

SE Forge Limited
Financial Statements with Auditors' Report
For the year ended March 31, 2017

OFFICE COPY

INDEPENDENT AUDITOR'S REPORT

To the Members of SE Forge Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of SE Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, including the statement of 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Indian Accounting Standards) Rules, 2015 as amended and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that 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 Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 Ind AS financial statements.



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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity 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 including the Statement of 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 Ind AS financial statements – Refer Note 21 to the 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.



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iv. The Company has provided requisite disclosures in Note 47 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, Including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership Number: 049237
Place of Signature: Mumbai
Date: May 19, 2017



Annexure 1 referred to in paragraph 1 of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Re: SE Forge Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by management the title deeds of immovable properties included in property, plant and equipment/fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of Inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits, within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), from the public. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company and hence not commented upon.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of forging rings and casting articles, and are of the opinion that *prima facie*, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (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, customs duty, excise duty, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company did not have any outstanding loans or borrowings to government and any outstanding dues in respect of debenture holders during the period.
- (ix) 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 and on an overall examination of the balance sheet, the Company has not raised any money by way of initial public offer / further public offer / debt instruments. Based on information and explanations given to us by management, the term loans were applied for the purpose for which they were obtained.
- (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 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 is not applicable to the company and hence reporting under clause 3(xi) are 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 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (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.



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- (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 B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership Number: 049237
Place of Signature: Mumbai
Date: May 19, 2017



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Chartered Accountants

Annexure 2 - Annexure referred to in paragraph 2 (f) of our report of even date under heading "Report on Other Legal and Regulatory Requirements"

Report on the Internal Financial Controls 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 SE Forge Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 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.



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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, 2017, 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 B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership Number: 049237
Place of Signature: Mumbai
Date: May 19, 2017



SE Forge Limited
Balance sheet as at March 31, 2017
(All amounts in Rupees unless otherwise stated)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Assets				
Non-current Assets				
Property, plant and equipment	5	5,20,39,63,733	5,53,89,74,273	5,77,92,38,373
Capital work - in - progress	5	9,72,54,176	12,17,25,490	30,28,29,081
Intangible assets	5	3,38,51,818	6,43,525	1,47,561
Financial assets				
Other financial assets	9	7,05,84,574	5,95,43,148	21,08,38,563
Other non - current assets	11	71,27,81,312	35,08,67,454	24,69,53,574
		6,11,84,35,613	6,07,17,53,890	6,54,00,07,152
Current Assets				
Inventories	6	92,87,56,492	70,41,77,096	56,92,29,739
Financial Assets				
Trade receivables	7	1,29,34,84,846	1,01,36,59,980	55,03,82,587
Cash and cash equivalents	8	17,53,645	4,57,72,345	15,03,275
Other financial assets	12	33,44,719	55,56,360	54,29,165
Trade advances and other receivables	10	4,15,83,230	1,58,16,651	1,70,75,064
Other current assets	13	4,46,34,925	5,01,34,525	5,88,69,437
		2,31,35,57,857	1,83,51,16,957	1,20,24,89,267
Total assets		8,43,19,93,470	7,90,68,70,847	7,74,24,96,419
Equity and Liabilities				
Equity				
Equity share capital	14	7,84,92,07,910	7,84,92,07,910	5,66,25,41,250
Other equity	15	1,68,86,852	1,12,57,080	50,96,057
Reserves and surplus	15	(4,61,30,09,135)	(5,12,48,42,643)	(5,63,25,20,519)
Total equity		3,25,30,85,627	2,73,56,22,347	3,51,16,788
Non current liabilities				
Financial liabilities				
Borrowings	16	2,97,38,72,736	3,41,71,46,672	4,89,99,79,793
Net employee defined benefit liabilities	17	1,62,42,970	2,90,43,223	2,94,79,052
		2,99,01,15,706	3,44,61,89,895	4,92,94,58,845
Current liabilities				
Financial liabilities				
Borrowings	18	44,78,16,220	45,90,44,531	62,23,29,377
Trade payables	21	75,73,39,868	47,02,62,117	64,85,83,932
Other payables	21	55,14,84,179	59,95,08,065	64,01,74,235
Other financial liabilities	19	39,37,29,866	16,42,71,194	84,00,05,280
Net employee defined benefit liabilities - current	20	2,81,03,701	1,89,55,719	1,60,29,546
Other current liabilities	21a	1,03,18,303	1,30,16,979	1,07,98,416
		2,18,87,92,137	1,72,50,58,605	2,77,79,20,786
Total liabilities		5,17,89,07,843	5,17,12,48,500	7,70,73,79,631
Total equity and liabilities		8,43,19,93,470	7,90,68,70,847	7,74,24,96,419
Summary of significant accounting policies.	3			

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

IGCI Firm Registration Number: 324982E/E300003

per Shyamsundar R. Pachisia

Partner

Membership Number: 049237

Place: Mumbai

Date: May 19, 2017

Shyamsundar R. Pachisia

For and on behalf of Board of Directors of
SE Forge Limited

Vinod R. Tanti

Director

DIN - C0002266

Place: Pune

Date: May 19, 2017

T.P.A. Narayanan
TPA Narayanan
Chief Financial Officer
Membership Number: 088707
Place: Pune
Date: May 19, 2017

Rakesh J. Sarin

Director

DIN - D0282150

Place: Pune

Date: May 19, 2017

Akshay R. Kulkarni
Akshay R. Kulkarni
Company Secretary
Membership Number: A50113
Place: Pune
Date: May 19, 2017



SE Forge Limited
Statement of profit and loss for the period ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

Particulars	Notes	Year Ended Mar 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	22	4,90,71,35,087	3,88,55,91,666
Other income	23	1,18,33,345	4,46,02,627
Finance income	24	54,34,643	1,29,57,145
Total income		4,92,44,03,075	3,94,31,51,438
Expenses			
Cost of raw materials consumed	25	1,98,69,32,715	1,86,04,00,207
Changes in inventories of finished goods and work-in-progress	26	(20,32,68,224)	(2,94,69,155)
Employee benefits expenses	27	32,75,11,167	23,41,47,900
Depreciation and amortisation expenses	28	48,25,15,944	59,08,13,328
Impairment of non-financial assets	28	1,03,49,957	-
Finance costs	30	51,26,20,479	89,55,41,145
Other expenses	29	1,28,98,86,970	97,65,65,684
Total expense		4,40,65,49,008	4,52,79,99,109
Profit/ (loss) before tax		51,78,54,067	(58,48,47,671)
Income tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expense			
Profit/ (loss) for the period		51,78,54,067	(58,48,47,671)
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/(losses) on defined benefit plans	31	60,20,559	8,07,783
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		60,20,559	8,07,783
Total Comprehensive income for the year, net of tax		51,18,33,508	(58,36,55,454)
Earnings per share:			
(1) Basic & diluted	32	0.66	(0.97)
Summary of significant accounting policies.	3		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar R. Pachisia

Partner

Membership Number: 049237

Place: Mumbai

Date: May 19, 2017

For and on behalf of Board of Directors of
SE Forge Limited

Vinod R. Tanti
Director
DIN - 00002266
Place: Pune
Date: May 19, 2017

Rakesh J. Sarin
Director
DIN - 02082150
Place: Pune
Date: May 19, 2017

TPA Narayanan
Chief Financial Officer
Membership Number 088707
Place: Pune
Date: May 19, 2017

Akshay R. Kulkarni
Company Secretary
Membership Number A50113
Place: Pune
Date: May 19, 2017



Statement of changes in Equity for the period ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

Particulars	Notes	Amount
a. Equity Share Capital		
Equity shares of INR 1 each issued, subscribed and fully paid		
At April 1st, 2015	56,62,54,125	5,66,25,41,250
Issue of share capital (Note 14)	21,86,66,666	2,18,66,66,660
At March 31 2016	78,49,20,791	7,84,92,07,910
Issue of share capital	-	-
At 31st March 2017	78,49,20,791	7,84,92,07,910

b. Other Equity	Notes	Equity portion of guarantee commission payable to Parent Company (Note 15)	Reserves and surplus			Total - other equity
			Securities premium	Retained earnings	Sub - total	
At April 01, 2015	15	50,96,057	3,43,59,67,613	(9,06,84,88,132)	(5,63,25,20,519)	(5,62,74,24,462)
(Loss) / Profit for the year		61,61,023	-	(58,56,55,454)	(58,56,55,454)	61,61,023
Guarantee commission accrued during the year		-	1,09,33,33,330	-	1,09,33,33,330	1,09,33,33,330
Rights shares issued		1,12,57,080	4,52,93,00,943	(9,65,41,43,586)	(5,12,48,42,643)	(5,11,35,85,563)
At March 31, 2016		-	-	-	-	-
For the year ended March 31, 2017		1,12,57,080	4,52,93,00,943	(9,65,41,43,586)	(5,12,48,42,643)	(5,11,35,85,563)
At April 01, 2016		56,29,772	51,18,33,508	51,18,33,508	51,18,33,508	51,18,33,508
(Loss) / Profit for the year		-	-	-	-	56,29,772
Guarantee commission accrued during the year		-	-	-	-	-
Rights shares issued		1,68,86,852	4,52,93,00,943	(9,14,23,10,078)	(4,61,30,09,135)	(4,59,61,22,283)
At March 31, 2017		-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar R. Pachisia

Partner

Membership Number: 049237

Place: Mumbai

Date: May 19, 2017

For and on behalf of Board of Directors of
SE Forge Limited

Vinod R. Tanti

Director

DIN - 00002266

Place: Pune

Date: May 19, 2017

Rakesh J. Sarin

Director

DIN - 02082150

Place: Pune

Date: May 19, 2017

Ashimay R. Kulkarni

Company Secretary

Membership Number: A50113

Place: Pune

Date: May 19, 2017

T.P.A Narayanan

Chief Financial Officer

Membership Number: 048707

Place: Pune

Date: May 19, 2017



SE Forge Limited
Cash flow statement for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

Particulars	Period ended Mar 31, 2017	Year ended March 31, 2016
Operating Activities		
Profit before tax from continuing operations		
Profit before tax	51,78,54,067	(58,48,47,671)
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and impairment of property, plant and equipment	49,28,65,901	59,08,13,328
Re-measurement gains/(losses) on defined benefit plans	(60,20,559)	(8,07,783)
Gain / (loss) on disposal of property, plant and equipment	19,40,900	(97,69,443)
Net Foreign Exchange Differences	1,98,80,995	2,42,379
Finance cost	47,50,79,000	88,19,89,755
Finance income	(54,34,643)	(1,29,57,145)
Operating profit / (loss) before working capital changes	1,49,61,65,661	86,46,63,420
Working capital adjustments		
Movements in provisions, gratuity and government grants	(36,52,271)	24,90,339
Increase/(decrease) in other current financial liabilities	87,15,105	32,16,72,137
Increase/(decrease) in other current liabilities	(26,98,676)	22,18,563
Increase / (decrease) in trade receivables	(30,36,56,633)	(46,26,30,583)
Decrease / (increase) in trade inventories	(22,45,79,396)	(13,49,47,357)
(Increase)/decrease in other financial assets non-current	(36,19,13,858)	(10,39,13,880)
(Increase)/decrease in other financial assets	(1,10,41,426)	15,12,95,415
(Increase) / decrease in trade and other payables	28,75,32,509	(18,00,18,254)
(Increase)/decrease in advances and other recoverables	(2,69,01,559)	29,33,897
(Increase)/decrease in other current financial assets	22,11,641	(1,27,195)
(Increase)/decrease in other current assets	54,12,795	18,07,859
Cash generated from operations	86,55,93,892	46,54,44,361
Income tax paid	11,34,980	(16,75,484)
Net cash flows from operating activities (A)	86,67,28,872	46,37,68,877
Investment activities		
Proceeds from sale of property, plant and equipment	12,89,591	1,39,39,470
Purchase of property, plant and equipment	(26,82,65,546)	(21,36,23,219)
Investments in bank deposits (having original maturity of more than three months)	2,750	-
Interest received finance income	55,21,448	1,98,84,198
Net cash flows used in investing activities (B)	(26,14,51,757)	(17,97,99,551)

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SE Forge Limited

Cash flow statement for the year ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

Financing activities		
Proceeds from issuance of equity share capital	-	3,27,99,99,990
Interest paid	(46,63,71,968)	(1,13,47,57,459)
Proceeds from borrowings	61,03,76,261	61,61,25,896
Repayment of borrowings	(78,55,65,061)	(2,83,85,91,087)
Movement in short - term borrowings (net)	(77,32,297)	(16,24,77,595)
Net cash flow from/(used in) financing activities	(64,92,93,065)	(23,97,00,255)
Net increase in cash and cash equivalents(A+B+C)	(4,40,15,950)	4,42,69,070
Cash and cash equivalents at the beginning of the year	4,57,69,595	15,00,525
Cash and cash equivalents at the end of the year	17,53,645	4,57,69,595

Notes:

1. The figures in brackets represents outflows.
2. Previous year's figures have been regrouped/reclassified, wherever necessary.

As per our report of even date

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

per Shyamsundar R. Pachisia
 Partner
 Membership Number: 049237
 Place: Mumbai
 Date: May 19, 2017

For and on behalf of Board of Directors of
 SE Forge Limited

Vinod R. Tanti
 Director
 DIN - 00002266
 Place: Pune
 Date: May 19, 2017

Rakesh J. Sarin
 Director
 DIN - 02082150
 Place: Pune
 Date: May 19, 2017

TPA Narayanan
 Chief Financial Officer
 Membership Number 088707
 Place: Pune
 Date: May 19, 2017

Akshay R. Kulkarni
 Company Secretary
 Membership Number 50113
 Place: Pune
 Date: May 19, 2017



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

1. Corporate Information

SE Forge Limited ("SE Forge" or the "the Company") is a public limited Company domiciled in India and it is a wholly owned subsidiary of Suzlon Energy Limited. The Company is engaged in the manufacture of forging rings and casting articles, required primarily for use in Wind Turbine Generators ('WTGs'). The Company has set up its manufacturing facilities as "Units in Notified Special Economic Zone ('SEZ')" at Vadodara and Coimbatore, in the states of Gujarat and Tamil Nadu respectively. The Company has obtained approvals from the Development Commissioners for setting up the manufacturing facilities as "Units in the Notified SEZ" vide letter No KASEZ/P&C/6/57/07-08/4744 dated July 31, 2007 for Vadodara Unit and letter No. 8/1/2007-Suzlon Infra dated September 18, 2007 for Coimbatore Unit. The Company caters to both domestic and international markets.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first, the Company has prepared in accordance with Ind AS.

These financial statements have been prepared on an accrual basis and as per historical cost basis, except for the following assets and liabilities which have been measured at deemed cost:

- Land and buildings classified as property, plant and equipment,
- Software classified as intangible assets and

3. Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

b. Foreign currencies

The Company's financial statements are presented in INR, which is also the parent Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. .

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to continue with the policy of accounting for exchange differences arising from translation of long term foreign currency monetary items recognised in the financial statements prepared as per Indian GAAP for the year ended March 31, 2016. Accordingly, exchange differences arising on long-term foreign currency monetary items pertaining to acquisition of fixed assets (existing as at March 31, 2016) are adjusted to the cost of fixed assets and depreciated over the remaining life of the asset.

c. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

d. 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the Educational Material on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer in accordance with terms and conditions of the customer's orders. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Income from services

Revenue from job work service is recognised when service is rendered.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e. Taxes on income

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

f. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

g. Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2015.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

In accordance with IND AS 101 on provisions relating to first time adoption, the Company has opted to continue with the policy to adjust exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset (existing as at 31 March 2016) to the cost of the asset and depreciate the same over the remaining life of the asset. In accordance with MCA circular dated August 09, 2012, exchange differences adjusted to the cost of fixed assets are total differences, arising on long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset, for the period. In other words, the company does not differentiate between exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost and other exchange differences.

Depreciation is calculated based on the useful lives and residual values estimated by the management in accordance with Schedule II to the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. Leasehold land is amortised on a straight line basis over the period of lease.

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The Company has considered the following useful lives to provide depreciation on its tangible assets:

Type of asset	Useful lives (years)
Factory Buildings	30
Plant and Machinery, patterns	2 – 25
Contribution for assets not owned by the Company	30
Computers	3
Office equipment	5
Furniture and fixtures	10
Vehicles	8 - 10



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

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An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate

h. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policy applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Software	30 years	Amortised over the useful economic life of the software	Acquired

i. Borrowing costs

Borrowing cost primarily includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs also includes exchange differences to the extent regarded as an adjustment to the borrowing costs, except to the extent it relates to long-term monetary items pertaining to acquisition of depreciable assets (existing as at 31 March 2016) as referred to in para g above.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j. 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 unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

those from other assets or Company's 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

k. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

I. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials including stores & spares, consumables, packing material, semi-finished goods and components: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

m. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n. Retirement and other employee benefits

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 recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service

Retirement benefits in the form of gratuity is defined benefit obligations and is provided for on the basis of an actuarial valuation, using projected unit credit method as at each balance sheet date.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Short-term compensated absences are provided based on estimates. Long term compensated absences and other long-term employee benefits are provided for on the basis of an actuarial valuation, using projected unit credit method, as at each balance sheet date. The entire leave is presented as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

o. Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for any bonus shares issued during the year and also after the balance sheet date but before the date the financial statements are approved by the board of directors. For the purpose of calculating diluted earnings/(loss) per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

as appropriate. The dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been issued at fair value. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date.

p. Financial instruments

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply following exceptions/exemptions prospectively from April 1, 2015.

- Derecognition of financial assets and financial liabilities have been applied prospectively
- Applied the requirements of relating to accounting for difference between fair value of financial asset or financial liability from its transaction price of Ind AS 109 prospectively.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - a) the Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risk are recognized in OCI. These gains / loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

All amounts in Rupees, unless otherwise stated

cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4. Net Foreign Earnings

As per the requirements of rule 53 of Special Economic Zones Rules, 2006 (SEZ Rules), units set up in Special Economic Zones (SEZ), need to achieve cumulative positive Net Foreign Exchange (NFE) by the end of five years from the date of commencement of business. Rule 54 of SEZ Rules states that if NFE is not achieved by the due date, then the unit shall be liable for penal action under the provisions of Foreign Trade (Development and Regulation) Act, 1992 (FTDR). As per Section 11 of the FTDR, amount of such penalty may extend up to 5 times the value of goods involved without prejudice to the action that may be taken under any other law.

The forging unit of the Company located at Vadodara commenced its business in September 2008 and foundry unit located at Coimbatore commenced operations in January 2009. Accordingly, due dates to achieve positive NFE were September 24, 2013 for forging unit and in January 31, 2014 for foundry unit. During the financial year 2008-09, the company filed applications with SEZ authorities for extending the period for complying with NFE requirements and as per the extensions granted, the revised due dates to achieve positive NFE were September 23, 2014 for forging unit and July 30, 2014 for foundry unit.

Thereafter, the Company received extensions for a further period of 5 years at both the SEZ units; thereby, revising the due dates to comply with the NFE rules to September 23, 2018 for Forging unit and upto January 31, 2019 for the Foundry unit.

As of March 31, 2017, the company had a deficit in the net foreign exchange amounting to Rs. 2,204,252,328 for forging unit and Rs. 973,799,247 for foundry unit. Post completion of the extension period, if the company is unable to achieve positive NFE, the company shall re-apply for extension of time limits to respective SEZ Authorities. The company is confident of receiving further extension.

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SE Forge Limited
Notes to financial statements for the period ended March 31, 2017
(A.I. amounts in Rupees unless otherwise stated)

5 Property, plant and equipment

Particulars	Buildings	Plant and machinery	Office equipments	Tangible assets			Total tangible assets	Intangible assets	Capital work in progress
				Furniture and fixtures	Computers	Vehicles			
Cost as at April 01, 2015	1,22,89,02,399	4,51,94,72,730	10,55,258	2,34,87,312	22,76,886	40,43,788	5,77,92,38,373	1,47,861	30,28,29,081
Additions	4,14,74,571	24,04,16,481	3,38,906	49,482	61,82,679	-	28,84,62,119	5,44,917	2,42,007
Disposals	-	(1,07,61,487)	-	-	(2,97,760)	-	(1,10,59,247)	-	(18,13,5,598)
Other adjustment	-	6,62,08,182	-	-	-	-	5,62,08,182	-	-
Cost as at March 31, 2016	4,81,53,906	13,94,164	2,35,36,794	81,61,805	40,43,788	6,12,28,49,427	6,92,478	12,17,25,490	
Additions	1,41,82,304	18,48,33,574	9,38,270	1,92,663	26,78,606	40,41,742	20,68,67,159	3,37,75,282	6,96,14,684
Disposals	-	(3,78,120,875)	-	-	(1,22,400)	-	(3,79,43,273)	-	(9,40,85,998)
Other adjustment	-	(4,63,52,282)	-	-	-	-	(4,63,52,282)	-	-
Cost as at March 31, 2017	4,91,59,274	23,32,434	2,37,29,457	1,07,18,011	80,85,530	6,24,54,21,011	3,44,71,760	9,72,54,176	
Depreciation / amortisation / impairment									
As at April 01, 2016	-	-	-	-	-	-	-	-	-
Charge for the year	5,98,66,743	52,23,03,989	3,41,378	53,20,958	12,04,847	17,26,460	59,07,64,375	48,953	-
Disposals	(66,38,003)	-	-	-	(2,51,217)	-	(68,89,220)	-	-
As at March 31, 2016	5,98,66,743	51,56,95,986	3,41,378	53,20,958	9,53,630	17,26,460	58,38,75,155	48,953	
Charge for the year	5,58,66,807	41,61,30,355	2,83,341	53,07,959	24,24,433	18,82,060	48,19,44,955	5,70,989	-
Impairment loss	-	1,03,49,957	-	-	-	-	1,03,49,957	-	-
Disposals	(3,45,96,488)	-	-	-	(1,16,280)	-	(3,47,12,768)	-	-
As at March 31, 2017	11,57,33,550	90,75,99,810	6,24,719	1,06,28,917	32,61,783	36,08,520	1,04,14,57,299	6,19,942	
Net book value									
At March 31, 2017	1,16,88,25,724	4,00,83,96,515	17,07,715	1,31,00,540	74,56,228	44,77,010	5,20,39,63,733	3,38,51,813	9,72,54,176
At March 31, 2016	1,21,05,10,227	4,29,96,69,920	10,55,258	1,82,15,536	72,08,175	23,17,338	5,53,89,7,273	6,43,523	12,17,25,490
At April 01, 2015	1,22,89,02,399	4,51,94,72,730	10,55,258	2,34,87,312	22,76,886	40,43,788	5,77,92,38,373	1,47,561	30,28,29,081

- a) For property, plant and equipment existing on April 01, 2015 i.e. its date of transition to Ind AS, the company has considered ICAAP carrying value as deemed cost.
- b) Plant and machinery includes contributions for assets not owned by the Company with a gross block of Rs. 58,35,00,000 (March 31, 2016 : Rs. 58,35,00,000) and accumulated depreciation of Rs. 26,64,29,892 (March 31, 2016: Rs. 25,32,01,029 and April 01, 2015 Rs. 23,99,35,021)
- c) All the assets of the Company are constructed/installed/located on land held on leasehold basis.
- d) During the year ended on 31 March 2017, the company has recognised an impairment loss of Rs. 1,03,49,957 on certain property, plant and equipment in the foundry segment as a result of technological obsolescence. This was recognised in the statement of profit and loss.
- e) Property, plant and equipment are pledged as security (Refer note 16)



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

6 Inventories

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials (goods in transit as per note below)	27,23,64,456	31,31,63,093	21,81,69,114
Work-in-progress	31,09,87,546	20,66,60,469	17,07,56,312
Finished goods	16,78,45,012	6,89,03,865	7,53,38,867
Stores and spares	17,75,59,478	11,54,49,669	10,49,65,446
Total inventory at lower of cost and net realisable value	92,87,56,492	70,41,77,096	56,92,29,739

Raw materials inventory includes goods in transit of Rs.5,23,45,056 (March 31, 2016 : Rs. 4,34,82,346 and Apr 01, 2015 Rs. 6,47,29,764).

7 Trade receivables

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets at amortised cost			
Trade receivables	63,18,37,491	62,42,13,871	12,13,13,244
Receivables from related parties (note 36)	66,16,47,355	38,94,46,109	42,90,69,343
Total trade receivables	1,29,34,84,846	1,01,36,59,980	55,03,82,587
Break-up for security details:			
Trade receivables	-	-	-
Secured, considered good	1,29,34,84,846	1,01,36,59,980	55,03,82,587
Unsecured, considered good	-	-	-
Total Trade receivables	1,29,34,84,846	1,01,36,59,980	55,03,82,587

No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person.

For terms and conditions relating to related party receivables (See note 36)

8 Cash and cash equivalents

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Financial assets at amortised cost			
Balance with banks			
On current accounts	16,98,133	4,55,42,272	12,14,898
Other bank balances (refer note below)	-	2,750	2,750
Cash on hand	55,512	2,27,323	2,85,627
Totals	17,53,645	4,57,72,345	15,03,275
Margin money deposit shown as non-current asset (refer note below)	6,33,01,084	5,87,92,523	21,01,71,043
Less: margin money deposit classified as non current asset (refer note 9)	(6,33,01,084)	(5,87,92,523)	(21,01,71,043)
Totals	-	-	-
Total Cash and cash equivalents	17,53,645	4,57,72,345	15,03,275

Margin money deposits includes deposits with a carrying amount of Rs. 6,33,01,084 (March 31, 2016 : Rs. 5,87,92,523 and April 01, 2015 : Rs. 3,89,71,043) are subject to first charge to secure the company's cash credit loans.

9 Other financial assets - non current (at amortised cost)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Unsecured, considered good, unless stated otherwise)			
Non current bank balances - margin money deposits (refer note 8)	6,33,01,084	5,87,92,523	21,01,71,043
Security deposits	72,83,490	7,50,625	6,67,520
Total	7,05,84,574	5,95,43,148	21,08,38,563

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SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

10 Trade advances and other receivables

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(Unsecured, considered good, unless stated otherwise)			
Trade advances	4,10,63,388	1,55,44,863	1,54,65,247
Advances recoverable in cash	5,19,842	2,71,788	16,09,817
Total	4,15,83,230	1,58,16,651	1,70,75,064

11 Other non-current assets

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(unsecured, considered good, unless stated otherwise)			
Unamortised lease rent	71,27,81,312	35,08,67,454	24,69,53,574
Total	71,27,81,312	35,08,67,454	24,69,53,574

12 Other current financial assets (at amortised cost)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(unsecured, considered good, unless stated otherwise)			
Security deposits	33,44,719	55,56,360	54,29,165
Total	33,44,719	55,56,360	54,29,165

13 Other current assets

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(unsecured, considered good, unless stated otherwise)			
Prepaid expenses	1,26,18,103	83,77,526	96,59,073
Advance income tax [net of provision for tax]	13,52,583	24,87,563	8,12,078
Balances with statutory/government authorities	2,85,84,305	3,71,02,697	3,93,04,494
Interest accrued but not due	20,79,934	21,66,739	90,93,792
Total	4,46,34,925	5,01,34,525	5,88,69,437

14 Share capital

	Numbers	Amount
Authorised Share Capital:		
At 1 April 2015	60,00,00,000	6,00,00,00,000
Increase/(decrease) during the year	35,00,00,000	3,50,00,00,000
At 31 March 2016	95,00,00,000	9,50,00,00,000
Increase/(decrease) during the year	-	-
At 31 March 2017	95,00,00,000	9,50,00,00,000

During the year ended March 31, 2017 the company has increased authorised share capital by Rs. Nil (March 31, 2016 - Rs. 35,00,00,000 i.e. 3,50,00,000 shares of Rs. 10/- each.)

	Numbers	Amount
Issued Share Capital:		
At 1 April 2015	56,62,54,125	5,66,25,41,250
Increase/(decrease) during the year	21,86,66,666	2,18,66,66,660
At 31 March 2016	78,49,20,791	7,84,92,07,910
Increase/(decrease) during the year	-	-
At 31 March 2017	78,49,20,791	7,84,92,07,910

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SE Forge Limited**Notes to financial statements for the year ended March 31, 2017**

(All amounts in Rupees unless otherwise stated)

(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. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The company declares and pays the dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

(b) Shares held by holding company

All the equity shares are held by the holding company, Suzlon Energy Limited, along with its nominees, and as such separate disclosure of shares held by holding Company and shareholders holding 5% or more shares has not been given.

(c) Bonus shares

As the Company has not issued any bonus shares / shares for consideration other than cash / has not bought back shares, aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date has not been disclosed.

(d) Shares issued under option

There are no shares reserved for issue under options.

15 Other equity and reserves and surplus

	As at March 31, 2017	As at March 31, 2016
Equity portion of guarantee commission payable to Parent Company		
Opening Balance	1,12,57,080	50,96,057
Add: Additions during the year *	56,29,772	61,61,023
Closing balance	1,68,86,852	1,12,57,080
Reserves and surplus		
Securities premium account		
Opening Balance	4,52,93,00,943	3,43,59,67,613
Add: Additions during the year		1,09,33,33,330
Closing balance	4,52,93,00,943	4,52,93,00,943
Deficit in the statement of profit and loss		
Opening Balance	(9,65,41,43,586)	(9,06,84,88,132)
Add: Profit/ (loss) for the year **	51,18,33,508	(58,56,55,454)
Closing balance	(9,14,23,10,078)	(9,65,41,43,586)
Total	(4,61,30,09,135)	(5,12,48,42,643)

* This comprises of guarantee commission expenses of Rs.56,29,772 (At on March 31, 2016 Rs.61,61,023 and as on Apr 01,2015 Rs.50,96,057) payable to holding company against corporate guarantee given by holding company towards ECB loan.

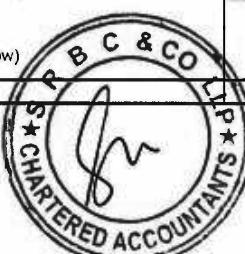
** On the date of transition the company has adjusted the effect of Ind AS adjustments amounting to Rs. 2,69,24,134 arising on first time adoption of Ind AS in retained earnings.

16 Borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
Term loan			
Indian rupee loan from banks (see note i below)	2,83,21,97,152	2,34,70,78,926	5,15,32,49,855
Foreign currency loan from banks (see note iii below)	-	61,43,67,950	-
Unsecured	2,83,21,97,152	2,96,14,46,876	5,15,32,49,855
Foreign currency loan from banks (see note ii below)	53,54,05,450	61,99,70,990	58,67,35,218
Total	3,36,76,02,602	3,58,14,17,866	5,73,99,85,073

Less: Current portion of long term loans (transferred to other financial liabilities) (refer note 19)			
Secured			
Term loan			
Indian rupee loan from banks (see note i below)	31,74,20,000	11,65,20,233	37,41,00,699
Foreign currency loan from banks (see note iii below)	-	1,04,15,923	-
Unsecured	31,74,20,000	12,69,36,156	37,41,00,699
Foreign currency loan from banks (see note ii below)	7,63,09,866	3,73,35,038	46,59,04,581
Total	39,37,29,866	16,42,71,194	84,00,05,280

Non-current portion of term loans			
Secured			
Term loan			
Indian rupee loan from banks (see note i below)	2,51,47,77,152	2,23,05,58,693	4,77,91,49,156
Foreign currency loan from banks (see note iii below)	-	60,39,52,027	-
Unsecured	2,51,47,77,152	2,83,45,10,720	4,77,91,49,156
Foreign currency loan from banks (see note ii below)	45,90,95,584	58,26,35,952	12,08,30,637
Total non current borrowings	2,97,38,72,736	3,41,71,46,672	4,89,99,79,793



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

i) Indian rupee term loan from banks comprises term loan (RTL) taken from banks of Rs. 283,21,97,152 (March 31, 2016: Rs. 234,70,78,926 and Apr 01,2015 515,32,49,855) carrying interest rate of 12.05 - 12.35 % per annum . RTL is repayable in 32 structured quarterly instalments from quarter ending December 2014 to September 2022.

Financial facilities from all lenders and fund based working capital facilities and non fund based working capital facilities are secured by pari passu charge on all movable assets (both fixed and current assets) and immovable assets of the company. The said financial facilities are also secured by personal guarantee of one of the directors of the company and managing director of the holding company of the company.

ii) Unsecured foreign currency term loan includes term loans from Landes Bank for purchase of plant equipment of Rs. 51,64,82,530 (March 31,2016: Rs. 58,70,23,478 and Apr 01,2015:Rs.55,09,51,324) carrying interest at EURIBOR plus five hundred basis points, repayable in 32 structured quarterly instalments from December 2014 and Funded Interest Term Loan of Rs. 1,89,22,920 (March 31, 2016: Rs. 3,29,47,512 and Apr 01,2015 Rs. 3,57,83,894) carrying interest at EURIBOR plus five hundred basis points, repayable in 14 structured quarterly instalments from December 2014. These loans are supported by corporate guarantee given by the holding company, Suzlon Energy Limited.

iii) During the year ended March 31, 2017, the company has converted the existing secured foreign currency loan into secured rupee term loan.

Loan covenants: Bank loans contain certain routine debt covenants like submission of stock statements and audited financials etc. The company has satisfied these debt covenants.

17 Net employee defined benefit liabilities (non-current)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for gratuity	76,28,993	60,82,844	29,14,844
Provision for long term retention bonus	86,13,977	2,29,60,379	2,65,64,208
Total	1,62,42,970	2,90,43,223	2,94,79,052

18 Current borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Working capital loans			
Secured borrowings			
Cash credit from banks (secured)	20,92,98,824	29,23,27,736	61,48,90,335
Buyer's credit from banks (secured)	9,74,64,448	3,89,70,094	74,39,042
	30,67,63,272	33,12,97,830	62,23,29,377
Unsecured borrowings			
Short term borrowings from related parties (unsecured) (refer note 36)	14,10,52,948	12,77,46,701	
Total current borrowings	44,78,16,220	45,90,44,531	62,23,29,377

The rate of interest on working capital loans from banks is 12.05 % per annum. For details of security given and loan covenants for short term borrowings, refer note 16 above.

The short term borrowing from related parties carry an interest of 11 per cent per annum and are repayable on demand. These do not carry any debt covenants.

19 Other financial liabilities (at amortised cost)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Current maturities of long term borrowings (Refer note 16)	39,37,29,866	16,42,71,194	84,00,05,280
Total	39,37,29,866	16,42,71,194	84,00,05,280

20 Net employee defined benefit liabilities - current

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for gratuity (Refer note 34)	32,00,470		5,53,112
Provision for long term retention bonus	50,07,279	32,23,437	22,98,409
Provision for leave encashment	1,98,95,952	1,57,32,282	1,31,78,025
Total	2,81,03,701	1,89,55,719	1,60,29,546

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SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

21 Trade and other payables (financial liabilities at amortised cost)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade payables			
Trade payables	72,62,36,689	45,11,70,065	56,57,46,115
Trade payables to related parties	3,11,03,179	1,90,92,052	8,28,37,817
Total	75,73,39,868	47,02,62,117	64,85,83,932

Other payables			
Payables for capital goods	3,45,21,514	9,43,37,753	19,77,47,334
Interest accrued but not due on borrowings	84,639	82,121	-
Interest accrued and due on borrowings	67,52,768	36,78,038	26,26,88,885
Advance from customers	50,07,26,071	49,87,99,271	13,65,88,343
Other current liabilities	93,99,187	26,10,882	4,31,49,673
Total	55,14,84,179	59,95,08,065	64,01,74,235

Terms and conditions of the above financial liabilities

- (i) Trade payables are non-interest bearing and are normally settled as per purchase order terms.
- (ii) Other payables are non-interest bearing and are normally paid as per due dates or within a month.
- (iii) Interest payable and statutory dues payable are normally settled monthly throughout the financial year. The company has interest accrued and due as on March 31, 2017 which is debited by bank in next month.
- (iv) Trade payables include acceptances of Rs. 19,58,77,784 (March 31, 2016 : Rs 13,02,01,707 and April 01, 2015 : Rs 29,39,12,671).
- (v) Trade payable includes provision made for litigation Rs. 1,80,00,000.
- (vi) Trade payable includes the MSMED creditors as given in note 46.

21a Other current liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory dues payable	1,03,18,303	1,30,16,979	1,07,98,416
Total	1,03,18,303	1,30,16,979	1,07,98,416

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

22 Revenue from operations

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Sale of products		
Finished goods	4,67,86,08,816	3,68,91,79,972
Sale of services	4,61,79,725	1,49,57,836
Other operating revenue		
Scrap sales	18,23,46,546	18,14,53,858
Total	4,90,71,35,087	3,88,55,91,666

The Company is situated in Special Economic Zone and hence excise duty is not applicable on the sale of products.

23 Other income

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Other non-operating income		
Miscellaneous income	1,18,33,345	4,46,02,627
Total	1,18,33,345	4,46,02,627

24 Finance income

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Interest income on financial assets at amortised cost		
Bank deposits	49,15,222	1,10,50,210
Others	5,19,421	19,06,935
Total	54,34,643	1,29,57,145

25 Cost of raw materials consumed

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Raw materials consumed		
Inventories at the beginning of the year	31,31,63,093	21,81,69,114
Add: Purchases *	1,94,61,34,078	1,95,53,94,186
	2,25,92,97,171	2,17,35,63,300
Less: Inventory at the end of the year *	27,23,64,456	31,31,63,093
Cost of raw material consumed	1,98,69,32,715	1,86,04,00,207
 Details of raw material consumed		
Steel Ingots	95,75,10,216	1,03,81,89,201
Sorel metal	7,57,17,799	14,30,67,794
CRC scrap	10,71,64,908	33,73,48,116
Foundry returns	3,67,00,339	21,32,42,691
Others	80,88,39,453	13,05,72,405
Total	1,98,69,32,715	1,86,04,00,207
 Details of Inventory in hand at the end of the year		
Steel Ingots	17,55,08,954	20,52,21,976
Sorel metal	2,65,06,098	82,34,175
CRC scrap	48,79,196	1,01,32,831
Foundry returns	1,94,32,571	1,18,78,614
Others	4,60,37,637	7,76,95,497
Total	27,23,64,456	31,31,63,093

* Purchases and inventory at the end of the year include goods in transit of Rs.5,23,45,056 (March 31, 2016 : Rs. 4,34,82,346 and April 01, 2015 Rs. 6,47,29,764).

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

26 Changes in inventories of finished goods and work-in-progress

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Inventories in hand at the end of the year		
Work - in - progress	31,09,87,546	20,66,60,469
Finished goods	16,78,45,012	6,89,03,865
	47,88,32,558	27,55,64,334
Inventories in hand at the beginning of the year		
Work - in - progress	20,66,60,469	17,07,56,312
Finished goods	6,89,03,865	7,53,38,867
	27,55,64,334	24,60,95,179
(Increase) / decrease in inventories		
Work - in - progress	(10,43,27,077)	(3,59,04,157)
Finished goods	(9,89,41,147)	64,35,002
	(20,32,68,224)	(2,94,69,155)

Details of inventory in hand at the end of the year	Year Ended Mar 31, 2017	Year ended March 31, 2016
Work - in - progress	27,25,39,227	12,14,88,919
Foundry products	3,84,48,319	8,51,71,550
	31,09,87,546	20,66,60,469
Finished goods	9,35,32,026	5,09,94,378
Foundry products	7,43,12,986	1,79,09,487
	16,78,45,012	6,89,03,865
Total	47,88,32,558	27,55,64,334

27 Employee benefits expenses

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	29,41,23,273	21,25,94,253
Contribution to provident and other fund	1,41,62,042	1,16,78,306
Gratuity expense net of amounts taken to statement of other comprehensive income (Refer Note 34)	39,21,099	31,60,868
Staff welfare expense	1,53,04,753	67,14,473
Total	32,75,11,167	23,41,47,900

28 Depreciation, amortisation and impairment expenses

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Depreciation on tangible assets (note 5)	48,19,44,955	59,07,64,375
Amortisation of intangible assets (note 5)	5,70,989	48,953
Total	48,25,15,944	59,08,13,328
Impairment of non-financial assets (note 5)	1,03,49,957	-
Total	1,03,49,957	-

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SE Forge Limited
 Notes to financial statements for the year ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

29 Other expenses

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Consumption of stores and spares	38,88,37,203	29,43,08,099
Power and fuel	50,25,20,341	42,99,54,357
Other manufacturing expenses	4,98,29,474	5,21,84,231
Factory labour charges	13,99,58,878	9,63,83,098
Operating lease rentals *	3,98,24,993	3,94,93,297
Rates and taxes	60,58,996	1,88,189
Insurance	96,93,464	77,50,424
Repairs and maintenance		
Plant and machinery	2,08,51,869	2,03,42,159
Buildings	26,71,356	35,20,867
Others	28,08,919	11,35,054
Business promotion expenses	12,13,870	7,86,833
Freight outward	4,15,98,717	2,79,23,363
Travelling and conveyance	2,65,34,692	2,26,75,268
Communication expenses	24,79,754	20,34,585
Other administrative cost	1,41,32,083	1,83,40,902
Legal and professional fees	1,27,41,981	2,41,26,012
Directors' sitting fees	90,000	90,000
Payment to auditors (refer note below)	15,81,475	15,39,375
Exchange difference (net)	1,98,89,283	(61,20,930)
Loss on sale of fixed assets (net)	19,40,901	(97,69,443)
Miscellaneous expenses	46,28,721	(5,03,20,056)
Total	1,28,98,86,970	97,65,65,684

* Rent comprises of rent paid for factory land and guest house.

Payment to auditors		
As auditors		
Audit fee	15,00,000	15,00,000
Reimbursement of expense	81,475	39,375
Total	15,81,475	15,39,375

30 Finance cost

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Interest on debts and borrowings	43,35,89,671	87,50,21,716
Bank charges	3,75,41,479	1,35,51,390
Exchange differences regarded as an adjustment to borrowing cost	4,14,89,329	69,68,039
Total	51,26,20,479	89,55,41,145

31 Components of Other Comprehensive Income (OCI)

	Year Ended Mar 31, 2017	Year ended March 31, 2016
The disaggregation of changes to OCI in retained earnings is as follows:		
Remeasurement gains/(losses) on defined benefit plans	60,20,559	8,07,783
Total	60,20,559	8,07,783

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SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

32 Earning/loss per share (EPS)

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Profit/(loss) for the period	51,78,54,067	(58,48,47,671)
Weighted average number of equity shares	78,49,20,791	60,50,88,369
Basic and diluted earnings/(loss) per share of Rs. 10 each	0.66	(0.97)

33 Significant accounting judgements, estimates and assumptions

The preparation of 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affecting in future periods.

Judgements:

In the process of applying the company's accounting policies, the management has made following adjustments, which have the most significant effect on the amounts recognised in the financial statements

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. 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 assumption when they occur. Actual results could differ from these estimates.

Impairment of non financial assets:

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount which is higher of fair value less disposal cost and assets value in use. The fair value less disposal cost calculation is based on data available to the company such as binding sales orders, conducted at arms length, for similar asset or observable market prices less incremental cost of disposal. The value in use calculation is based on DCF model. The cash flows are derived from the budget of next five years and do not include restructuring activities or significant future adjustments that the company will carry out in future. The recoverable amount is sensitive to the discount rate used for DCF model as well as the expected future cash flows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for different CGUs or assets, including a sensitivity analysis, are disclosed and further explained in the accounting policies.

Deferred tax :

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realised. The company has determined that in the absence of reasonable certainty with respect to sufficient future taxable income, it can not recognise deferred tax asset.

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined Benefits plans (gratuity benefits and other long term employee benefits):

The cost of the defined benefit gratuity plan and other long term employee benefit plan and the present value of the gratuity obligation and other long term employee benefit 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the employee benefit obligation.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Further details about gratuity obligations are given in Note 34.

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

34 Gratuity and other post employment benefit plans

The Company has a defined benefit gratuity plan ('Defined Benefit'). Every employee, irrespective of whether or not he/she has completed five years or more of service, is eligible for gratuity. Gratuity is computed based on 15 days salary (last drawn salary) for each completed year of service. The scheme is partially funded with an insurance company in the form of a qualifying insurance policy.

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Principal assumptions used in determining the gratuity obligations for the Company's plans:		
Discounting rate	7.00%	7.90%
Salary escalation rate	10.00%	8.00%
Expected return on plan asset	7.90%	8.50%
Attrition rate	10% at younger ages below 24 and reducing to 1% at older age till 59 years according to graduated scale	10% at younger ages below 24 and reducing to 1% at older age till 59 years according to graduated scale
Retirement age	65 years if joined on or before January 31, 2010. 60 years if joined after January 31, 2010	65 years if joined on or before January 31, 2010. 60 years if joined after January 31, 2010

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The following tables summarize the components of net benefit expense recognised in the statement of profit and loss and the partially funded status and amounts recognised in the balance sheet for gratuity plan:

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Net employee benefit expense recognised in statement of profit and loss		
Current service cost	36,46,679	30,15,240
Interest cost on benefit obligation	13,07,905	9,97,705
Expected return on plan assets	(10,33,485)	(8,52,077)
Net benefit expense (refer note 27) *	39,21,099	31,60,868
Remeasurement gain/losses in other comprehensive income		
Remeasurement for the year- Obligation - gains/(losses)	59,60,791	8,33,523
Remeasurement for the year- plan assets - gains/(losses)	59,768	(25,740)
Net recognition in other comprehensive income	60,20,559	8,07,783

	As at March 31, 2017	As at March 31, 2016
Details of defined benefit gratuity plan		
Defined benefit obligation (A)	2,66,11,932	1,74,14,926
Fair value of plan assets (B)	1,57,82,469	1,13,32,082
Plan liability / (asset) (B-A)	1,08,29,463	60,82,844

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	1,74,14,926	1,30,13,712
Interest cost	13,07,905	9,97,705
Current service cost	36,46,679	30,15,240
Benefits paid	(17,18,369)	(4,45,254)
Actuarial (gains)/losses on obligation	59,60,791	8,33,523
Closing defined benefit obligation	2,66,11,932	1,74,14,926



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	1,13,32,082	95,24,437
Expected return on plan assets	10,33,485	8,52,077
Actuarial gain/ (loss)	(83,098)	(44,432)
Employer's Contribution	35,00,000	10,00,000
Benefits paid	-	-
Closing fair value of plan assets	1,13,32,082	1,13,32,082

* This amount includes ex-gratia of Rs. 17,18,369 (March 31, 2016: Rs. 4,45,254) paid directly by the Company.

The major category of plan assets as a percentage of fair value of total plan assets are as follows:		
Investment with insurer	100%	100%

A quantitative sensitivity analysis for significant assumptions increase/decrease by 100 basis point as at 31st March 2017 is as below		
Defined Benefit obligation	2,66,11,932	1,74,14,926
Discount Rate		
6% (31 March 2016: 6.90%)	2,87,02,654	1,96,62,513
8% (31 March 2016: 8.90%)	2,47,86,540	1,55,46,040
Salary increment rate		
9% (31 March 2016: 7%)	2,50,40,580	1,56,76,869
11% (31 March 2016: 9%)	2,83,69,209	1,94,57,463
Withdrawal rate		
Decrease by one per cent	2,69,89,747	1,73,97,152
Increase by one per cent	2,62,78,672	1,74,35,480

The expected contribution to defined benefit plan (based on discounted cash flows using mortality, withdrawal and interest rate)for next year is Rs. 32,00,000

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 11.09 years

Amounts for current and previous periods are as follows:

Particulars	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	2,66,11,932	1,74,14,926
Plan assets	1,57,82,469	1,13,32,082
Surplus/(deficit)	(1,08,29,463)	(60,82,844)
Actuarial gain/(loss) on plan liabilities	59,60,791	2,11,715
Actuarial gain/(loss) on plan assets	(83,098)	(44,432)
Actuarial gain/(loss) due to change in assumptions	-	-

Particulars	As at March 31, 2015	As at March 31, 2014
Defined benefit obligation	1,30,13,712	96,26,182
Plan assets	95,24,437	82,33,740
Surplus/(deficit)	(34,89,275)	(13,92,442)
Actuarial gain/(loss) on plan liabilities	2,11,715	40,51,530
Actuarial gain/(loss) on plan assets	56,989	(87,340)
Actuarial gain/(loss) due to change in assumptions	-	(11,35,450)

Particulars	As at March 31, 2013
Defined benefit obligation	1,24,10,980
Plan assets	76,69,200
Surplus/(deficit)	(47,41,780)
Experience adjustments on plan liabilities	12,91,890
Experience adjustments on plan assets	41,940
Actuarial gain/(loss) due to change in assumptions	(11,35,450)

Other long term employment benefits includes leave encashment and long term retention bonus for which provisions are made based on actuarial valuation.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

35 Commitments and contingencies

Estimated amount of contracts remaining to be executed on capital account and not provided for :

	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	41,03,33,530	60,58,879

36 Related party disclosures and transactions as per Ind - AS 24**A. Related party disclosures****Related parties whose control exists:**

Holding Company: Suzlon Energy Limited

Other related parties with whom transactions have taken place during the year:Fellow subsidiaries:
Suzlon Wind International Limited
Suzlon Structures Limited
SE Electricals Limited
Suzlon Global Services Limited
Suzlon Wind Energy Corporation, USA
SE Freight and Logistics India Private Limited

Entities where Key Management Personnel has interest : Aspen Infrastructures Limited

Key Management Personnel:

Chief Mentoring Officer:	Mr Girish R. Tanti
Chief Executive Officer:	Mr. Sunil J. Gupta
Chief Financial Officer:	Mr. TPA Narayanan
Independent Director:	Mrs. Pratima Ram
Independent Director:	Mr. Vaidyanathan Raghuraman

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

B. Related party transactions

	As at March 31, 2017	As at March 31, 2016
Suzlon Energy Limited - Holding Company		
Issue of equity shares (excluding share premium)	-	2,18,66,66,660
Sale of goods	2,62,08,41,888	1,43,04,87,207
Interest expense	1,33,06,247	11,24,46,701
Bank guarantee expenses	56,29,772	61,61,023
Loan taken	1,33,06,247	12,77,46,701
Loan balance	14,10,52,948	12,77,46,701
Amount owed by related party	66,16,47,355	38,94,46,109
Amount (owed to) related party	(49,69,38,792)	(49,69,38,792)
Transaction with fellow subsidiaries:		
Suzlon Wind International Limited		
Sale of goods	-	3,64,91,761
Suzlon Structures Limited		
Sale of goods	-	12,59,96,243
SE Electricals Limited		
Purchase of goods	17,50,133	50,470
Amount owed to related party	(8,22,752)	(2,65,900)
Suzlon Wind Energy Corporation		
Reimbursement of expenses	86,20,068	-
Amount owed to related party	(14,44,149)	-
Aspen Infrastructures Limited		
Gross lease rent	14,31,12,336	14,31,15,850
Facility management charges and other services	3,04,05,243	2,89,95,552
Reimbursement of expenses	50,67,59,641	46,34,57,246
Deposits given	64,40,119	-
Amount owed to related party	(2,84,95,508)	(1,77,50,504)
Amount owed by related party	49,50,000	-
Amount owed as a security deposit	2,24,15,975	1,59,75,856
SE Freight and Logistics India Private Limited		
Purchase of services	11,30,428	24,94,186
Amount owed to related party	(3,40,770)	(10,75,648)
Remuneration to Key Managerial Personnel		
Mr. Girish R. Tanti - CMO	1,10,92,800	73,95,198
Mr. Sunil J. Gupta - CEO	1,62,67,195	92,43,995
Mr. TPA Narayanan - CFO	63,94,944	33,95,393
Sitting fees		
Mrs. Pratima Ram - Independent Director (SBI)	40,000	40,000
Mr. Vaidyanathan Raghunathan - Independent Director	50,000	50,000

Terms and conditions of transactions with related parties:

- i) The sales to and 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.
- For the year ended March 31, 2017, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2016: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.
- ii) The Company has availed a long term loan from Landes Bank amounting to Rs. 53,54,05,450 (March 31, 2016 : Rs. 61,99,70,990 and April 01, 2015 : Rs. 58,67,35,218) for which a corporate guarantee has been given by the holding company.
- iii) The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.
- iv) The companies financial facilities from all lenders and fund based working capital facilities and non fund based working capital facilities are secured by personal guarantee of Mr. Girish Tanti.

37 Fair value measurements

The fair value of the financial assets and liabilities are considered to be same as their carrying values.
Accordingly the Company has not disclosed fair value hierarchy.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

38 Financial instrument and risk review

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

a: Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises only of foreign currency risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

	USD Exposure (Amount in INR)	EUR Exposure (Amount in INR)
As at March 31, 2017		
Financial assets		
Trade receivable	50,18,62,843	16,61,34,568
Bank Balances		
	50,18,62,843	16,61,34,568
Financial liabilities		
Borrowings	1,16,71,430	62,46,94,482
Trade payables	35,85,885	4,55,48,335
	1,52,57,315	67,02,42,817
As at March 31, 2016		
Financial assets		
Trade receivable	40,07,75,716	25,53,40,193
Bank Balances	58,93,948	3,89,29,925
	40,66,69,664	29,42,70,118
Financial liabilities		
Borrowings	67,16,55,225	65,89,77,189
Trade payables	23,10,929	9,76,28,606
	67,39,66,154	75,66,05,795

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

b. Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2017 and March 31, 2016 that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar and EURO exchange rates.

The following tables demonstrate the sensitivity to a reasonably possible change in USD and EURO exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

	% Change in currency rate	Effect on profit before tax
As at March 31, 2017		
US Dollar	1%	48,66,055
US Dollar	-1%	(48,66,055)
EURO	1%	(50,41,082)
EURO	-1%	50,41,082
As at March 31, 2016		
US Dollar	1%	(26,72,965)
US Dollar	-1%	26,72,965
EURO	1%	(46,23,357)
EURO	-1%	46,23,357

c. Credit risk

Credit risk is the risk that counterparty 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, foreign exchange transactions. Credit risk is managed on Company basis. The Company consistently monitors the financial health of its customers and sales proceeds are being realized as per the milestone payment terms agreed to minimize the loss due to defaults or insolvency of the customer. Progressive liquidity management is being followed to de-risk the Company from any non-fulfilment of its liabilities.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major clients.

d. Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity planning tool. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

e. Interest rate

The Company is not exposed to interest rate with varying term, as rate of the loan is fixed at a constant rate which applies till the maturity of the loan.

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

	Borrowings including other financial liabilities	Trade and other payables
Year ended March 31, 2017		
On Demand	14,10,52,948	29,92,09,356
Upto One year	72,85,96,839	1,00,96,14,691
1 - 5 years	2,99,01,15,706	-
> five years	-	-
Total	3,85,97,65,493	1,30,88,24,047
Year ended March 31, 2016		
On Demand	12,77,46,701	40,02,01,621
Upto One year	51,45,24,743	66,95,68,561
1 - 5 years	2,67,22,85,668	-
> five years	77,39,04,227	-
Total	4,08,84,61,339	1,06,97,70,182
As at April 01, 2015		
On Demand		62,22,26,661
Upto One year	1,47,83,64,203	66,65,31,506
1 - 5 years	1,44,27,49,943	-
> five years	3,48,67,08,902	-
Total	6,40,78,23,048	1,28,87,58,157



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

39 Capital Management

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

	As at March 31, 2017	As at March 31, 2016
Borrowings (note 16)	3,36,76,02,602	3,58,14,17,866
Borrowings current (note 18)	44,78,16,220	45,90,44,531
Trade Payables (Note 21)	75,73,39,868	47,02,62,117
Other Payables (Note 21& 21a)	56,18,02,482	61,25,25,044
Less: Cash and Cash Equivalent (Note 8)	(17,53,645)	(4,57,72,345)
Net Debt	5,13,28,07,527	5,07,74,77,213
Equity Capital	7,84,92,07,910	7,84,92,07,910
Reserves & Surplus	(4,61,30,09,135)	(5,12,48,42,643)
Net worth	3,23,61,98,775	2,72,43,65,267
Gearing ratio (times)	1.59	1.86

40 Value of imports calculated on CIF basis

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Raw materials	88,09,19,035	1,03,15,68,980
Stores and spares	3,82,24,855	3,65,61,259
Capital goods	*	5,15,14,348
Total	91,91,43,890	1,11,96,44,587

41 Expenditure in foreign currency (on accrual basis)

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Travelling expenses	5,78,884	9,12,129
Consultancy charges	9,05,905	34,85,964
Interest	5,87,53,501	3,66,70,212
Salaries, wages, allowances and bonus	87,18,847	-
Others	18,01,857	41,98,058
Total	7,07,58,994	4,52,66,363

42 Imported and indigenous consumption

	Year Ended Mar 31, 2017	Year ended March 31, 2016
Raw materials		
Imported	94,18,18,634	92,51,79,793
Indigenous	1,04,51,14,081	93,52,20,414
Total	1,98,69,32,715	1,86,04,00,207
Imported raw material consumption (in %)	47.40%	49.73%
Indigenous raw material consumption (in %)	52.60%	50.27%
 Stores and spares		
Imported	2,45,01,026	2,27,13,479
Indigenous	36,43,36,177	27,15,94,620
Total	38,88,37,203	29,43,08,099
Imported stores and spares consumption (in %)	6.30%	7.72%
Indigenous stores and spares consumption (in %)	93.70%	92.28%



SE Forge Limited

Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

43 Earnings in foreign currency (on accrual basis)

	Year Ended Mar 31, 2017	Year ended March 31, 2016
FOB value of exports	83,21,18,080	98,42,73,179

Above does not include deemed export sales made to SEZ entities / EOU units in Indian currency aggregating to Rs. Nil (March 31, 2016 : Rs. 4,68,53,281 and April 01, 2015 : Rs. 6,52,11,772).

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44 Segment reporting

The Company has disclosed business segment as the primary segment. Segments have been identified taking into account the nature of products, the differing risks and returns, the organization structure and internal reporting system. The Company's operations predominantly relate to manufacture and sale of castings and forged parts. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments. These are as set out in the note on significant accounting

Dominant source of geographical risk is location of customers and hence the secondary segment reporting is based on geographical location of customers only.

A. Primary business segment

	Year Ended Mar 31, 2017			Year ended March 31, 2016		
	Foundry	Forging	Total	Foundry	Forging	Total
Segment revenue						
External sales	2,83,00,78,382	2,07,70,56,706	4,90,71,35,087	2,01,19,49,848	1,87,36,41,818	3,88,55,91,666
Inter - segment sales	2,83,00,78,382	2,07,70,56,706	4,90,71,35,087	2,01,19,49,848	1,87,36,41,818	3,88,55,91,666
Total segment revenue	81,80,32,581	29,20,29,477	1,01,32,06,558	14,93,41,064	11,44,93,439	25,31,33,702
Segment results						
Add / less: Items to reconcile with profit as per statement of profit and loss						
Add : other income						
Add : finance income						
Less : finance charges						
Profit/(loss) before tax						
Provision for current tax						
Deferred tax						
Profit/(loss) after tax						
Segment assets						
Common assets						
Total assets						
Segment liabilities						
Common liabilities						
Total liabilities						
Capital expenditure (during the period)						
Depreciation and amortisation expenses charged to the statement of profit and loss	21,73,48,812 29,59,43,279	(6,09,97,929) 18,65,72,664	15,63,50,883 48,25,15,944	27,22,90,155 39,89,92,338	7,18,65,446 19,18,20,990	34,41,55,601 59,08,13,328
Impairment of financial assets	1,03,49,957			1,03,49,957		



SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

B. Geographical segments (revenue basis)

Segment revenue	Foundry	Forging	As at March 31, 2017	Foundry	Forging	As at March 31, 2016
	2,52,16,63,265	1,56,89,79,527	4,09,06,42,791	1,60,51,93,196	1,31,10,56,501	2,91,62,49,697
India	-	13,11,68,335	-	-	15,30,48,884	15,30,48,884
China	-	30,54,01,999	30,54,01,999	21,23,893	40,13,04,053	40,34,27,946
Europe	-	6,55,03,212	37,39,18,329	40,46,35,759	82,32,380	41,28,65,139
USA	-	60,03,633	60,03,633	-	-	-
Australia	-	-	-	-	-	-
Total	2,83,00,78,382	2,07,70,56,706	4,90,71,35,087	2,01,19,49,848	1,87,36,41,818	3,85,55,91,666

Segment assets	Foundry	Forging	As at March 31, 2017	Foundry	Forging	As at March 31, 2016
	48,47,54,573	53,61,79,810	8,15,94,43,007	22,33,57,619	41,71,19,768	7,53,36,88,254
India	-	-	-	-	1,62,74,594	1,62,74,594
China	-	16,66,46,853	16,66,46,851	21,23,893	13,69,19,403	23,90,43,296
Europe	-	5,09,46,051	10,58,83,610	11,21,61,533	57,03,170	11,78,64,703
USA	-	-	-	-	-	-
Total	53,96,92,132	75,37,92,714	8,43,19,93,470	33,76,43,045	67,60,16,935	7,90,68,70,847

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SE Forge Limited

Notes to financial statements for the year ended March 31, 2017

(All amounts in Rupees unless otherwise stated)

45 First time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2015, the company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

In accordance with IND AS 101 on provisions relating to first time adoption, the Company has opted to continue with the policy to adjust exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset (existing as at 31 March 2016) to the cost of the asset and depreciate the same over the remaining life of the asset.

Exemptions applied

- Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment, and intangible assets as recognised in its IGAAP financials as deemed cost at the transition date.
- In accordance with IND AS 101 on provisions relating to first time adoption, the Company has opted to continue with the policy to adjust exchange differences arising on translation/ settlement of long-term foreign currency monetary items pertaining to the acquisition of a depreciable asset (existing as at 31 March 2016) to the cost of the asset and depreciate the same over the remaining life of the asset.
- The Company has applied the requirements for de-recognition of financial instruments, as required in IND AS 109-Financial Instruments prospectively for financial transactions occurring on or after April 1, 2015, the date of transition to IND AS.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 01, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

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SE Forge Limited
 Notes to financial statements for the year ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

Reconciliation of equity as at 01, April 2015 (date of transition to IND AS)	Local GAAP	Adjustments	Ind AS
ASSETS			
Non-current Assets			
Property, plant and equipment	5,77,92,38,373	-	5,77,92,38,373
Capital work - in - progress	30,28,29,081	-	30,28,29,081
Intangible assets	1,47,561	-	1,47,561
Financial assets			
Other financial assets (Refer note b)	22,61,46,899	(1,53,08,336)	21,08,38,563
Other non - current assets (Refer note b and c)	25,31,08,376	(61,54,802)	24,69,53,574
	6,56,14,70,290	(2,14,63,138)	6,54,00,07,152
Current Assets			
Inventories	56,92,29,739	-	56,92,29,739
Financial Assets			
Trade receivables	55,03,82,587	-	55,03,82,587
Cash and cash equivalents	15,03,275	-	15,03,275
Other financial assets	54,29,165	-	54,29,165
Trade advances and other receivables (Refer note a and c)	1,74,40,002	(3,64,938)	1,70,75,064
Other current assets	5,88,69,437	-	5,88,69,437
	1,20,28,54,205	(3,64,938)	1,20,24,89,267
Total Assets	7,76,43,24,495	(2,18,28,076)	7,74,24,96,419
Equity and Liabilities			
Equity			
Equity share capital	5,66,25,41,250	-	5,66,25,41,250
Other equity (Refer note a)	-	50,96,057	50,96,057
Reserves and surplus (Refer notes below)	(5,60,55,96,385)	(2,69,24,134)	(5,63,25,20,519)
Total equity	5,69,44,865	(2,18,28,077)	3,51,16,788
Non current liabilities			
Financial liabilities			
Borrowings	4,89,99,79,793	-	4,89,99,79,793
Net employee defined benefit liabilities	2,94,79,052	-	2,94,79,052
	4,92,94,58,845	-	4,92,94,58,845
Current liabilities			
Financial liabilities			
Borrowings (refer note d)	62,23,29,377	-	62,23,29,377
Trade payables	64,85,83,932	-	64,85,83,932
Other payables	64,01,74,235	-	64,01,74,235
Other financial liabilities	84,00,05,280	-	84,00,05,280
Net employee defined benefit liabilities - current	1,60,29,541	-	1,60,29,546
Other current liabilities	1,07,98,416	-	1,07,98,416
Total liabilities	2,77,79,20,781	-	2,77,79,20,786
Total equity and liabilities	7,76,43,24,491	(2,18,28,077)	7,74,24,96,419

a. The Company has accrued guarantee commission expenses for the corporate guarantee given by holding company towards its ECB loans at the rate of 1 % of the loan value as on January 31, of each year. The same has been apportioned on pro-rata basis. This is reflected in the increase in other equity from holding company by Rs. 50,96,057 as on April 01,2015

b. Represent adjustments to recognise the long term security deposits paid towards gas and electricity supplies of Rs.1,59,75,856, and fair value on initial recognition Rs. 6,67,520 and Rs.1,35,54,074 is regrouped to other non-current financial assets and Rs. 17,57,934 is charged to retained earnings being unwinding of deposit till April 01, 2015.

c. Processing fees relating to restructuring of term loans which meet the substantial change in terms criteria, were considered as a modification of the old liability and not for creation of a new liability. Consequently, the company has expensed out these processing fees on the date of the transition to IND AS. for an amount of Rs.2,51,69,871 charged to retained earnings out of which Rs.1,97,08,876 is credited other non-current financial assets and Rs. 54,60,995 is credited to trade advance and other receivable.



SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

Reconciliation of equity as at 31st March 2016	Local GAAP	Adjustments	Ind AS
Assets			
Non-current Assets			
Property, plant and equipment	5,53,89,74,273	-	5,53,89,74,273
Capital work - in - progress	12,17,25,490	-	12,17,25,490
Intangible assets	6,43,525	-	6,43,525
Financial assets			
Other financial assets (Refer note a)	7,47,68,379	(1,52,25,231)	5,95,43,148
Other non - current assets (Refer note b)	34,88,32,427	20,35,027	35,08,67,454
Deferred tax assets (net)			
	6,08,49,44,094	(1,31,90,204)	6,07,17,53,890
Current Assets			
Inventories	70,41,77,096	-	70,41,77,096
Financial Assets			
Trade receivables	1,01,36,59,980	-	1,01,36,59,980
Cash and cash equivalents	4,57,72,345	-	4,57,72,345
Other financial assets	55,56,360	-	55,56,360
Trade advances and other receivables (Refer note a and c)	1,61,29,394	(3,12,743)	1,58,16,651
Other current assets	5,01,34,525	-	5,01,34,525
	1,83,54,29,700	(3,12,743)	1,83,51,16,957
Total Assets	7,92,03,73,794	(1,35,02,947)	7,90,68,70,847
Equity and Liabilities			
Equity			
Equity share capital	7,84,92,07,910	-	7,84,92,07,910
Other equity (Refer note a)	-	1,12,57,080	1,12,57,080
Reserves and surplus (Refer note below)	(5,09,01,89,598)	(3,46,53,045)	(5,12,48,42,643)
Total equity	2,75,90,18,312	(2,33,95,965)	2,73,56,22,347
Non current liabilities			
Financial liabilities			
Borrowings (refer note d)	3,41,89,04,606	(17,57,934)	3,41,71,46,672
Net employee defined benefit liabilities	2,90,43,223	-	2,90,43,223
	3,44,79,47,829	(17,57,934)	3,44,61,89,895
Current liabilities			
Financial liabilities			
Borrowings (refer note d)	44,65,85,797	1,24,58,734	45,90,44,531
Other financial liabilities	47,02,62,117	-	47,02,62,117
Trade payables	59,95,08,065	-	59,95,08,065
Other payables	16,42,71,194	-	16,42,71,194
Net employee defined benefit liabilities - current	1,89,55,719	-	1,89,55,719
Other current liabilities	1,30,16,979	-	1,30,16,979
	1,71,25,99,871	1,24,58,734	1,72,50,58,605
Total Liabilities	7,91,95,66,012	(1,26,95,165)	7,90,68,70,847

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SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
(All amounts in Rupees unless otherwise stated)

Reconciliation of profit and loss account for the period ended 31st March 2016	Local GAAP	Adjustments	Ind AS
INCOME			
Revenue from operations (refer note e)	3,93,58,07,163	(5,02,15,497)	3,88,55,91,666
Other income	4,46,02,627	-	4,46,02,627
Finance income (refer note b)	1,28,74,040	83,105	1,29,57,145
Total Income	3,99,32,83,830	(5,01,32,392)	3,94,31,51,438
EXPENSES			
Cost of raw materials consumed	1,86,04,00,207	-	1,86,04,00,207
Changes in inventories of finished goods and work-in-progress	(2,94,69,155)	-	(2,94,69,155)
Employee benefits expenses	23,49,55,683	(8,07,783)	23,41,47,900
Depreciation and amortisation expenses	59,08,13,328	-	59,08,13,328
Impairment of non-financial assets	-	-	-
Finance costs (refer note b and e)	91,97,36,713	(2,41,95,568)	89,55,41,145
Other expenses (refer note e)	99,39,65,814	(1,74,00,130)	97,65,65,684
Total expenses	4,57,04,02,590	(4,24,03,481)	4,52,79,99,109
Profit/ (loss) before tax	(57,71,18,760)	(77,28,911)	(58,48,47,671)
Income tax expense:			
Current tax	-	-	-
Deferred tax	-	-	-
Total tax expense	-	-	-
Profit/ (loss) after tax	(57,71,18,760)	(77,28,911)	(58,48,47,671)
Other comprehensive income			
Re-measurement gains/ (losses) on defined benefit plans (refer note f)		(8,07,783)	(8,07,783)
Total Loss for the year, net of tax	(57,71,18,760)	(85,36,694)	(58,56,55,454)

- a. The Company has accrued guarantee commission expenses for the corporate guarantee given by holding company towards its ECB loans at the rate of 1 % of the loan value as on January 31, of each year. The same has been apportioned on pro-rata basis. This is reflected in the increase in other equity from holding company by Rs. 1,12,57,080 upto March 31,2016 (FY 2014-15 - Rs. 50,96,057 and FY 2015-16 Rs 61,61,023) is debited to trade advances and other receivable (being prepaid). From these prepaid Rs. 61,61,028 has been charged to finance cost accrued till March 31, 2016
- b. Represent adjustments to recognise the long term security deposits paid towards gas and electricity supplies of Rs.1,59,75,856, and fair value on initial recognition Rs. 6,67,520 and Rs.1,35,54,074 is regrouped to other non-current financial assets and Rs.17,57,934 is charged to retained earnings being unwinding of deposit till April 01, 2015. For the financial year 2015 - 16 Rs. 4,44,621/- has been amortised and credited to other non-current financial assets and charged to rent expenses and Rs. 83,105 has been debited to Other financial assets and credited to Finance account towards unwinding of discounts.
- c. Processing fees relating to restructuring of term loans which meet the substantial change in terms criteria, were considered as a modification of the old liability and not for creation of a new liability. Consequently, the company has expensed out these processing fees on the date of the transition to IND AS i.e. April 01, 215 for an amount of Rs.2,51,69,871 charged to retained earnings out of which Rs.1,97,08,876 is credited to other non-current financial assets and Rs. 54,60,995 is credited to trade advance and other receivable. Similarly for the financial year 2015- 16 the amount of processing charged to finance cost is Rs. 86,34,450 and credited to other non-current assets.
- d. Company has converted INR term loan into foreign currency term loan with a forward cover and the same has been restated at the mark to market rate as on March 31, 2016 as required by Ind AS accounting standards and derivative liability has been created for Rs. 1,24,58,734 in current borrowings and debited to Other expenses in exchange gain/loss account. Accordingly GAAP restatement of the loan has been reversed for Rs. 17,57,934 in other expenses in exchange gain/loss account and debited to Borrowing in non current liabilities.
- e. Company has restated the sales revenue by Rs. 5,02,15,497 after adjusting the same for sales claims and discounts of Rs 2,85,45,551 and interest on prepayments by customers for Rs.2,16,69,946.
- f. Remeasurement gains/losses on defined benefit plans of Rs. 8,07,783 has been considered as expense in other comprehensive income and the same is reduced from employee benefit expenses.
- g. Effect on profit and loss till date of adoption of Ind AS has been given in retained earnings.
- h. The transition from IGAAP to IND AS has not had a material impact on the statement of cash flows.

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SE Forge Limited
Notes to financial statements for the year ended March 31, 2017
 (All amounts in Rupees unless otherwise stated)

46 Details of dues to micro and small enterprises as defined under The MSMED Act, 2006

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
The principal amount and the interest due thereon remaining unpaid to supplier at the end of each accounting year			
Principal amount due to micro and small enterprises	12,34,35,990	3,19,64,092	2,64,63,455
Interest due on above	25,03,969	81,26,513	
	12,59,39,959	4,00,90,605	2,64,63,455
(i) The amount of interest paid by the buyer in terms of section 6 of MSMED Act, 2006 along with the amounts of payment made to the supplier beyond the appointed day during each accounting year			
(ii) 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 2006	59,96,581	15,08,263	21,01,71,043
(iii) The amount of interest accrued and remaining unpaid at the end of each accounting year			
(iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the MSMED Act 2006	85,00,550	96,34,776	21,01,71,043

* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development, 2006, for the year is Rs 85,00,550 (March 31, 2016 Rs 96,34,776).

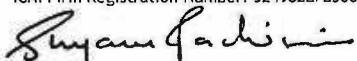
47 Specified bank notes reconciliation

Particulars	SBNs Amount	Other denomination amount	Total
Closing balance as at November 08, 2016	4,07,000	68,867	4,75,867
Transactions between November 09, 2016 and December 30, 2016			
Add: Withdrawal from Bank accounts	-	6,70,000	6,70,000
Add: Receipts for permitted transactions	-	-	-
Add : Receipts for non-permitted transactions (if any)	-	-	-
Less : Paid for permitted transactions	-	7,14,133	7,14,133
Less : Paid for non-permitted transactions (if any)	-	-	-
Less: Deposited in bank accounts	4,07,000	-	4,07,000
Closing balance as at December 30, 2016	-	24,734	24,734

48 Comparatives

Prior year amounts have been reclassified wherever necessary to confirm with current year's presentation.

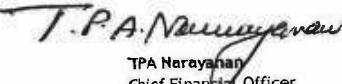
As per our report of even date
 For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003


 per Shyamsundar R. Pachisia
 Partner
 Membership Number: 049237
 Place: Mumbai
 Date: May 19, 2017

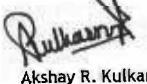


For and on behalf of Board of Directors of
 SE Forge Limited


 Vinod R. Tanti
 Director
 DIN - 00002266
 Place: Pune
 Date: May 19, 2017


 T.P.A. Narayanan
 Chief Financial Officer
 Membership Number 088707
 Place: Pune
 Date: May 19, 2017


 Rakesh J. Sarin
 Director
 DIN - 02082150
 Place: Pune
 Date: May 19, 2017


 Akshay R. Kulkarni
 Company Secretary
 Membership Number A50113
 Place: Pune
 Date: May 19, 2017