

INDEPENDENT AUDITOR'S REPORT

To the Members of Amex Irons Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Amex Irons 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There 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 Irons Private Limited

- (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) (a) 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 Section 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.

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise	Wrong availment of cenvat credit	2,476,542	FY 2012 -2014	Joint / Additional commissioner , Excise

- (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

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

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 IRONS 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 Irons Private Limited

We have audited the internal financial controls over financial reporting of Amex Irons 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 Irons 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	55,000,000	55,000,000
Reserves and surplus	4	(57,494,009)	(52,248,400)
		(2,494,009)	2,751,600
Non-current liabilities			
Deferred tax liabilities (net)	9	-	-
Long-term provisions	6	1,493,803	1,489,665
		1,493,803	1,489,665
Current liabilities			
Short-term borrowings	5	223,063,594	204,643,510
Trade payables	7	50,587,227	35,309,070
Other current liabilities	8	2,143,232	1,784,465
Shot-term provisions	6	-	95,171
		275,794,053	241,832,215
Total		274,793,847	246,073,481
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	86,164,049	87,110,823
Capital work-in-progress		1,194,559	576,031
Long-term loans and advances	11	4,813,574	8,148,531
		92,172,182	95,835,385
Current assets			
Inventories	12	22,706,109	17,882,254
Trade receivables	13	90,724,952	68,035,609
Cash and bank balances	14	64,706,961	59,912,830
Short-term loans and advances	11	2,425,095	1,979,650
Other current assets	15	2,058,548	2,427,753
		182,621,665	150,238,096
Total		274,793,847	246,073,481

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per 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: 083673R.Chellappan
DirectorV.C.Raghunath
DirectorPlace : Chennai
Date : 26 May 2016Place : Chennai
Date : 26 May 2016Place : Chennai
Date : 26 May 2016

Amex Irons 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	291,911,779	267,329,848
Less: excise duty		32,148,861	29,155,227
Revenue from operations (net)		259,762,918	238,174,621
Other income	17	5,460,184	3,017,688
Total revenue		265,223,102	241,192,309
Expenses			
Cost of raw material and components consumed	19	129,443,056	137,506,524
Purchase of traded goods		1,880,360	1,238,805
(Increase)/ decrease in inventories	20	(4,864,378)	(3,247,533)
Employee benefits expense	21	16,349,449	16,141,092
Other expenses	22	97,436,346	91,106,972
Depreciation expense	18	11,539,289	13,664,707
Finance costs	23	18,684,588	15,297,986
Total expenses		270,468,710	271,708,553
Loss before tax		(5,245,608)	(30,516,244)
Tax expense			
Less: Current tax		-	-
Less: Deferred tax		-	-
Total tax expense		-	-
Net Loss for the year		(5,245,608)	(30,516,244)
(Loss) per equity share [nominal value of share Rs.10/- (31 March 2015: Rs.10/-)]			
Basic and diluted Loss per share	24	(0.95)	(6.78)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per report of even date

For S.R. Batliboi & Associates LLP

For and on behalf of the board of Directors

ICAI Firm Registration number 101049W/E300004

Chartered Accountants

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 Irons 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 before tax	(5,245,608)	(30,516,244)
Non- cash adjustments to reconcile loss before tax to net cash flows:		
Depreciation	11,539,289	13,664,707
Unrealised foreign exchange loss/(gain), net	-	(48,479)
Provision for doubtful debt	1,253,228	-
Bad debts written off	483,637	16,738
Interest expense	18,608,953	15,230,506
Provision for doubtful advance	-	2,504,096
Interest income	(4,736,423)	(2,882,833)
Operating profit / (loss) before working capital changes	21,903,076	(2,031,509)
Movement in working capital:		
Increase in trade receivables	(24,426,208)	(8,608,105)
Decrease /(Increase) in loans and advances	2,889,512	(2,678,714)
Increase in inventories	(4,823,855)	(4,174,953)
Increase /(Decrease) in trade payables and other current liabilities	15,055,622	(11,917,758)
(Decrease) / Increase in provisions	(91,033)	790,094
Cash flow generated from / (used in) operations	10,507,114	(28,620,946)
Taxes paid, net	-	-
Net cash flow generated from /(used in) operating activities (A)	10,507,114	(28,620,946)
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(10,629,742)	(2,260,543)
Interest received	5,105,627	458,680
Amount invested in fixed deposits	(4,858,420)	(59,835,420)
Net cash used in investing activities (B)	(10,382,535)	(61,637,283)
C. Cash flow from financing activities:		
Proceeds from inter corporate borrowing	17,672,515	74,821,900
Proceeds from Issue of share capital	-	10,000,000
Proceeds/Repayment of working capital loan (net)	747,570	20,739,413
Interest paid	(18,608,953)	(15,230,506)
Net cash flow (used in) /generated from financing activities (C)	(188,868)	90,330,806
Net (Decrease)/ Increase in cash and cash equivalents (A + B + C)	(64,289)	72,577
Cash and cash equivalents at the beginning of the year	77,410	4,833
Closing cash and cash equivalents	13,120	77,410

Amex Irons 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 items in capital work-in-progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
2. The accompanying notes are an integral part of this statement.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm's registration number: 101049W/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 Irons Private Limited
Notes to financial statements for the year ended 31 March 2016

1. Nature of operations

Amex Irons Private Limited ('AIPL 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 sale of iron castings 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 fixed assets

Tangible fixed assets are stated at cost except freehold land which is stated at fair value, less accumulated depreciation 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.

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.

(d) 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.

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

(i) Useful lives/ depreciation rates

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

Building	30 years
Plant and machinery	15 years
Office equipment	5 years
Electrical equipment	10 years
Computers	3 years
Furniture and fittings	10 years
Vehicles	8 years / 10 years

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 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 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 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

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

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.

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.

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

(k) Earnings per share

Basic earnings per share are calculated by dividing the net loss for the year attributable to equity shareholders 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 recognised as an expense in the Statement of profit and loss on a straight-line basis over the lease term.

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

(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.

(o) Segment information

The Company is engaged in the business of manufacture and sale of Iron casting, thus it operates in a single primary segment. Further, the Company markets its products primarily on the domestic markets. Hence, there are no reportable geographical segments.

(p) Cash and cash equivalents

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

(q) 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 Irons 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

	<u>31 March 2016</u>	<u>31 March 2015</u>
Authorised shares		
55,000,000 (previous year - 5,500,000) equity shares of Rs.10/- each	55,000,000	55,000,000
Issued, subscribed and fully paid-up shares		
55,000,000 (previous year - 5,500,000) equity shares of Rs.10/- each	55,000,000	55,000,000
Total issued, subscribed and fully paid-up share capital	55,000,000	55,000,000

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

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	<u>Number of shares</u>	<u>Rupees</u>	<u>Number of shares</u>	<u>Rupees</u>
At the beginning of the year	5,500,000	55,000,000	4,500,000	45,000,000
Movement during the year	-	-	1,000,000	10,000,000
Outstanding at the end of the year	5,500,000	55,000,000	5,500,000	55,000,000

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. Shares held by holding company

	<u>31 March 2016</u>	<u>31 March 2015</u>
Swelect Energy Systems Limited		
55,000,000 (previous year: 55,000,000) equity shares of Rs.10/- each fully paid	5,500,000	5,500,000

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

	<u>31 March 2016</u>		<u>31 March 2015</u>	
	<u>Number of shares</u>	<u>% holding in the class</u>	<u>Number of shares</u>	<u>% holding in the class</u>
Equity shares of Rs.10/- each fully paid				
Swelect Energy Systems Limited	5,500,000	100%	5,500,000	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.

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

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

4 Reserves and surplus

	31 March 2016	31 March 2015
Capital subsidy		
Balance as per the last financial statements	1,500,000	1,500,000
Movement during the year	-	-
Closing Balance	1,500,000	1,500,000
Deficit in the statement of profit and loss		
Balance as per last financial statements	(53,748,400)	(23,232,156)
Loss for the year	(5,245,608)	(30,516,244)
Net deficit in the statement of profit and loss	(58,994,009)	(53,748,400)
Total reserves and surplus	(57,494,009)	(52,248,400)

5 Short-term borrowings

	31 March 2016	31 March 2015
Secured borrowings		
Working capital demand loans	52,056,500	51,308,930
Unsecured borrowings		
Inter corporate borrowings	171,007,095	153,334,580
	223,063,594	204,643,510

Working capital demand loan aggregating to Rs.52,056,500 (previous year : Rs. 51,308,930) are secured by the pledge of fixed deposits amounting to Rs.64,693,840 . These loans are repayable on demand.

Inter corporate borrowings represents amount borrowed from Swelect Energy Systems Limited and are repayable on demand.

6 Provisions

	Long term		Short-term	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Provision for employee benefits				
Provision for gratuity (note 25)	1,493,803	1,489,665	-	95,171
Total	1,493,803	1,489,665	-	95,171

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

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

7 Trade payables

	<u>31 March 2016</u>	<u>31 March 2015</u>
Trade payables (Refer note below for dues from Micro Small and Medium Enterprises)		
Payable to others	50,587,227	35,309,070
	<u>50,587,227</u>	<u>35,309,070</u>

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.

8 Other current liabilities

Payables for capital purchases	1,106,224	524,924
Advance from customers	(795,538)	151,454
Statutory dues payables	1,832,546	1,108,087
	<u>2,143,232</u>	<u>1,784,465</u>

9 Deferred tax liabilities (net)

Deferred tax liability		
Fixed assets: Impact on difference between tax depreciation and depreciation charged for the financial reporting	3,918,920	4,270,061
Gross deferred tax liability	<u>3,918,920</u>	<u>4,270,061</u>
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	(408,276)	(514,279)
Carry forward depreciation and losses	(3,510,645)	(3,755,782)
Gross deferred tax asset	<u>(3,918,920)</u>	<u>(4,270,061)</u>
Deferred tax liabilities (net)	<u>-</u>	<u>-</u>

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

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

10 Tangible assets

Particulars	Freehold land	Buildings	Plant and machinery	Office & Electrical Equipments	Computers	Furniture and fittings	Vehicles	Total
Cost								
At 1 April 2014	2,577,315	42,024,892	59,358,412	20,496,925	592,887	649,996	3,086,769	128,787,196
Additions	-	577,358	13,454,128	108,049	75,711	68,513	-	14,283,759
Disposals /Adjustments	-	-	-	(13,200,538)	-	-	-	(13,200,538)
At 31 March 2015	2,577,315	42,602,250	72,812,540	7,404,436	668,598	718,509	3,086,769	129,870,417
Additions	-	1,328,801	4,041,936	4,451,160	581,814	188,803	-	10,592,514
Disposals	-	-	-	-	-	-	-	-
At 31 March 2016	2,577,315	43,931,051	76,854,476	11,855,596	1,250,412	907,312	3,086,769	140,462,931
Depreciation								
At 1 April 2014	-	2,872,815	21,973,881	3,638,837	242,925	102,550	1,390,094	30,221,102
Charge for the year	-	1,431,195	8,090,326	3,294,532	265,282	80,478	502,894	13,664,707
Disposals/Adjstment	-	-	-	(1,126,215)	-	-	-	(1,126,215)
At 31 March 2015	-	4,304,010	30,064,208	5,807,154	508,207	183,028	1,892,988	42,759,594
Charge for the year	-	1,471,606	8,060,389	1,199,936	224,601	91,814	490,944	11,539,289
Disposals	-	-	-	-	-	-	-	-
At 31 March 2016	-	5,775,616	38,124,596	7,007,090	732,807	274,842	2,383,932	54,298,882
Net block								
At 31 March 2016	2,577,315	38,155,435	38,729,879	4,848,506	517,605	632,470	702,837	86,164,049
At 31 March 2015	2,577,315	38,298,240	42,748,332	1,597,282	160,391	535,481	1,193,781	87,110,823

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

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

11 Loans and advances

	Non-Current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Capital advances				
Unsecured, considered good	519,108	506,788	-	-
(A)	519,108	506,788	-	-
Security deposit				
Unsecured, considered good	3,927,396	6,356,201	-	-
(B)	3,927,396	6,356,201	-	-
Advances recoverable in cash				
Unsecured, considered good	-	-	59,089	169,643
(C)	-	-	59,089	169,643
Other loans and advances				
Unsecured, considered good:				
Advance income-tax (Net of provision for tax)	367,070	1,285,542	-	-
MAT Credit	2,504,096	2,504,096	-	-
Prepaid expenses	-	-	331,469	546,335
Loans to employees	-	-	489,283	440,577
Balances with government authorities	-	-	1,545,254	823,095
Less: Provision for doubtful advances	(2,504,096)	(2,504,096)	-	-
(D)	367,070	1,285,542	2,366,006	1,810,007
Total (A+ B + C + D)	4,813,574	8,148,531	2,425,095	1,979,650

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

	31 March 2016	31 March 2015
Raw materials and components	7,690,646	7,731,169
Work-in-progress	5,324,867	2,413,346
Finished goods	9,690,596	7,737,739
	22,706,109	17,882,254

13 Trade receivables
Outstanding for a period exceeding six months from the date they are due for payment

	Current	
	31 March 2016	31 March 2015
Unsecured, considered good	2,438,335	3,004,828
Unsecured, considered doubtful	3,798,497	2,545,270
	6,236,833	5,550,098

Other receivables

Unsecured, considered good	88,286,617	65,030,780
Less: Provision for doubtful debt	(3,798,497)	(2,545,270)
	84,488,119	62,485,511
Total (A + B)	90,724,952	68,035,609

14 Cash and bank balances
Cash and cash equivalents

Cash on hand	13,121	77,410
	13,121	77,410

Other bank balances

Deposits with original maturity for a period more than 3 months and less than 12 months	64,693,840	59,835,420
	64,693,840	59,835,420
	64,706,961	59,912,830

Deposits to the extent of Rs.66,693,840 (Previous year: 59,835,420) has been given as collateral to the bank for availing the working capital loan for the Company.

15 Other current assets

Interest accrued and due on deposits	2,058,548	2,427,753
	2,058,548	2,427,753

Amex Irons 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)

	31 March 2016	31 March 2015
Revenue from operations		
Sale of products		
Manufactured goods	288,483,600	263,841,334
Traded goods	2,369,392	2,654,213
Other operating revenue		
Scrap sales	906,258	737,388
Other	152,529	96,914
Revenue from operations (gross)	291,911,779	267,329,848
Less: Excise duty	32,148,861	29,155,227
Revenue from operations (net)	259,762,918	238,174,621

Details of products sold

Machined Castings	39,269,512	37,773,053
Rough Castings	249,366,617	226,166,395
Others	906,258	736,187
	289,542,387	264,675,635

Traded goods

Patterns	2,369,392	2,654,213
	2,369,392	2,654,213

17 Other income

Interest income	4,736,423	2,882,833
Foreign exchange gains, net	202,965	-
Other non-operating income	520,796	134,855
	5,460,184	3,017,688

18 Depreciation expense

Depreciation of tangible assets	11,539,289	13,664,707
	11,539,289	13,664,707

19 Cost of raw material and components consumed

	31 March 2016	31 March 2015
Inventories at the beginning of the year	7,731,169	6,803,749
Add: Purchases	129,402,533	138,433,944
	137,133,702	145,237,693
Less: inventories at the end of the year	7,690,646	7,731,169
Cost of raw material and components consumed	129,443,056	137,506,524

Details of raw material and components consumed

MS scrap	9,461,457	11,450,424
HMS scrap	69,330,437	89,000,353
Sand	5,903,075	3,652,953
Consumables	43,247,484	15,371,576
Others	1,500,603	18,031,218
	129,443,056	137,506,524

Raw materials and components at the end of the year

MS scrap	85,050	202,990
HMS scrap	3,300,160	4,454,505
Sand	86,120	497,150
Consumables	4,134,626	657,672
Others	84,690	1,918,852
	7,690,646	7,731,169

20 (Increase)/decrease in inventories

	31 March 2016	31 March 2015
--	----------------------	----------------------

Inventories at the end of the year

Finished goods	9,690,596	7,737,739
Work-in-progress	5,324,867	2,413,346
	15,015,463	10,151,085

Inventories at the beginning of the year

Finished goods	7,737,739	4,938,398
Work-in-progress	2,413,346	1,965,154
	10,151,085	6,903,552
	(4,864,378)	(3,247,533)

Details of purchase of traded goods

Patterns	1,880,360	1,238,805
	1,880,360	1,238,805

Details of inventories at the end of the year

Work-in-progress

Semi- manufactured goods:

S.G. Iron castings	137,342	249,015
Grey Iron castings	5,187,525	2,164,331
	5,324,867	2,413,346

Finished goods

Manufactured goods:

S.G. Iron castings	3,744,325	2,468,536
Grey Iron castings	5,332,527	5,269,203
Others	613,744	-
	9,690,596	7,737,739

21 Employee benefits expense

Salaries, wages and bonus	13,521,512	12,757,210
Contribution to provident and other funds	1,527,191	1,373,879
Gratuity expense (also refer note 25)	4,940	790,094
Staff welfare expenses	1,295,806	1,219,909
	16,349,449	16,141,092

22 Other expenses

Sub-contracting and processing expenses	34,192,258	29,049,524
Power and fuel	44,571,979	42,059,230
Freight and forwarding charges	1,742,044	2,053,842
Rent	3,830,736	3,830,736
Rates and taxes	781,484	1,554,039
Insurance	271,213	302,253
Repairs and maintenance		
- Plant & Machinery	4,380,772	5,055,498
- Buildings	11,280	11,917
- Others	917,181	748,908
Travelling and conveyance	554,009	618,327
Communication costs	351,363	261,810
Printing and stationery	192,266	183,946
Sales promotion expense	1,508,181	69,826
Legal and professional fees	1,549,186	1,460,779
Payment to auditor (Refer details below)	279,508	255,610
Foreign exchange loss (net)	34,173	508,098
Bad debts written off	483,637	16,738
Provision for doubtful debt	1,253,228	2,504,096
Miscellaneous expenses	531,848	561,795
	97,436,346	91,106,972

Payment to auditor

As auditor:

Audit fee	200,000	250,000
Internal financial control reporting	50,000	-
Reimbursement of expenses	79,508	5,610
	329,508	255,610

31 March 2016

31 March 2015

23 Finance costs

Interest	18,608,953	15,230,506
Bank and Other charges	75,635	67,480
	18,684,588	15,297,986

24 (Loss) per equity share

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March 2016	31 March 2015
(Loss) after tax as per statement of profit and loss - (A)	(5,245,608)	(30,516,244)
	Number of shares	Number of shares
Weighted average number of equity shares - (B)	5,500,000	4,502,740
Basic and diluted (Loss) per share - (A/B)	(0.95)	(6.78)

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

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

25 Employee benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of continuously service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service and the scheme is not funded.

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

Net employee benefit income

Particulars	31 March 2016	31 March 2015
Current service cost	460,015	254,281
Interest cost on benefit obligations	119,874	72,322
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognised in the year	(574,949)	463,491
Net benefit expenses	4,940	790,094

Details of provision for gratuity

Particulars	31 March 2016	31 March 2015
Present value of obligations at the end of the year	1,493,803	1,584,836
Less: Fair value of plan assets at the end of the year	-	-
Plan liability	1,493,803	1,584,836

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	1,584,836	794,742
Interest cost	119,874	72,322
Current service cost	460,015	254,281
Benefits paid	(95,973)	-
Actuarial loss on obligations	(574,949)	463,491
Present value of obligations at the end of the year	1,493,803	1,584,836

Particulars	31 March 2016	31 March 2015
Defined benefit obligations	1,493,803	1,584,836
Plan assets	-	-
Deficit	1,493,803	1,584,836
Experience adjustments on plan liabilities	(574,949)	463,491

Amount for the current and previous years are as follows:

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
Defined benefit obligations	1,493,803	1,584,836	794,742	675,549	393,139
Plan assets	-	-	-	-	-
Deficit	1,493,803	1,584,836	794,742	675,549	393,139
Experience adjustments on plan liabilities / (asset)	(574,949)	463,491	(92,784)	13,190	48,623

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	7.90%	7.80%
Attrition rate	5.00%	5.00%
Salary escalation rate	8.00%	8.00%

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 Irons 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
1. Names of related parties and nature of relationship

Holding Company	Swelect Energy Systems Limited.
Fellow Subsidiaries	Amex Alloys Private Limited Swelect Green Energy Solutions Private Limited
Key Management Personnel	Mr. R. Chellappan - Director V.C.Ragunath - Director

Particulars	Holding Company		Fellow Subsidiaries		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Sale of Services - machining income	-	-	117,750	139,630	117,750	139,630
-- Amex Alloys Private Limited	-	-	117,750	139,630	117,750	139,630
Sale of Raw materials and components	-	-	15,698	-	15,698	-
-- Amex Alloys Private Limited	-	-	15,698	-	15,698	-
Sales Castings	-	-	-	56,057	-	56,057
-- Swelect Energy Systems Limited	-	-	-	-	-	-
-- Amex Alloys Private Limited	-	-	-	56,057	-	56,057
Purchase of Capital goods	-	88,200	373,935	-	373,935	88,200
-- Amex Alloys Private Limited	-	-	373,935	-	373,935	-
-- Swelect Energy Systems Limited	-	88,200	-	-	-	88,200
Purchase of raw materials and components	-	-	125,924	64,500	125,924	64,500
-- Amex Alloys Private Limited	-	-	125,924	64,500	125,924	64,500
Machinery hire charges	3,830,736	4,022,268	-	-	3,830,736	4,022,268
-- Swelect Energy Systems Limited	3,830,736	4,022,268	-	-	3,830,736	4,022,268
Interest on unsecured Loan	14,480,831	11,072,518	-	-	14,480,831	11,072,518
-- Swelect Energy Systems Limited	14,480,831	11,072,518	-	-	14,480,831	11,072,518
Electricity Charges - Solar and Wind Power	22,465,785	22,352,807	-	-	22,465,785	22,352,807
-- Swelect Energy Systems Limited	22,465,785	22,352,807	-	-	22,465,785	22,352,807
Issue of share capital	-	10,000,000	-	-	-	10,000,000
-- Swelect Energy Systems Limited	-	10,000,000	-	-	-	10,000,000
Loan borrowed	114,252,172	93,636,107	-	-	114,252,172	93,636,107
-- Swelect Energy Systems Limited	114,252,172	93,636,107	-	-	114,252,172	93,636,107

Amex Irons 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 (Continued)

Particulars	Holding Company		Fellow Subsidiaries		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
Unsecured loan repaid	96,579,660	43,909,000	-	-	96,579,660	43,909,000
-- Swelect Energy Systems Limited	96,579,660	33,909,000	-	-	96,579,660	33,909,000
--Swelect Energy Systems Limited - Loan converted to equity shares	-	10,000,000	-	-	-	10,000,000
<u>Balance outstanding at the year end:</u>						
Trade receivable	-	-	71,236	-	71,236	-
-- Amex Alloys Private Limited	-	-	71,236	-	71,236	-
-- Swelect Energy Systems Limited	-	-	-	-	-	-
Advance paid	823,321	-	-	-	823,321	-
-- Swelect Energy Systems Limited	823,321	-	-	-	823,321	-
Trade payable	88,197	2,773,326	3,045,113	16,646	3,133,310	2,789,972
-- Swelect Energy Systems Limited	88,197	2,773,326	-	-	88,197	2,773,326
-- Swelect Green Energy Solutions Private Limited	-	-	2,522,431	-	2,522,431	-
-- Amex Alloys Private Limited	-	-	522,682	16,646	522,682	16,646
Unsecured loan	171,007,095	153,334,583	-	-	171,007,095	153,334,583
-- Swelect Energy Systems Limited	171,007,095	153,334,583	-	-	171,007,095	153,334,583

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

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

27 Lease commitments - operating leases

	31 March 2016	31 March 2015
Lease payments for the year	3,830,736	3,830,736
	3,830,736	3,830,736

The lease term ranges between 1 to 5 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no sub leases.

28 Contingent liabilities

	31 March 2016	31 March 2015
Claims against the Group not acknowledged as debts		
a) Excise, custom / Cenvat related matters	2,476,542	-
	2,476,542	-

29 Earnings in foreign exchange

	31 March 2016	31 March 2015
Exports at F.O.B. value	9,766,216	7,680,939
	9,766,216	7,680,939

30 Imported and Indigenous raw materials

	% of total consumption		Value	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
Indigenous	100%	100%	129,443,056	137,506,524
	100%	100%	129,443,056	137,506,524

31 Capital and other commitments

The estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil (31 March 2015: Rs.771,424).

32 The Board of directors of the Company have approved a Scheme of Amalgamation between Amex Irons Private Limited and Amex Alloys Private Limited, subsidiaries of the Swelect Energy Systems Limited. 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.

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

For S.R Batliboi & Associates LLP

ICAI Firm's 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 V.C.Raghunath
Director Executive Director

Place: Chennai
Date : 26 May 2016

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