

INDEPENDENT AUDITOR'S REPORT

To The Members of Amex Alloys Private Limited

Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **AMEX ALLOYS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its loss, to and its cash flows and the change in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Ind AS Financial Statements

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

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable 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 purposes 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, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.

h) 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, as amended 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 in its Ind AS 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.: 117366W/W-100018)

Sd/-

Jaideep S Trasi

Partner

(Membership No. 211095)

Place: Chennai
Date: 27 May 2019
JT/SM/2019/44

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **AMEX ALLOYS PRIVATE LIMITED** ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS 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 (the Guidance Note) issued by the Institute of Chartered Accountants of India ("ICAI"). 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 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 Company's 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, to the best of our information and according to the explanations given to us, 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 31 March 2019, 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 issued by the ICAI.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.: 117366W/W-100018)

Sd/-

Jaideep S Trasi

Partner

(Membership No. 211095)

Place: Chennai

Date: 27 May 2019

JT/SM/2019/44

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets :-
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

- (iii) 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.

- (iv) The Company has not granted any loans, made investments or provided guarantees or securities covered under section 185 and 186 of the Companies act 2013 and hence reporting under clause (iv) of the Order is not applicable.

- (v) According to the information and explanations given to us, the company has not accepted deposits falling under the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules made thereunder and hence reporting under clause (v) of the Order is not applicable.

- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Custom Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

- (c) Details of dues of Excise Duty which has not been deposited as on 31 March 2019 on account of disputes are given below: -

| Name of the statute | Nature of dues | Amount (Rs.in lakhs) | Period which amount relates to the | Forum where dispute is pending |
|----------------------------|-----------------------|-----------------------------|---|---|
| TNVAT Act 2006 | Sales Tax | 3.83 | FY 2015-2016 | Appellate Deputy Commissioner of Commercial Taxes, Coimbatore |

- (viii) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company did not borrow from financial institutions or Government and the Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge, and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

(Firm's Registration No.: 117366W/W-100018)

Sd/-

Jaideep S Trasi

Partner

(Membership No. 211095)

Place: Chennai
Date: 27 May 2019
JT/SM/2019/44

AMEX ALLOYS PRIVATE LIMITED
Balance Sheet as at 31 March 2019
(All amounts are in INR Lakhs, as otherwise stated)

| Particulars | Notes | As at 31 March 2019 | As at 31 March 2018 |
|--|-------|------------------------|------------------------|
| (A) ASSETS | | | |
| Non-current assets | | | |
| (a) Property, Plant and Equipment | 3 | 4,405.47 | 4,714.65 |
| (b) Capital work-in-progress | | 39.94 | - |
| (c) Other Intangible assets | 4 | 67.98 | 13.34 |
| (d) Financial assets | | | |
| (i) Loans | 5(a) | 116.64 | 79.37 |
| (ii) Other Financial assets | 5(c) | 298.50 | 852.36 |
| (e) Income tax assets (Net) | | 21.49 | 14.62 |
| (f) Other Non-current assets | 6 | 188.45 | 5.10 |
| Total Non-current assets | | 5,138.47 | 5,679.44 |
| Current assets | | | |
| (a) Inventories | 7 | 1,174.86 | 1,195.05 |
| (b) Financial Assets | | | |
| (i) Loans | 5(a) | 2.18 | 7.06 |
| (ii) Trade receivables | 8 | 1,691.89 | 2,269.96 |
| (iii) Cash and cash equivalents | 9 | 169.53 | 70.99 |
| (iv) Other bank balances | 5(b) | 856.24 | 845.67 |
| (v) Other financial assets | 5(c) | 1.67 | 104.56 |
| (c) Other Current assets | 10 | 28.96 | 28.93 |
| Total Current Assets | | 3,925.33 | 4,522.22 |
| Total Assets | | 9,063.80 | 10,201.66 |
| (B) EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | 11 | 650.00 | 650.00 |
| (b) Other Equity | 12 | (456.18) | 194.78 |
| Total Equity | | 193.82 | 844.78 |
| Non-current liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13(a) | - | 0.34 |
| (b) Provisions | 15 | 2.45 | 6.82 |
| | | 2.45 | 7.16 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 13(b) | 6,755.48 | 7,347.33 |
| (ii) Trade payables | 16 | | |
| (A) Total outstanding dues of micro enterprises and small enterprises | | 196.96 | 74.61 |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 1,679.63 | 1,873.33 |
| (iii) Other financial liabilities | 14 | 37.27 | 35.08 |
| (b) Other current liabilities | 17 | 159.93 | 7.37 |
| (c) Provisions | 15 | 38.26 | 12.00 |
| | | 8,867.53 | 9,349.72 |
| Total Liabilities | | 8,869.98 | 9,356.88 |
| Total Equity and Liabilities | | 9,063.80 | 10,201.66 |

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

For and on behalf of **the Board of Directors**
AMEX ALLOYS PRIVATE LIMITED

₹Sd/-

₹Sd/-

Sd/-

R. Chellappan
Director
DIN : 00016958

V.C. Raghunath
Director
DIN : 00703922

Jaideep S Trasi
Partner

₹Sd/-

R. Sathishkumar
Company Secretary

Place : Chennai
Date : 27 May 2019

Place: Chennai
Date : 27 May 2019

AMEX ALLOYS PRIVATE LIMITED**Statement of Profit and Loss for the year ended 31 March 2019**

(All amounts are in INR Lakhs , as otherwise stated)

| Particulars | Notes | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|-------|-------------------------------------|-------------------------------------|
| Income | | | |
| Revenue from operations | 18 | 9,251.10 | 8,642.05 |
| Other income | 19 | 110.23 | 133.25 |
| Total income | | 9,361.33 | 8,775.30 |
| Expenses | | | |
| Cost of raw materials and components consumed | 20 | 5,085.35 | 4,060.51 |
| Decrease/(increase) in inventories of work-in-progress, traded goods and finished goods | 21 | (56.93) | (51.68) |
| Excise duty on sale of goods | | - | 161.16 |
| Employee benefits expense | 22 | 1,164.97 | 1,070.23 |
| Depreciation and amortisation expense | 24 | 449.02 | 472.07 |
| Other expenses | 23 | 2,899.67 | 2,908.59 |
| Finance costs | 25 | 461.73 | 612.81 |
| Total expenses | | 10,003.81 | 9,233.69 |
| Loss before tax | | (642.48) | (458.39) |
| Current tax | | - | - |
| Deferred Tax (credit) / charge | | - | - |
| Income tax expense | | - | - |
| Net Loss for the year | | (642.48) | (458.39) |
| Other comprehensive income (OCI) | | | |
| Re-measurement gains/ (losses) on defined benefit plans | | (8.48) | - |
| Net other comprehensive income not to be reclassified to profit or loss in subsequent periods | | (8.48) | - |
| Other comprehensive income for the year | | (8.48) | - |
| Total comprehensive loss for the year, net of tax attributable to: | | (650.96) | (458.39) |
| Earnings per share | | | |
| Earnings per share (Face Value of Rs. 10/- each) | | | |
| 1.Basic (in INR) | 26 | (9.88) | (7.05) |
| 2.Diluted (in INR) | 26 | (9.88) | (7.05) |

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Sd/-

Jaideep S Trasi

Partner

Place : Chennai

Date : 27 May 2019

For and on behalf of **the Board of Directors**
AMEX ALLOYS PRIVATE LIMITED

Sd/-

Sd/-

R. Chellappan

Director

DIN : 00016958

V.C. Raghunath

Director

DIN : 00703922

Sd/-

R. Sathishkumar

Company Secretary

Place: Chennai

Date: 27 May 2019

| AMEX ALLOYS PRIVATE LIMITED | | |
|---|---|---|
| Cash flow statement for the year ended 31 March 2019 | | |
| (All amounts are in INR Lakhs, as otherwise stated) | | |
| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
| A. Cash flow from operating activities: | | |
| Loss after taxation | (642.48) | (458.39) |
| Adjustments to reconcile Loss after tax to net cash flows: | | |
| Depreciation/amortisation | 449.02 | 472.07 |
| Unrealised foreign exchange loss, net | 82.80 | 13.07 |
| Provision no longer required written back | (26.65) | (25.52) |
| Allowances for Expected Credit Loss | 19.34 | 36.69 |
| Other non-operating income | (0.32) | - |
| Profit on sale of Property, Plant & Equipment | (4.11) | (6.90) |
| Interest expense | 432.80 | 511.72 |
| Interest income | (79.15) | (100.81) |
| Operating profit before working capital/other changes | 231.25 | 441.93 |
| Movement in working capital/other : | | |
| Decrease /(Increase) in trade receivables | 476.25 | (428.74) |
| Decrease / (Increase) in current and non-current assets | 430.41 | (345.57) |
| Decrease/ (Increase) in inventories | 20.19 | (134.79) |
| Increase / (Decrease) in trade payables, other current and long term liabilities | 85.06 | (141.75) |
| Increase in provisions | 40.06 | 9.60 |
| Cash flow generated from / (used in) operations | 1,283.22 | (599.32) |
| Taxes paid, net | (6.87) | (53.75) |
| Net cash flow generated from/ (used in) operating activities (A) | 1,276.35 | (653.07) |
| B. Cash flow from investing activities: | | |
| Capital expenditure | (235.85) | (237.93) |
| Redemption in bank deposits (having original maturity of more than three months) | - | (28.38) |
| Interest received | 79.15 | 108.71 |
| Proceeds on Sale of Property, Plant & Equipment | 5.54 | 6.90 |
| Net cash flow (used in) investing activities (B) | (151.16) | (150.70) |
| C. Cash flow from financing activities: | | |
| (Repayment)/Proceeds from short-term borrowings (net) | (591.85) | 7.09 |
| Repayment of long-term borrowings | (1.92) | (202.55) |
| Interest paid | (432.88) | (515.93) |
| Net cash flow (used in) / financing activities (C) | (1,026.65) | (711.39) |
| Net increase / (decrease) in cash and cash equivalents (A + B + C) | 98.54 | (1,515.16) |
| Cash and cash equivalents at the beginning of the year | 70.99 | 1,586.14 |
| Closing cash and cash equivalents | 169.53 | 70.99 |

AMEX ALLOYS PRIVATE LIMITED
Cash flow statement for the year ended 31 March 2019
(All amounts are in INR Lakhs, as otherwise stated)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|--|--|
| Cash and Cash equivalents (Refer Note 9) | 169.53 | 70.99 |
| See accompanying notes forming part of the Ind AS financial statements In terms of our report attached | | |
| For Deloitte Haskins & Sells LLP Chartered Accountants (Firm's Registration No. 117366W/W-100018) | For and on behalf of the Board of Directors AMEX ALLOYS PRIVATE LIMITED | |
| | ₹Sd/- | ₹Sd/- |
| Sd/- | R. Chellappan <i>Director</i> DIN : 00016958 | V.C. Raghunath <i>Director</i> DIN : 00703922 |
| Jaideep S Trasi Partner | ₹Sd/- | |
| | R. Sathishkumar <i>Company Secretary</i> | |
| Place : Chennai Date : 27 May 2019 | Place: Chennai Date: 27 May 2019 | |

AMEX ALLOYS PRIVATE LIMITED**Statement of Changes in Equity for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

a. Equity Share Capital

| As at April 2017 | Changes in Equity Share Capital during the year (Refer Note 11) | Balance as at 31 March 2018 | Changes in Equity Share Capital during the year (Refer Note 11) | Balance as at 31 March 2019 |
|------------------|---|-----------------------------|---|-----------------------------|
| 650.00 | - | 650.00 | - | 650.00 |

b. Other Equity

| Particulars | Reserves & Surplus | | | Total Other Equity |
|------------------------------------|--------------------|----------------------------|-------------------|--------------------|
| | Capital Subsidy | Capital Redemption Reserve | Retained Earnings | |
| Balance as at 1 April 2017 | 15.00 | 250.00 | 388.17 | 653.17 |
| Loss for the period | - | - | (458.39) | (458.39) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | (458.39) | (458.39) |
| Balance as at 31 March 2018 | 15.00 | 250.00 | (70.22) | 194.78 |
| Loss for the period | - | - | (642.48) | (642.48) |
| Other comprehensive income | - | - | (8.48) | (8.48) |
| Total comprehensive income | - | - | (650.96) | (650.96) |
| Balance as at 31 March 2019 | 15.00 | 250.00 | (721.18) | (456.18) |

See accompanying notes forming part of the Ind AS financial statements

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Sd/-

Jaideep S Trasi
Partner

Place : Chennai
Date : 27 May 2019

For and on behalf of the Board of Directors
AMEX ALLOYS PRIVATE LIMITED

Sd/-

R. Chellappan
Director
DIN : 00016958

Sd/-

R. Sathishkumar
Company Secretary

Place: Chennai
Date: 27 May 2019

Sd/-

V.C. Raghunath
Director
DIN : 00703922

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

3 Property, Plant and Equipment

| Particulars | Land | Buildings | Plant and Machinery | Office Equipment | Computers | Furniture and Fixtures | Vehicles | Total |
|-------------------------|---------------|-----------------|---------------------|------------------|--------------|------------------------|--------------|-----------------|
| Cost | | | | | | | | |
| At 1 April 2017 | 766.92 | 1,540.69 | 3,021.62 | 191.28 | 20.66 | 55.62 | 79.92 | 5,676.71 |
| Additions | - | 40.06 | 175.19 | 5.65 | 3.87 | 0.92 | - | 225.69 |
| Deletions | - | - | (18.44) | - | - | - | - | (18.44) |
| At 31 March 2018 | 766.92 | 1,580.75 | 3,178.37 | 196.93 | 24.53 | 56.54 | 79.92 | 5,883.96 |
| Additions | - | 17.22 | 103.92 | 2.36 | 9.28 | 2.68 | - | 135.46 |
| Deletions | - | - | (29.77) | (0.64) | - | - | (2.80) | (33.21) |
| At 31 March 2019 | 766.92 | 1,597.97 | 3,252.52 | 198.65 | 33.81 | 59.22 | 77.12 | 5,986.21 |
| Depreciation | | | | | | | | |
| At 31 March 2017 | - | 105.94 | 480.21 | 83.50 | 7.72 | 15.59 | 28.18 | 721.14 |
| Charge for the year | - | 65.69 | 343.50 | 39.13 | 3.11 | 3.49 | 11.69 | 466.61 |
| Deletions | - | - | (18.44) | - | - | - | - | (18.44) |
| At 31 March 2018 | - | 171.63 | 805.27 | 122.63 | 10.83 | 19.08 | 39.87 | 1,169.31 |
| Charge for the year | - | 53.85 | 339.23 | 26.72 | 8.35 | 3.51 | 11.55 | 443.21 |
| Deletions | - | - | (28.34) | (0.64) | - | - | (2.80) | (31.78) |
| At 31 March 2019 | - | 225.48 | 1,116.16 | 148.71 | 19.18 | 22.59 | 48.62 | 1,580.74 |
| Net Block | | | | | | | | |
| At 31 March 2018 | 766.92 | 1,409.12 | 2,373.10 | 74.30 | 13.70 | 37.46 | 40.05 | 4,714.65 |
| At 31 March 2019 | 766.92 | 1,372.49 | 2,136.36 | 49.94 | 14.63 | 36.63 | 28.50 | 4,405.47 |

Note:

1. The Company's obligation under finance lease (Refer Note 13(a)) is secured by the lessors' title to the leased asset (Vehicle), which has a carrying amount of Rs. 28.50 lakhs as at 31 March 2019 (31 March 2018 - Rs.40.06 Lakhs)

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

4 Other Intangible assets

| Particulars | Computer Software | Total |
|-------------------------|--------------------------|--------------|
| Cost | | |
| At 1 April 2017 | 24.17 | 24.17 |
| Additions | 12.24 | 12.24 |
| Disposals /Adjustment | - | - |
| At 31 March 2018 | 36.41 | 36.41 |
| Additions | 60.45 | 60.45 |
| Disposals /Adjustment | - | - |
| At 31 March 2019 | 96.86 | 96.86 |
| Amortisation | | |
| At 1 April 2017 | 17.61 | 17.61 |
| Charge for the year | 5.46 | 5.46 |
| Disposals / Adjustment | - | - |
| At 31 March 2018 | 23.07 | 23.07 |
| Charge for the year | 5.81 | 5.81 |
| Disposals / Adjustment | - | - |
| At 31 March 2019 | 28.88 | 28.88 |
| | | |
| Net block | | |
| At 31 March 2018 | 13.34 | 13.34 |
| At 31 March 2019 | 67.98 | 67.98 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

**5(a) Financial assets carried at Amortised cost
Loans (Unsecured, considered good, unless otherwise stated)
carried at amortised cost**

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|------------------------|--------------------------------|--------------------------------|
| (i) Non-Current | | |
| Security Deposits * | 116.64 | 79.37 |
| Total | 116.64 | 79.37 |
| (ii) Current | | |
| Loans to employees | 2.18 | 7.06 |
| Total | 2.18 | 7.06 |
| Total | 118.82 | 86.43 |

* Other financial assets are non-derivative financial assets which generate an effective interest income at 6.35% for the Company.

5(b) Bank balances (Carried at amortised cost)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| Current | | |
| Deposits with original maturity more than 3 months and less than 12 months # | 856.24 | 840.00 |
| Margin money | - | 5.67 |
| Total | 856.24 | 845.67 |

The balance in deposit account bears an average interest rate of 8.71%.

5(c) Other financial assets (Unsecured, considered good, unless otherwise stated) carried at amortised cost

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|--------------------------------|--------------------------------|
| (i) Non-Current | | |
| Balance with government authorities | 298.50 | 852.36 |
| Total | 298.50 | 852.36 |
| (ii) Current | | |
| Interest accrued on fixed deposits | 1.67 | 18.73 |
| Renewable Energy Certificate Receivable | - | 85.83 |
| Total | 1.67 | 104.56 |
| Total | 300.17 | 956.92 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

6 Other Non-current Assets (Unsecured, considered good)**Particulars**Capital advances
Prepaid expenses**Total**

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 188.45 | 0.64 |
| - | 4.46 |
| 188.45 | 5.10 |

7 Inventories**Particulars**Raw materials and components
Work-in-progress *
Finished goods ****Total**

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 392.33 | 469.45 |
| 652.64 | 632.95 |
| 129.89 | 92.65 |
| 1,174.86 | 1,195.05 |

*Work-in Progress comprises of Alloys, Castings and Test Bars.

**Finished goods are valued at lower of cost and net realisable value.

8 Trade receivables**Particulars**(a) Receivables considered good, Secured
(b) Receivables considered good, Unsecured
(c) Receivables which have significant increase in Credit Risk
(d) Receivables - credit impaired
Less: Allowance for Expected Credit Loss**Total**

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| - | - |
| 1,691.89 | 2,269.96 |
| 132.92 | 76.92 |
| - | - |
| (132.92) | (76.92) |
| 1,691.89 | 2,269.96 |

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

Trade Receivables are unsecured and are derived from revenue earned from sale of patterns and castings. Trade receivables are non-interest bearing and are generally on terms of 60-150 days. No interest is charged on the balance regardless the age of the balance. The Company uses judgements in making certain assumptions and selecting inputs to determine the impairment of these trade receivables. This is based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of the reporting period.

9 Cash and cash equivalents**Particulars**Balances with banks:
On current accounts
Cash on hand**Total**

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 167.20 | 69.59 |
| 2.33 | 1.40 |
| 169.53 | 70.99 |

10 Other Current assets**Particulars****Unsecured, considered good**Other receivables
Supplier advances
Prepaid expenses
Other Loans & Advances**Total**

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 0.09 | - |
| 24.65 | 23.53 |
| 2.87 | 5.40 |
| 1.35 | - |
| 28.96 | 28.93 |

AMEX ALLOYS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2019
(All amounts are in INR Lakhs, as otherwise stated)

11 Equity Share Capital

| Particulars | Equity Shares of Rs. 10/- each | | Preference Shares of Rs. 100/- each | |
|---|--------------------------------|---------------|-------------------------------------|---------------|
| | Nos. | Amount | Nos. | Amount |
| Authorised Share Capital | | | | |
| As at 1 April 2017 | 85,00,000 | 850.00 | 3,75,000 | 375.00 |
| Increase/(Decrease) during the year | - | - | - | - |
| As at 31 March 2018 | 85,00,000 | 850.00 | 3,75,000 | 375.00 |
| Increase/(Decrease) during the year | - | - | - | - |
| As at 31 March 2019 | 85,00,000 | 850.00 | 3,75,000 | 375.00 |
| Issued, subscribed & fully paid up | Nos. | Amount | Nos. | Amount |
| Issue of Equity Share Capital | - | - | - | - |
| As at 1 April 2017 | 65,00,000 | 650.00 | - | - |
| Issue of Equity Share Capital | - | - | - | - |
| As at 31 March 2018 | 65,00,000 | 650.00 | - | - |
| Issue of Equity Share Capital | - | - | - | - |
| As at 31 March 2019 | 65,00,000 | 650.00 | - | - |

a. 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 dividend 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 the 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.

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

| Equity shares of Rs.10/- each fully paid | As at 31 March 2019 | | As at 31 March 2018 | |
|--|---------------------|------------------------|---------------------|------------------------|
| | Number of shares | % holding in the class | Number of shares | % holding in the class |
| Swelect Energy Systems Limited | 65,00,000 | 100% | 65,00,000 | 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.

12 Other Equity

| Particulars | Capital subsidy | Capital Redemption Reserve | Retained Earnings | Total |
|---|-----------------|----------------------------|-------------------|-----------------|
| As at 1 April 2017 | 15.00 | 250.00 | 388.17 | 653.17 |
| Loss for the year | - | - | (458.39) | (458.39) |
| As at 31 March 2018 | 15.00 | 250.00 | (70.22) | 194.78 |
| Loss for the year | - | - | (642.48) | (642.48) |
| Other Comprehensive Income - Remeasurement of Defined Benefit Plans | - | - | (8.48) | (8.48) |
| As at 31 March 2019 | 15.00 | 250.00 | (721.18) | (456.18) |

AMEX ALLOYS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2019
 (All amounts are in INR Lakhs, as otherwise stated)

13(a) Borrowings
Financial Liabilities carried at amortised cost

| Particulars | As at | |
|--------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Non-Current | | |
| Vehicle Loan * | - | 0.34 |
| | - | 0.34 |
| Secured borrowings | - | 0.34 |

* Vehicle loan is secured by hypothecation of vehicle. The interest rate implicit in the lease is 7.72% p.a. Loan obligation plus interest is payable in 60 monthly installments.

13(b) Borrowings
Financial Liabilities carried at amortised cost

| Particulars | As at | |
|--|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 |
| Current | | |
| Working capital demand loans | 334.80 | 444.39 |
| Foreign Currency Non-Resident Loan (FCNR) | 969.94 | 1,015.27 |
| Packing Credit Foreign Currency (PCFC) | 901.35 | 1,007.78 |
| External Commercial Borrowing (ECB) | - | 99.77 |
| Loans from Related party | 4,549.39 | 4,780.12 |
| Total Current Borrowings | 6,755.48 | 7,347.33 |
| Less: Amount disclosed under "other financial liabilities" | - | - |
| Total | 6,755.48 | 7,347.33 |

The overdraft facility from the Bank is secured against the Fixed Deposits of the Company and it is repayable on demand.

13(c) Details of Short Term Borrowings are given below:

| Loans as on 31 March 2019 | Amount | Effective Interest Rate | Currency | Repayment Terms | Security |
|---|-----------------|-------------------------|----------|---|--------------------------------------|
| Working capital demand loans | 334.80 | 9.20% | INR | On demand | Fixed deposit of the Company |
| Foreign Currency Non-Resident Loan (FCNR) | 969.94 | 3.50% | EURO | On demand | Fixed deposit of the Holding Company |
| Packing Credit Foreign Currency (PCFC) | 901.35 | 2.00% | EURO | Repayable within six months from the date of the loan | Fixed deposit of the Holding Company |
| Loans from Holding Company | 4,549.39 | 8.50% | INR | On demand | Unsecured |
| Total | 6,755.48 | | | | |

14 Other Financial Liabilities

| Particulars | As at | |
|---|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Current | | |
| Current maturities of finance lease obligations (Refer Note 13 (a)) | 0.50 | 2.08 |
| Interest accrued | - | 0.08 |
| Statutory dues payable | 31.40 | 30.13 |
| Capital creditors | 5.37 | 2.79 |
| Total | 37.27 | 35.08 |

AMEX ALLOYS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2019
(All amounts are in INR Lakhs, as otherwise stated)

15 Provisions

Particulars

(i) Current

Provision for Compensated Absences

Total

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 38.26 | 12.00 |
| 38.26 | 12.00 |

(ii) Non-Current

Provision for gratuity (Refer Note 27)

Total

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 2.45 | 6.82 |
| 2.45 | 6.82 |

Total

| | |
|--------------|--------------|
| 40.71 | 18.82 |
|--------------|--------------|

16 Trade payables

Particulars

Trade payables

(Refer note below regarding dues to Micro, Small and Medium enterprises)

Trade payables to Related Parties

(Refer Note 30)

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 1,293.15 | 1,629.10 |
| 583.44 | 318.84 |
| 1,876.59 | 1,947.94 |

Note:

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year | 196.96 | 74.61 |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 2.67 | 1.97 |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | 2.67 | 1.97 |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year | 2.67 | 1.97 |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | - | - |

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

17 Other current liabilities

Particulars

Interest accrued but not due on borrowings

Other Payables

Advance from customers

Total

| As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|
| 0.53 | - |
| 158.64 | - |
| 0.76 | 7.37 |
| 159.93 | 7.37 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

18 Revenue from operations

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Revenue from operations | | |
| Sale of products | | |
| Manufactured goods | | |
| - Alloys & Castings | 5,037.05 | 5,311.24 |
| - Grey Iron & Ductile Iron Castings | 3,004.44 | 2,837.14 |
| Traded goods | 723.85 | 16.20 |
| Other operating revenue | | |
| Scrap sales | 144.81 | 109.20 |
| Renewable Energy Certificate Income (net) | 147.73 | 89.93 |
| Export benefits | 193.06 | 278.32 |
| Others | 0.16 | 0.02 |
| Total | 9,251.10 | 8,642.05 |
| Excise duty | - | 161.16 |

19 Other Income

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Provision no longer required written back | 26.65 | 25.52 |
| Profit on sale of Plant and Machinery | 4.11 | 6.90 |
| Other non-operating income | 0.32 | 0.02 |
| Interest income | 79.15 | 100.81 |
| Total | 110.23 | 133.25 |

20 Cost of raw material and components consumed

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|--|---|---|
| Inventories at the beginning of the year | 469.45 | 386.34 |
| Add: Purchases | 5,008.23 | 4,143.62 |
| | 5,477.68 | 4,529.96 |
| Less: Inventories at the end of the year | 392.33 | 469.45 |
| Total | 5,085.35 | 4,060.51 |

21 Decrease/ (increase) in inventories of work-in-progress and finished goods

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Inventories at the end of the year | | |
| Traded goods | | |
| Work-in-progress | 652.64 | 632.95 |
| Finished goods | 129.89 | 92.65 |
| | 782.53 | 725.60 |
| Inventories at the beginning of the year | | |
| Traded goods | | |
| Work-in-progress | 632.95 | 554.76 |
| Finished goods | 92.65 | 119.16 |
| | 725.60 | 673.92 |
| Total | (56.93) | (51.68) |

22 Employee benefits expense

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Salaries, wages and bonus | 998.10 | 907.98 |
| Contribution to provident and other funds | 74.45 | 73.28 |
| Gratuity expense (Refer Note 27) | 14.52 | 15.26 |
| Staff welfare expenses | 77.90 | 73.71 |
| Total | 1,164.97 | 1,070.23 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

18 Revenue from operations

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|-------------------------------------|-------------------------------------|
| (a) Sale of Products (Refer Note 18.1(i) below) | 8,765.34 | 8,164.58 |
| (b) Other Operating Revenue (Refer Note 18.1(ii) below) | 485.76 | 477.47 |
| Total | 9,251.10 | 8,642.05 |

18.1 Disaggregation of the revenue information

The tables below presents disaggregated revenues from contracts with customers for the year ended 31 March 2019 by offerings. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

(i) Sale of Products comprises the following:-

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Manufactured goods | | |
| - Alloys & Castings | 5,037.05 | 5,311.24 |
| - Grey Iron & Ductile Iron Castings | 3,004.44 | 2,837.14 |
| Traded goods | 723.85 | 16.20 |
| Total | 8,765.34 | 8,164.58 |

(ii) Other operating revenue comprises the following:-

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|-------------------------------------|-------------------------------------|
| Scrap sales | 144.81 | 109.20 |
| Renewable Energy Certificate Income (net) | 147.73 | 89.93 |
| Export benefits | 193.06 | 278.32 |
| Others | 0.16 | 0.02 |
| Total | 485.76 | 477.47 |

No other single customers contributed 10% or more to the Company's revenue during the financial year 2018-19 and 2017-18.

Revenue by Geography (Revenue from Operations)

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---------------|-------------------------------------|-------------------------------------|
| India | 4,298.57 | 3,317.78 |
| Outside India | 4,952.53 | 5,324.27 |
| Total | 9,251.10 | 8,642.05 |

18.2 Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realised with the associated revenue recognised under the contract.

18.3 Performance Obligations and remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS-115, the Company has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

23 Other expenses

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Sub-contracting and processing expenses | 1,229.67 | 1,186.82 |
| Power and fuel | 852.32 | 884.42 |
| Freight and forwarding charges | 96.70 | 103.70 |
| Rent | 177.88 | 181.49 |
| Rates and taxes | 32.57 | 21.74 |
| Insurance | 9.96 | 9.80 |
| Repairs and maintenance | | |
| - Plant & Machinery | 163.07 | 171.47 |
| - Buildings | 38.71 | 19.17 |
| - Others | 15.59 | 19.73 |
| Sales promotion | 29.81 | 4.58 |
| Travelling and conveyance | 47.31 | 42.01 |
| Communication costs | 6.38 | 8.40 |
| Printing and stationery | 9.82 | 7.52 |
| Exchange differences (net) | 82.80 | 103.73 |
| Legal and professional fees | 55.51 | 63.94 |
| Payment to auditor (Refer details below) | 9.06 | 9.09 |
| Bad debts/advances written off | - | 18.89 |
| Allowances for Expected Credit Loss | 19.34 | 36.69 |
| Miscellaneous expenses | 23.17 | 15.40 |
| | 2,899.67 | 2,908.59 |
| Payment to auditor (Refer details below) | | |
| Audit fee | 7.85 | 7.85 |
| Tax audit fee | 1.00 | 1.00 |
| Reimbursement of expenses | 0.21 | 0.24 |
| | 9.06 | 9.09 |

24 Depreciation and amortisation expense

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Depreciation of Property, Plant and Equipment | 443.21 | 466.61 |
| Amortisation of Other Intangible assets | 5.81 | 5.46 |
| Total | 449.02 | 472.07 |

25 Finance costs

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Interest | 432.80 | 511.72 |
| Interest on Trade payables - Micro and small enterprises | 2.67 | 1.97 |
| Net Loss on Foreign Currency Transactions and Translation | 2.87 | 76.58 |
| Bank and other charges | 23.39 | 22.54 |
| Total | 461.73 | 612.81 |

26 Earnings per share (EPS)

The following reflects the Loss and share data used in the basic and diluted Loss per share computations:

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Loss attributable to equity shareholders of the Company (A) | (642.48) | (458.39) |
| Weighted average number of Equity shares for Basic and Diluted Earnings per Share (B) | 65,00,000 | 65,00,000 |
| Basic and Diluted Earnings per Share (A/B) | (9.88) | (7.05) |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

27 Defined Contribution Plan

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.

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|---|---|---|
| Employer's Contribution to Provident Fund | 74.45 | 73.28 |

Defined Benefits Plan - Gratuity Plan (funded)

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|--------------------------------|--------------------------------|
| Reconciliation of opening and closing balances of obligation | | |
| Defined Benefit obligation as at the beginning of the year | 78.05 | 73.15 |
| Current service cost | 13.90 | 16.07 |
| Interest cost | 4.79 | 4.33 |
| Actuarial loss | 4.31 | (12.97) |
| Benefits paid | (3.46) | (4.22) |
| Defined Benefit obligation as at the end of the year | 97.60 | 76.36 |

Reconciliation of opening and closing balances of fair value of plan assets

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--|--------------------------------|--------------------------------|
| Fair value of plan assets as at the beginning of the year | 69.54 | 63.94 |
| Expected return on plan assets | 4.17 | 5.14 |
| Actuarial loss | (4.17) | (0.11) |
| Employer's contribution | 29.07 | 4.79 |
| Benefits paid | (3.46) | (4.22) |
| Fair value of plan assets as at the end of the year | 95.15 | 69.54 |

Actual Return on plan assets

| Particulars | 31 March 2019 | 31 March 2018 |
|--------------------------------|----------------------|----------------------|
| Expected return on plan assets | 4.17 | 5.14 |
| Actuarial loss on plan assets | (4.17) | (0.11) |
| Actual return on plan assets | - | 5.03 |

Reconciliation of fair value of assets and obligations

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|--------------------------------|--------------------------------|--------------------------------|
| Fair value of plan assets | 95.15 | 69.54 |
| Present value of obligation | 97.60 | 76.36 |
| Net Obligation disclosed as :- | | |
| -Current | 2.44 | 6.82 |

Expense recognised during the year

| Particulars | For the year ended 31 March 2019 | For the year ended 31 March 2018 |
|-------------------------------------|---|---|
| Recognised in profit or loss | | |
| Current service cost | 13.90 | 16.07 |
| Interest cost | 4.79 | 4.33 |
| Expected return on plan assets | (4.17) | (5.14) |
| Actuarial (gain) / losses | - | - |
| Net Cost | 14.52 | 15.26 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars | Gratuity plan | |
|-----------------------------|------------------------|------------------------|
| | As at 31 March 2019 | As at 31 March 2018 |
| Investments details: | | |
| Funds with LIC | 95.15 | 69.54 |
| Total | 95.15 | 69.54 |

The principal assumptions used in determining gratuity for the Company's plans are shown below:

| Particulars | 2018-19 | 2017-18 |
|---|---------|---------|
| Discount rate | 7.05% | 7.21% |
| Future salary increases | 5.00% | 5.00% |
| Expected Return on Plan Assets | | |
| Employee turnover | 20.00% | 20.00% |
| Contribution expected to be paid during the next year | 23.27 | 23.27 |

A quantitative sensitivity analysis for significant assumption as at 31 March 2019 is as shown below:

Gratuity plan:

| Assumptions - Sensitivity Level | For the year ended 31 March 2019 | | | |
|---------------------------------|----------------------------------|-------------|--------------------------------------|--------|
| | Sensitivity Level | | Impact on defined benefit obligation | |
| | 1% increase | 1% decrease | Amount | Amount |
| Discount rate | 8.05% | 6.05% | 94.09 | 101.39 |
| Future salary increases | 6.00% | 4.00% | 101.42 | 93.99 |

| Assumptions - Sensitivity Level | For the year ended 31 March 2018 | | | |
|---------------------------------|----------------------------------|-------------|--------------------------------------|--------|
| | Sensitivity Level | | Impact on defined benefit obligation | |
| | 1% increase | 1% decrease | Amount | Amount |
| Discount rate | 8.21% | 6.21% | 75.42 | 80.90 |
| Future salary increases | 6.00% | 4.00% | 81.27 | 75.03 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average duration of the defined benefit plan obligation at the end of the reporting period is 4.2 years.

28 Commitments and Contingencies**Operating leases: Company as lessee**

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---|------------------------|------------------------|
| Future minimum rentals payable under non-cancellable operating lease are as follows: | | |
| Not later than one year | 0.94 | 0.94 |
| Later than one year but not later than five years | 3.76 | 3.76 |
| Later than five years | 14.12 | 15.06 |
| | 18.82 | 19.76 |

29 Segment Reporting

The Company's operations relate to only one business segment, viz., Foundry. Accordingly, this is the only reportable business segment.

| Particulars | 2018-2019 | 2017-2018 |
|--|-----------------|-----------------|
| Revenue from Operations | | |
| India | 4,298.57 | 3,317.78 |
| Europe | 3,809.95 | 5,297.65 |
| Others | 1,142.58 | 26.62 |
| Total | 9,251.10 | 8,642.05 |
| Non-Current Assets (Excluding Financials Assets & Deferred tax asset) | | |
| India | 4,701.84 | 4,733.09 |
| Others | - | - |
| Total | 4,701.84 | 4,733.09 |

AMEX ALLOYS PRIVATE LIMITED
Notes to financial statements for the year ended 31 March 2019
(All amounts are in INR Lakhs, as otherwise stated)

30 Related party transactions

1. Names of related parties

| | |
|--------------------------|---|
| Holding Company | Swelect Energy Systems Limited |
| Fellow Subsidiary | Swelect Green Energy Solutions Private Limited Swelect Energy Systems Pte.Ltd, Singapore |
| Key Management Personnel | Mr. R. Chellappan - Director Mr. V.C. Raghunath - Director Mr. R. Sathishkumar - Company Secretary Mr.S. Annadurai - Director (w.e.f 10 May 2018) Ms. Aarthi Balan - Director (w.e.f 10 May 2018) |

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. Also Refer Note 2.1. There have been no guarantees provided to any related party payable. This assessment is undertaken at the end of each financial year through examining the financial position of the related party and the market in which the related party operates.

Related party transactions

| Particulars | Holding Company | | Mr. R. Chellappan - Director | | Swelect Green Energy Solutions Private Ltd | | Swelect Energy Systems Pte.Ltd | | Total | |
|---|-----------------|-----------------|------------------------------|---------------|--|---------------|--------------------------------|---------------|-----------------|-----------------|
| | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 | 31 March 2019 | 31 March 2018 |
| Sale of goods | - | - | 398.12 | - | - | - | - | - | 398.12 | - |
| Sales to Mr.R Chellappan | - | - | 398.12 | - | - | - | - | - | 398.12 | - |
| Purchase of goods | 32.59 | - | - | - | - | - | 141.10 | - | 173.69 | - |
| Swelect Energy Systems Limited | 32.59 | - | - | - | - | - | - | - | 32.59 | - |
| Swelect Energy Systems Pte.Ltd, Singapore | - | - | - | - | - | - | 141.10 | - | 141.10 | - |
| Purchase of capital goods | 56.41 | - | - | - | - | - | - | - | 56.41 | - |
| Swelect Energy Systems Limited | 56.41 | - | - | - | - | - | - | - | 56.41 | - |
| Purchase of Power | 228.81 | 257.71 | - | - | 189.53 | 189.49 | - | - | 418.34 | 447.20 |
| Swelect Energy Systems Limited | 228.81 | 257.71 | - | - | - | - | - | - | 228.81 | 257.71 |
| Swelect Green Energy Solutions Private Limited | - | - | - | - | 189.53 | 189.49 | - | - | 189.53 | 189.49 |
| Reimbursement of expenses | 40.57 | 37.11 | - | - | 33.52 | 40.90 | - | - | 74.09 | 78.02 |
| Swelect Energy Systems Limited | 40.57 | 37.11 | - | - | - | - | - | - | 40.57 | 37.11 |
| Swelect Green Energy Solutions Private Limited | - | - | - | - | 33.52 | 40.90 | - | - | 33.52 | 40.90 |
| Rental Expense | 171.13 | 171.13 | - | - | 1.94 | 0.94 | - | - | 173.07 | 172.07 |
| Swelect Energy Systems Limited | 171.13 | 171.13 | - | - | - | - | - | - | 171.13 | 171.13 |
| Swelect Green Energy Solutions Private Limited | - | - | - | - | 1.94 | 0.94 | - | - | 1.94 | 0.94 |
| Facility Management fees | - | - | - | - | 7.44 | 7.44 | - | - | 7.44 | 7.44 |
| Swelect Green Energy Solutions Private Limited | - | - | - | - | 7.44 | 7.44 | - | - | 7.44 | 7.44 |
| Interest Expense | 359.36 | 377.36 | - | - | - | - | - | - | 359.36 | 377.36 |
| Swelect Energy Systems Limited | 359.36 | 377.36 | - | - | - | - | - | - | 359.36 | 377.36 |
| Advances Received | 660.72 | 4,066.32 | - | - | - | - | - | - | 660.72 | 4,066.32 |
| Swelect Energy Systems Limited | 660.72 | 4,066.32 | - | - | - | - | - | - | 660.72 | 4,066.32 |
| Repayment of advances | 890.99 | 4,416.93 | - | - | - | - | - | - | 890.99 | 4,416.93 |
| Swelect Energy Systems Limited | 890.99 | 4,416.93 | - | - | - | - | - | - | 890.99 | 4,416.93 |
| Balance outstanding as at the year end: | | | | | | | | | | |
| Trade payables / Payable for capital purchases | 406.03 | 187.35 | - | - | 112.23 | 131.49 | 65.18 | - | 583.44 | 318.84 |
| Swelect Energy Systems Limited | 406.03 | 187.35 | - | - | - | - | - | - | 406.03 | 187.35 |
| Swelect Green Energy Solutions Private Limited | - | - | - | - | 112.23 | 131.49 | - | - | 112.23 | 131.49 |
| Swelect Energy Systems PTE Ltd, Singapore | - | - | - | - | - | - | 65.18 | - | 65.18 | - |
| Advance Received | 4,549.39 | 4,780.12 | - | - | - | - | - | - | 4,549.39 | 4,780.12 |
| Swelect Energy Systems Limited | 4,549.39 | 4,780.12 | - | - | - | - | - | - | 4,549.39 | 4,780.12 |

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

31 Contingent liabilities**(a) Contingencies**

The details of claims against the Company not acknowledged as debts are given below:

| Particulars | As at | As at |
|---------------------------|---------------|---------------|
| | 31 March 2019 | 31 March 2018 |
| Sales tax related matters | 5.10 | - |
| Excise related matters | - | 24.76 |
| Total | 5.10 | 24.76 |

* Rs. 1.27 Lakhs deposited under dispute (31 March 2018 - 1.86 Lakhs)

Management Assessment

The amount shown under Contingent Liabilities and disputed claims represent the best possible estimates arrived at on the basis of available information. Further, various Government authorities raise issues/clarifications in the normal course of business and the Company has provided its responses to the same and no formal demands/claims has been made by the authorities in respect of the same other than those pending before various judicial/regulatory forums as disclosed above. The uncertainties and possible reimbursement in respect of the above are dependent on the outcome of the various legal proceedings which have been initiated by the Company or the Claimants, as the case may be and, therefore, cannot be predicted accurately. The Company has reviewed all the proceedings and has adequately provided for wherever provisions are required and disclosed contingent liabilities wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on the financial statements.

(b) Commitments

Commitments relating to lease arrangements, please Refer Note 28.

32 Financial Instruments**Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Financial instruments by category

| | As at 31 March 2019 | | | As at 31 March 2018 | | |
|--|---------------------|-----------------|-----------------|---------------------|-----------------|-----------------|
| | FVTPL | Amortised Cost | Total | FVTPL | Amortised Cost | Total |
| Financial assets | | | | | | |
| Trade receivables | - | 1,691.89 | 1,691.89 | - | 2,269.96 | 2,269.96 |
| Cash and cash equivalents | - | 169.53 | 169.53 | - | 70.99 | 70.99 |
| Other Bank balances | - | 856.24 | 856.24 | - | 845.67 | 845.67 |
| Renewable Energy Certificate Receivable | - | - | - | - | 85.83 | 85.83 |
| Balance with Government Authorities | - | 298.50 | 298.50 | - | 852.36 | 852.36 |
| Security deposits | - | 116.64 | 116.64 | - | 79.37 | 79.37 |
| Interest accrued on fixed deposits | - | 1.67 | 1.67 | - | 18.73 | 18.73 |
| Advance to employees | - | 2.18 | 2.18 | - | 7.06 | 7.06 |
| Total financial assets | - | 3,136.65 | 3,136.65 | - | 4,229.97 | 4,229.97 |
| Financial liabilities | | | | | | |
| Borrowings - Others | - | 6,755.98 | 6,755.98 | - | 7,349.75 | 7,349.75 |
| Interest accrued but not due on borrowings | - | - | - | - | 0.08 | 0.08 |
| Trade payables | - | 1,876.59 | 1,876.59 | - | 1,947.94 | 1,947.94 |
| Statutory dues payable | - | 31.40 | 31.40 | - | 30.13 | 30.13 |
| Capital creditors | - | 5.37 | 5.37 | - | 2.79 | 2.79 |
| Total financial liabilities | - | 8,669.34 | 8,669.34 | - | 9,330.69 | 9,330.69 |

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial assets and liabilities measured at amortised cost

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, other bank balances, security deposits, loans and interest accrued on fixed deposits, certain advances to employees, trade payables and employee benefit payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values.

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

33 Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Ind AS financial statements:

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the aging of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

The Company has evaluated the receivable balances and has made allowances for the estimated irrecoverable amounts and no further allowance/write-off is expected on the receivables by the Company. Refer Note 8.

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment leave encashment benefit and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about defined benefit obligations are given in Note 27.

AMEX ALLOYS PRIVATE LIMITED**Notes to financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

34 Financial Risk Management Objectives & Policies

The Company's principal financial liabilities comprise of short tenured borrowings, trade and other payables and financial guarantee contracts. Most of these liabilities relate to financing Company's working capital cycle. The Company has trade and other receivables, loans and advances that arise directly from its operations.

The Company is accordingly exposed to market risk, credit risk and liquidity risk.

The Company's senior management oversees management of these risks. The senior professionals working to manage the financial risks for the Company are accountable to the Board of Directors. This process provides assurance that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and overall risk appetite. In addition, independent views from bankers and currency market experts are obtained periodically to validate risk mitigation decisions. It is the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Board of Directors review and agree policies for managing each of these risks which are summarised below:

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency rate risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, advances.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rate movement.

(i) Interest rate sensitivity**Particulars**

Variable rate borrowings

Total

| | As at 31 March 2019 | As at 31 March 2018 |
|--------------|--------------------------------|--------------------------------|
| | 2,206.09 | 2,567.21 |
| Total | 2,206.09 | 2,567.21 |

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

| Particulars | Increase/ decrease in basis points | Effect on Loss before tax |
|--------------------|---|--------------------------------------|
| 31 March 2019 | + 35 basis points | 7.72 |
| | - 35 basis points | (7.72) |
| 31 March 2018 | + 35 basis points | 8.99 |
| | - 35 basis points | (8.99) |

(ii) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in Euro. The Company has foreign currency trade payables and receivables and is therefore, exposed to foreign exchange risk.

The Company manages its foreign currency risk by way of a periodical assessment for hedging appropriate percentage of its foreign currency exposure.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity in the USD, Euro and other currencies to the functional currency of the Company, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives.

| Particulars | Change in currency exchange rate | Effect on Loss before tax | | Effect on Equity | |
|-------------|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| | | For the Year Ended 31 March 2019 | For the Year Ended 31 March 2018 | For the Year Ended 31 March 2019 | For the Year Ended 31 March 2018 |
| US Dollars | +5% | 4.14 | (22.83) | 4.14 | (22.83) |
| | -5% | (4.14) | 22.83 | (4.14) | 22.83 |
| Euro | +5% | (59.02) | (157.96) | (59.02) | (157.96) |
| | -5% | 59.02 | 157.96 | 59.02 | 157.96 |

(b) Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

AMEX ALLOYS PRIVATE LIMITED**Notes to the Ind AS financial statements for the year ended 31 March 2019**

(All amounts are in INR Lakhs, as otherwise stated)

(i) Trade receivables

Customer credit risk is managed by the Company's established policy, procedures and controls relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on credit terms in line with respective industry norms. Outstanding customer receivables are regularly monitored. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

The ageing analysis of trade receivables as of the reporting date is as follows:

| Particulars | Neither past due nor impaired | Past due but not impaired | | Total |
|---------------------------------------|-------------------------------|---------------------------|------------------|----------|
| | | Less than 1 year | More than 1 year | |
| Trade Receivables as of 31 March 2019 | 309.99 | 1,248.98 | 132.92 | 1,691.89 |
| Trade Receivables as of 31 March 2018 | 634.89 | 1,558.15 | 76.92 | 2,269.96 |

The requirement for impairment is analysed at each reporting date and provision is based on the Expected Credit Loss Method.

Cash and bank balances

The Company holds cash and cash equivalents with credit worthy banks at the reporting dates. The credit worthiness of such banks are evaluated by the Management on an on going basis and is considered to be good.

Other financial assets

The Company does not expect any losses from non-performance by the counter-parties.

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by Company's treasury in accordance with the Board approved policy.

(c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including loans, debt, and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic and international capital markets across various debt and hybrid instruments.

The table below summarise the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

| Particulars | As at 31 March 2019 | | |
|-----------------------------|---------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Borrowings | 6,755.48 | - | 6,755.48 |
| Trade Payables | 1,827.39 | 49.20 | 1,876.59 |
| Other financial liabilities | 37.27 | - | 37.27 |
| Provisions | 2.45 | 2.45 | 4.90 |
| Total | 8,622.59 | 51.65 | 8,674.24 |

| Particulars | As at 31 March 2018 | | |
|-----------------------------|---------------------|------------------|-----------------|
| | Less than 1 year | More than 1 year | Total |
| Borrowings | 7,347.33 | 0.34 | 7,347.67 |
| Trade Payables | 1,919.11 | 28.83 | 1,947.94 |
| Other financial liabilities | 35.08 | - | 35.08 |
| Provisions | 38.26 | 6.82 | 45.08 |
| Total | 9,339.78 | 35.99 | 9,375.77 |

35 Capital Management

Capital includes equity attributable to the equity holders of the Company and net debt. Primary objective of Company's capital management is to ensure that it maintains an optimum financing structure and healthy returns in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments, in light of the changes in economic conditions or business requirements. The Company monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. Net debt is calculated as loans and borrowings less cash and cash equivalents.

Gearing Ratio:

| Particulars | As at 31 March 2019 | As at 31 March 2018 |
|---------------------------------|------------------------|------------------------|
| Borrowings | 6,755.48 | 7,347.67 |
| Less: Cash and cash equivalents | (169.53) | (70.99) |
| Net Debt | 6,585.95 | 7,276.68 |
| Equity | 193.82 | 844.78 |
| Total Capital | 193.82 | 844.78 |
| Capital and Net Debt | 6,779.77 | 8,121.46 |
| Gearing Ratio | 97.14% | 89.60% |

AMEX ALLOYS PRIVATE LIMITED

Notes to financial statements for the year ended 31 March 2019

(All amounts are in INR Lakhs, as otherwise stated)

36 The Ind AS financial statements were approved by the Board of Directors on 27 May 2019

For and on behalf of **the Board of Directors**
AMEX ALLOYS PRIVATE LIMITED

Sd/-

R. Chellappan

Director

DIN : 00016958

ÀSd/-

V.C. Raghunath

Director

DIN : 00703922

ÀSd/-

R. Sathishkumar

Company Secretary

Place: Chennai

Date: 27 May 2019