	13,782,482	8,513,465
Rates and taxes	2,318,333	2,167,708
Insurance	699,112	671,778
Repairs and maintenance		
- Plant & Machinery	6,079,311	7,419,966
- Buildings	1,538,503	1,784,975
- Others	428,435	365,013
Sales promotion	4,142,346	294,457
Travelling and conveyance	3,450,825	5,699,614
Communication costs	589,653	426,340
Printing and stationery	727,755	755,753
Exchange Differences (Net)	7,959,899	16,902,566
Legal and professional fees	1,891,296	1,530,876
Payment to auditor (Refer details below)	343,500	337,080
Miscellaneous expenses	1,453,690	802,776
	<u>125,633,320</u>	<u>154,297,344</u>
Payment to auditor		
As auditor:		
Audit fee	250,000	300,000
Internal financial control reporting	50,000	-
Reimbursement of expenses	43,500	37,080
	<u>343,500</u>	<u>337,080</u>
23 Finance costs		
Interest	26,845,048	15,110,395
Bank and Other charges	1,724,925	2,061,734
	<u>28,569,974</u>	<u>17,172,129</u>
24 (Loss)/ Earnings price per share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS computations:		
(Loss) / Profit after tax as per statement of Profit and Loss	(2,941,556)	19,793,114
Less: Dividend on redeemable preference shares and tax thereon	-	(2,941,250)
Net (Loss) / profit attributable to the equity share holders	<u>(2,941,556)</u>	<u>16,851,864</u>
	<u>Number of shares</u>	<u>Number of shares</u>
Weighted average number of equity shares - (B)	1,000,000	1,000,000
Basic and diluted (loss) / earnings per share- (A /B)	(2.94)	16.85

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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25 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 account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit income

Particulars	31 March 2016	31 March 2015
Current service cost	963,323	693,150
Interest cost on benefit obligations	270,435	188,558
Expected return on plan assets	(413,960)	(284,629)
Net actuarial loss recognised in the year	204,850	213,719
Net benefit expenses	1,024,648	810,798

Details of provision for gratuity

Particulars	31 March 2016	31 March 2015
Present value of obligations at the end of the year	4,694,462	3,380,441
Less: Fair value of plan assets at the end of the year	(6,003,152)	(4,625,497)
Plan asset	(1,308,690)	(1,245,056)

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

Particulars	31 March 2016	31 March 2015
Present value of obligations at the beginning of the year	3,380,441	2,356,979
Interest cost	270,435	188,558
Current service cost	963,323	693,150
Benefits paid	(124,587)	(71,965)
Actuarial loss on obligations	204,850	213,719
Present value of obligations at the end of the year	4,694,462	3,380,441

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

Particulars	31 March 2016	31 March 2015
Fair value of planned assets at the beginning of the year	4,625,497	3,111,025
Expected return on plan assets	413,960	284,629
Contributions	1,088,282	1,301,808
Benefits paid	(124,587)	(71,965)
Fair value of plan assets at the end of the year	6,003,152	4,625,497

Particulars

	31 March 2016	31 March 2015
Defined benefit obligations	4,694,462	3,380,441
Plan assets	6,003,152	4,625,497
Surplus	(1,308,690)	(1,245,056)
Experience adjustments on plan assets	204,850	213,719

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

Year ended	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligations	4,694,462	3,380,441	2,356,979	1,979,417	1,010,243
Plan assets	6,003,152	4,625,497	3,111,025	2,694,673	1,124,696
Surplus	(1,308,690)	(1,245,056)	(754,046)	(715,256)	(114,453)
Experience adjustments on plan assets	204,850	213,719	182,666	711,702	-

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

Particulars	31 March 2016	31 March 2015
Discount rate	8.0%	8.0%
Expected rate of return on plan asset	7.8%	9.15%
Salary escalation rate	6.5%	6.5%

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

Amex Alloys Private Limited
Notes to financial statements for the year ended 31 March 2016
(All amounts are in Indian Rupees, unless otherwise stated)

26 Related party transactions

Names of related parties

Holding company	Swelect Energy Systems Limited
Fellow Subsidiaries	Amex Irons Private Limited Swelect Green Energy Solutions Private Limited
Key Management Personnel	Mr. R. Chellappan - Director Mr. V.C.Raghunath - Director

Particulars	Holding company		Fellow subsidiaries		Key Mngement Personnel		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Sale of raw material	-	-	-	64,500	-	-	-	64,500
-- Amex Irons Private Limited	-	-	-	64,500	-	-	-	64,500
Labour Charges - Machining	-	-	117,750	70,860	-	-	117,750	70,860
-- Amex Irons Private Limited	-	-	117,750	70,860	-	-	117,750	70,860
Sale of Scrap Material	-	-	125,924	-	-	-	125,924	-
-- Amex Irons Private Limited	-	-	125,924	-	-	-	125,924	-
Purchase of raw materials and components	16,930	-	15,698	124,827	-	-	32,628	124,827
-- Amex Irons Private Limited	-	-	15,698	124,827	-	-	15,698	124,827
-- Swelect Energy Systems Limited	16,930	-	-	-	-	-	16,930	-
Purchase of fixed assets	356,665	176,400	-	-	-	-	356,665	176,400
-- Swelect Energy Systems Limited	356,665	176,400	-	-	-	-	356,665	176,400
Sale of capital goods	-	-	373,936	-	-	-	373,936	-
-- Amex Irons Private Limited	-	-	373,936	-	-	-	373,936	-
Dividend on cumulative redeemable preference shares	-	3,750,000	-	-	-	-	-	3,750,000
-- Swelect Energy Systems Limited	-	3,750,000	-	-	-	-	-	3,750,000
Purchase of solar power	3,936,971	-	-	-	-	-	3,936,971	-
-- Swelect Energy Systems Limited	3,936,971	-	-	-	-	-	3,936,971	-
Reimbursement of expenses (recovery)	1,303,746	-	-	-	-	-	1,303,746	-
-- Swelect Energy Systems Limited	1,303,746	-	-	-	-	-	1,303,746	-
Machinery lease rent	13,228,078	7,817,708	-	-	-	-	13,228,078	7,817,708
-- Swelect Energy Systems Limited	13,228,078	7,817,708	-	-	-	-	13,228,078	7,817,708
Interest on unsecured Loan	14,459,881	6,837,000	-	-	-	-	14,459,881	6,837,000
-- Swelect Energy Systems Limited	14,459,881	6,837,000	-	-	-	-	14,459,881	6,837,000
Land lease rent	-	-	94,100	97,011	-	-	94,100	97,011
-- Swelect Energy Systems Limited	-	-	94,100	97,011	-	-	94,100	97,011
Facility Management Fees	-	-	744,000	744,000	-	-	744,000	744,000
-- Swelect Green Energy Solutions Private Limited	-	-	744,000	744,000	-	-	744,000	744,000
Loan borrowed	232,219,867	35,781,323	-	-	-	-	105,560,439	35,781,323
-- Swelect Energy Systems Limited	232,219,867	35,781,323	-	-	-	-	105,560,439	35,781,323
Loan refunded	105,560,439	30,476,964	-	-	-	-	105,560,439	30,476,964
-- Swelect Energy Systems Limited	105,560,439	30,476,964	-	-	-	-	105,560,439	30,476,964
Redemption of Cumulative Convertible Preference Shares	12,500,000	12,500,000	-	-	-	-	12,500,000	12,500,000
-- Swelect Energy Systems Limited	12,500,000	12,500,000	-	-	-	-	12,500,000	12,500,000
Balance outstanding at the year end:								
Amounts payable to related parties								
Unsecured loan	222,881,203	96,221,773	-	-	-	-	222,881,203	96,221,773
-- Swelect Energy Systems Limited	222,881,203	96,221,773	-	-	-	-	222,881,203	96,221,773
Payable for capital purchase	104,543,195	104,568,372	-	-	-	-	104,543,195	104,568,372
-- Swelect Energy Systems Limited	104,543,195	104,568,372	-	-	-	-	104,543,195	104,568,372
Trade payable	-	-	-	877,112	-	-	-	877,112
-- Swelect Green Energy Solutions Private Limited	-	-	-	877,112	-	-	-	877,112
Trade receivable	-	-	451,446	16,646	-	-	451,446	16,646
-- Amex Irons Private Limited	-	-	451,446	16,646	-	-	451,446	16,646

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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

27 Segment information**A. Primary segment information (By Business segments)**

The Company's operations predominantly relate to manufacturing of products from its foundry and accordingly, this is the only primary reportable segment.

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 31 March 2016 and for the year ended 31 March 2015. All tangible and intangible assets are located in India.

Particulars	Geographical segment			
	31 March 2016		31 March 2015	
	Outside India	India	Outside India	India
Revenues	416,320,977	48,828,898	409,506,127	88,108,874
Additions to tangible and intangible assets	-	40,605,964	-	122,588,244
Segment assets	100,496,424	698,228,196	83,615,736	642,447,178

28 Lease commitments**A. Operating Lease**

Lease payments for the year 13,782,482 8,513,465

Future minimum rentals payable under operating leases are as follows:

B. Finance Lease

Present value of minimum lease payments

Within one year

762,382 799,528

After one year but not more than five years

496,800 1,253,893

1,259,182 2,053,421

29 Expenditure in foreign currency (on accrual basis)

Travelling expenses

689,611 2,742,294

689,611 2,742,294

30 Earnings in foreign exchange (on accrual basis)

Exports at F.O.B. value

416,320,977 409,506,127

416,320,977 409,506,127

Particulars	Foreign Currency	31 March 2016		31 March 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	154,328	10,237,018	482,456	30,196,923
	EUR	1,201,928	90,259,405	1,115,312	75,294,726
Secured Loan	USD	252,000	16,715,891	378,840	23,711,596
	EUR	960,000	72,091,680	791,040	53,403,110
Buyer's credit availed from banks	USD	351,354	23,306,340	389,939	24,168,888
	EUR	42,308	3,177,140	-	-

Amex Alloys Private Limited**Notes to financial statements for the year ended 31 March 2016**

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

31 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 2016		31 March 2015	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Trade receivables	USD	154,328	10,237,018	411,477	25,754,330
	EUR	1,201,928	90,259,405	857,079	57,861,407
Secured loan	USD	252,000	16,715,891	378,840	23,711,596
	EUR	960,000	72,091,680	791,040	53,403,110
Buyer's credit availed from banks	USD	351,354	23,306,340	386,146	24,168,888
	EUR	42,308	3,177,140	-	-

32 Value of imports calculated on CIF basis

	31 March 2016	31 March 2015
Raw materials & consumables	12,109,932	30,544,313
	12,109,932	30,544,313

33 Imported and indigenous raw materials

	% of total consumption		Value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Imported	8	11	16,296,006	26,994,052
Indigenous	92	89	194,957,613	217,094,142
	100	100	211,253,619	244,088,193

34 The Board of directors Scheme of Amalgamation between Amex Irons Private Limited and Amex Alloys Private Limited, subsidiaries of the Company. This scheme enables merger of the subsidiaries with effect from April 1, 2015 and has been approved by the respective shareholders' of both the companies and the creditors of the Company and is yet to be approved by the Hon'ble High Court of Madras.

35 Previous year figures have been regrouped wherever necessary to conform to current year's classification.

For S.R Batliboi & Associates LLPICAI Firm Registration number 101049W/E300004
Chartered Accountants**For and on behalf of the board of directors**per Subramanian Suresh
Partner
ICAI Membership no.: 083673R.Chellappan
Director
V.C.Raghunath
DirectorPlace: Chennai
Date: 26 May 2016Place: Chennai
Date: 26 May 2016
Place: Chennai
Date: 26 May 2016