

SE Forge Limited

Financial Statements with Auditors' Report

For the year ended March 31, 2018

INDEPENDENT AUDITORS' REPORT

To The Members of SE Forge Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements ("financial statements") of SE Forge Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the financial statements in accordance with the Standards on Auditing 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting

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policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

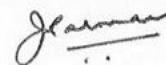
1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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



Jayesh Parmar
(Partner)
(Membership No. 106388)

Pune, May 29, 2018

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ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of **SE Forge Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements ("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 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 Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,

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accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

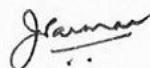
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jayesh Parmar
(Partner)
(Membership No. 106388)

Pune, May 29, 2018

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ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

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

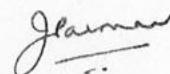
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by management and the records examined by us, the title deeds of immovable properties included in the property, plant and equipment are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and discrepancies noted were appropriately adjusted in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3 (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit and hence reporting under clause 3 (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

9

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- (c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax as on March 31, 2018 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government. The Company has not issued any debentures.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees 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.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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



Jayesh Parmar
(Partner)
(Membership No. 106388)

Pune, May 29, 2018

SE Forge Limited
Balance sheet as at March 31, 2018
(All amounts in Crores unless otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current Assets			
Property, plant and equipment	6	493.13	520.39
Capital work - in - progress		0.29	2.76
Intangible assets	6	2.76	3.39
Financial assets			
Other financial assets	10	6.41	7.06
Deferred tax assets (net)	11	-	-
Other non - current assets	12	70.44	78.24
		573.03	611.84
Current Assets			
Inventories	7	91.79	92.88
Financial Assets			
Trade receivables	8	120.80	129.35
Cash and cash equivalents	9	0.04	0.18
Other financial assets	13	0.52	0.54
Current tax assets		0.16	0.14
Other current assets	14	6.06	8.28
		219.37	231.37
Total assets		792.40	843.21
Equity and Liabilities			
Equity			
Equity share capital	15	784.92	784.92
Other equity	16	(481.80)	(459.62)
Total equity		303.12	325.30
Non-current liabilities			
Financial liabilities			
Borrowings	17	251.39	297.39
Provisions	18	1.03	1.94
		252.42	299.33
Current liabilities			
Financial liabilities			
Borrowings	19	64.77	44.78
Trade payables	21	56.36	75.27
Other financial liabilities	22	59.29	44.91
Provisions	20	2.63	2.49
Other current liabilities	23	53.81	51.13
		236.86	218.58
Total liabilities		489.28	517.91
Total equity and liabilities		792.40	843.21
Summary of significant accounting policies.	4		

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

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Jayesh Parmar
Partner
Place: Pune
Date: May 29, 2018



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

Vinod R. Tanti
Director
DIN - 00002266
Place: Pune
Date: May 29, 2018

Nidhi Tanti
Director
DIN - 02957451
Place: Pune
Date: May 29, 2018



TPA Narayanan

TPA Narayanan
Chief Financial Officer
Place: Pune
Date: May 29, 2018

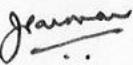
Akshay R. Kulkarni
Company Secretary
Place: Pune
Date: May 29, 2018
MAY No: A50113

SE Forge Limited
Statement of profit and loss for the year ended March 31, 2018
(All amounts in crores unless otherwise stated)

Particulars	Notes	Year Ended March 31, 2018	Year Ended March 31, 2017
Income			
Revenue from operations	24	359.84	490.71
Other income	25	2.76	1.73
Total income		362.60	492.44
Expenses			
Cost of raw materials consumed	26	146.75	198.69
Changes in inventories of finished goods and work-in-progress	27	6.49	(20.32)
Employee benefits expense	28	30.18	32.75
Finance costs	31	46.37	51.26
Depreciation and amortisation expenses	29	46.81	48.25
Impairment of non-financial assets	29	-	1.04
Other expenses	30	108.60	128.99
Total expense		385.20	440.66
Profit/ (loss) before tax		(22.60)	51.78
Tax expense:			
Current tax (Refer note 32)		-	-
Deferred tax (Refer note 32)		-	-
Profit/ (loss) for the year		(22.60)	51.78
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (gains)/losses on defined benefit plans	33	(0.34)	0.60
Income tax effect on the above		-	-
Other comprehensive income for the year, net of tax		(0.34)	0.60
Total Comprehensive income for the year, net of tax		(22.26)	51.18
Earnings per share:			
(1) Basic & diluted	34	(0.29)	0.66
Summary of significant accounting policies.	4		

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

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants


Jayesh Parmar

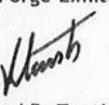
Partner

Place: Pune

Date: May 29, 2018



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


Vinod R. Tanti

Director

DIN - 00002266

Place: Pune

Date: May 29, 2018


Nidhi Tanti

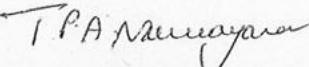
Director

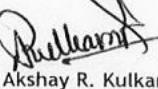
DIN - 02957451

Place: Pune

Date: May 29, 2018




TPA Narayanan
Chief Financial Officer
Place: Pune
Date: May 29, 2018


Akshay R. Kulkarni

Company Secretary

Place: Pune

Date: May 29, 2018

MEM NO: A50113

SE Forge Limited
Statement of changes in Equity for the year ended March 31, 2018
(All amounts in crores unless otherwise stated)

Particulars	Notes	Amount
a. Equity Share Capital		
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016		78.49
Issue of share capital (Note 15)		784.92
At March 31, 2017		78.49
Issue of share capital		784.92
At March 31, 2018		78.49
b. Other Equity		
At April 01, 2016	16	1.13
(Loss) / Profit for the year		452.93
Guarantee commission accrued during the year		51.18
At March 31, 2017		(965.42)
At April 01, 2017		0.56
(Loss) / Profit for the year		51.18
Guarantee commission accrued during the year		(511.36)
At March 31, 2018		51.18
At April 01, 2017		1.69
(Loss) / Profit for the year		452.93
Guarantee commission accrued during the year		51.18
At March 31, 2018		(461.31)
At April 01, 2017		1.69
(Loss) / Profit for the year		452.93
Guarantee commission accrued during the year		51.18
At March 31, 2018		(459.62)
At April 01, 2017		0.08
(Loss) / Profit for the year		452.93
Guarantee commission accrued during the year		51.18
At March 31, 2018		(461.31)
At April 01, 2017		1.77
(Loss) / Profit for the year		452.93
Guarantee commission accrued during the year		51.18
At March 31, 2018		(483.57)
Reserves and surplus		
Total - other equity		

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

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Jayesh Parmar
Partner
Place: Pune
Date: May 29, 2018



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

Vinod R. Tanti
Director
DIN - 00002266
Place: Pune
Date: May 29, 2018



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Chief Financial Officer
Place: Pune
Date: May 29, 2018

T.P.A. Narayanan
Signature
TPA Narayanan
Chief Financial Officer
Place: Pune
Date: May 29, 2018

AKSHAY R. KULKARNI
Signature
Akshay R. Kulkarni
Company Secretary
Place: Pune
Date: May 29, 2018

SE Forge Limited
Statement of cash flow for the year ended March 31, 2018
(All amounts in crores unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
(Loss)/Profit before tax	(22.60)	51.78
Adjustments for		
Depreciation and amortisation expenses	46.81	48.25
Impairment of non-financial assets	-	1.04
Re-measurement (gains)/losses on defined benefit plans	0.34	(0.60)
(Gain) / loss on disposal of property, plant and equipment	-	0.19
Unrealised exchange (gain)/loss	(0.30)	1.99
Sundry credit balances and provisions written back	(1.79)	-
Finance cost	44.69	47.51
Finance income	(0.41)	(0.54)
Operating profit / (loss) before working capital changes	66.74	149.62
Movements in working capital		
Movements in retirement provisions	(0.77)	(0.37)
Increase/(decrease) in other current financial liabilities	-	1.40
Increase/(decrease) in other current liabilities	2.68	(0.05)
Increase / (decrease) in trade receivables	9.55	(30.38)
Decrease / (increase) in inventories	1.09	(22.46)
(Increase)/decrease in other non-current assets	5.71	(36.19)
(Increase)/decrease in other financial assets non-current	0.65	(1.09)
(Increase) / decrease in trade payables	(17.23)	28.03
(Increase)/decrease in other current financial assets	-	0.22
(Increase)/decrease in other current assets	2.22	(2.15)
Cash generated from operations	70.64	86.58
Income tax paid	(0.03)	0.11
Net cash flows from operating activities (A)	70.61	86.69
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	-	0.13
Purchase of property, plant and equipment	(6.76)	(26.83)
Investments in bank deposits (having original maturity of more than three months)	-	-
Interest received finance income	0.43	0.55
Net cash flows used in investing activities (B)	(6.33)	(26.15)



SE Forge Limited
Statement of cash flow statement for the year ended March 31, 2018
(All amounts in crores unless otherwise stated)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities		
Interest paid	(44.63)	(46.64)
Proceeds from borrowings	-	61.04
Repayment of borrowings	(39.20)	(78.56)
Movement in short - term borrowings (net)	19.41	(0.77)
Net cash flow from/(used in) financing activities	(64.42)	(64.93)
Net increase in cash and cash equivalents(A+B+C)	(0.14)	(4.39)
Cash and cash equivalents at the beginning of the year (Note 9)	0.18	4.57
Cash and cash equivalents at the end of the year (Note 9)	0.04	0.18

Notes:

i) Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

ii) The figures in brackets represents outflows except (loss)/profit before tax.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Jayesh Parmar
Jayesh Parmar
Partner
Place: Pune
Date: May 29, 2018



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

Vinod R. Tanti
Vinod R. Tanti
Director
DIN - 00002266
Place: Pune
Date: May 29, 2018

Nidhi Tanti
Nidhi Tanti
Director
DIN - 02957451
Place: Pune
Date: May 29, 2018

T.P.A. Narayanan
TPA Narayanan
Chief Financial Officer
Place: Pune
Date: May 29, 2018

Akshay R. Kulkarni
Akshay R. Kulkarni
Company Secretary
Place: Pune
Date: May 29, 2018
MEM NO: A50113



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

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. The Financial statements were authorised for issue in accordance with a resolution of the directors on May 29, 2018.

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). The financial statements from the year ended 31 March 2017 are 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

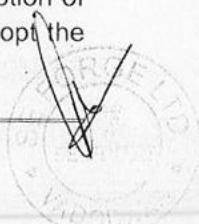
3. Recent Accounting Developments

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition: • Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. The Company will adopt the



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

4. 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.

b. Foreign currencies

The Company's financial statements are presented in INR, which is the 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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 attributable to sales. 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.

Since inception of GST regime, payment of integrated goods and service tax (IGST) is the responsibility of the customer and is not considered in part of the cost of production. Accordingly, it is excluded from revenue.

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. The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

Income from services

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

Interest income

For all financial assets measured at amortised cost, 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 other income in the statement of profit and loss. Interest income is accrued on time basis by reference to the principal outstanding.

Merchandise Export from India Scheme (MEIS)

Company receives an incentive for export sales under chapter 3 of Exim policy 2016-20 as a percentage of exports in terms of authorizations called MEIS which are freely transferable. The same are accounted on receipt of the authorizations.

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.

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

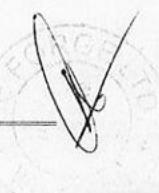
Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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

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

g. Intangible assets

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

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.

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	5 years	Amortised over the useful economic life of the software	Acquired



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

f. 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.

Property, plant and equipment are 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

h. 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 f 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.

i. 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 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.

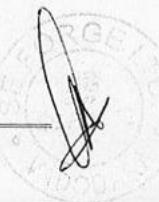
The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. 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.

j. 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

k. 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.

I. 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.

m. 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

n. 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 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.

o. 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.

- Classification and measurement of financial assets have been done based on facts and circumstances existed on transition date.
- 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

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.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in 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 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

All amounts in Rupees, unless otherwise stated

q. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resource embodying economic benefit will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The company does not recognise a contingent liability but discloses it as per Ind AS 37 in the financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

5. 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 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, 2018, the company had a deficit in the net foreign exchange amounting to Rs. 217.01 crores for forging unit and Rs. 116.24 crores 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.



SE Forge Limited
Notes to financial statements for the year ended March 31, 2018
(All amounts in crores unless otherwise stated)

6 Property, plant and equipment

Particulars	Gross Block				Accumulated Depreciation			Net Block As at March 31, 2017
	As at April 01, 2016	Additions	Disposals	Other Adjustment (Ref. Note f below)	As at March 31, 2017	As at April 01, 2015	Charge for the year	
Buildings	127.04	1.42	-	-	128.46	5.99	5.59	11.58
Plant and Machinery	481.53	18.48	3.78	(4.64)	491.59	51.57	42.65	90.76
Office Equipments	0.14	0.09	-	-	0.23	0.03	0.03	0.06
Furniture and fixtures	2.35	0.02	-	-	2.37	0.53	0.53	1.06
Computers	0.82	0.27	0.01	-	1.08	0.10	0.24	0.33
Vehicles	0.40	0.41	-	-	0.81	0.17	0.19	0.36
Total	612.28	20.69	3.79	(4.64)	624.54	58.39	49.23	104.15
								520.39

Particulars	Gross Block				Accumulated Depreciation			Net Block As at March 31, 2018
	As at April 01, 2017	Additions	Disposals	Other Adjustment (Ref. Note f below)	As at March 31, 2018	As at April 01, 2017	Charge for the year	
Buildings	128.46	0.48	-	-	128.94	11.58	5.64	17.22
plant and Machinery	491.59	9.86	-	8.27	509.72	90.76	39.51	130.27
Office Equipments	0.23	0.20	-	-	0.43	0.06	0.05	0.11
Furniture and fixtures	2.37	0.00	-	-	2.37	1.06	0.53	1.59
Computers	1.08	0.00	-	-	1.08	0.33	0.28	0.61
Vehicles	0.81	-	-	-	0.81	0.36	0.06	0.42
Total	624.54	10.54	-	8.27	643.35	104.15	46.07	150.22
								493.13

Intangible assets

Particulars	Gross Block				Accumulated Depreciation			Net Block As at March 31, 2017
	As at April 01, 2016	Additions	Disposals	Other adjustment	As at March 31, 2017	As at April 01, 2016	Charge for the year	
Software	0.07	3.38	-	-	3.45	0.00	0.06	-
Total	0.07	3.38	-	-	3.45	0.00	0.06	0.06
								3.39

Particulars	Gross Block				Accumulated Depreciation			Net Block As at March 31, 2018
	As at April 01, 2017	Additions	Disposals	Other adjustment	As at March 31, 2018	As at April 01, 2017	Charge for the year	
Software	3.45	0.10	-	-	3.55	0.06	0.73	-
Total	3.45	0.10	-	-	3.55	0.06	0.73	0.79
								2.76

a) For property, plant and equipment existing on April 01, 2015 i.e. its date of transition to Ind AS, the company had considered IGAAP carrying value as deemed cost.

b) Plant and machinery includes contributions for assets not owned by the Company (infrastructure for utilities) with a gross block of Rs. 58.35 crores (March 31, 2017 : Rs. 58.35 crores) and accumulated depreciation of Rs. 27.97 crores (March 31, 2017: Rs. 26.64 crores)

c) All the assets of the Company are constructed/installed/located on land held on leasehold basis.

d) During the year ended on March 31, 2018, the company has recognised an impairment loss of Rs. NIL (March 31, 2017: Rs. 1.04 crores) on certain property, plant and equipment in the furniture 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 17)

f) Addition to plant and machinery includes foreign exchange loss debited of Rs 8.27 crores (March 31, 2017: gain Rs.4.64 crores).



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

7 Inventories

	As at March 31, 2018	As at March 31, 2017
Raw materials (goods in transit as per note below)	35.23	27.24
Work-in-progress	33.70	31.10
Finished goods	7.69	16.78
Stores and spares	15.17	17.76
Total inventory at lower of cost and net realisable value	91.79	92.88

Raw materials inventory includes goods in transit of Rs.1.27 crores (March 31, 2017 : Rs. 5.23 crores)

8 Trade receivables

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Trade receivables	67.83	63.19
Receivables from related parties (note 39)	52.97	66.16
Total trade receivables	120.80	129.35

For terms and conditions relating to related party receivables (See note 39)

9 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balance with banks		
On current accounts	0.03	0.17
Cash on hand	0.01	0.01
Total	0.04	0.18

10 Other financial assets - non current

	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good, unless stated otherwise)		
Non current bank balances - margin money deposits	5.35	6.33
Security deposits	1.06	0.73
Total	6.41	7.06

Margin money deposits includes deposits with a carrying amount of Rs. 5.35 crores (March 31, 2017 : Rs. 6.33 crores) are subject to first charge to secure the company's cash credit loans.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

11 Deferred tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Opening Deferred tax liability	73.10	73.18
Tax effect of depreciation constituting deferred tax liabilities	(6.78)	(0.08)
Closing Deferred tax liabilities	66.32	73.10
Opening Deferred tax assets	73.10	73.18
Tax effect of depreciation constituting deferred tax assets	(6.78)	(0.08)
Closing Deferred tax assets	66.32	73.10
Net deferred tax assets/ (liabilities)	-	-

Deferred tax assets on unabsorbed depreciation and accumulated losses as at March 31, 2018 have been recognized only to the extent of deferred tax liabilities on a prudent basis since reasonable certainty of taxable profits in the future years cannot be established.

12 Other non-current assets

	As at March 31, 2018	As at March 31, 2017
(unsecured, considered good, unless stated otherwise)		
Capital Advance	4.88	6.96
Unamortised lease rent	51.08	71.28
Prepaid lease rent	14.48	-
Total	70.44	78.24

13 Other current financial assets

	As at March 31, 2018	As at March 31, 2017
(unsecured, considered good, unless stated otherwise)		
Security deposits	0.34	0.33
Interest accrued but not due	0.18	0.21
Total	0.52	0.54

14 Other current assets

	As at March 31, 2018	As at March 31, 2017
(unsecured, considered good, unless stated otherwise)		
Advance to suppliers	1.52	4.11
Prepaid expenses	2.31	1.26
Balances with statutory/government authorities	2.21	2.86
Others	0.02	0.05
Total	6.06	8.28



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

15 Share capital

	As at March 31, 2018	As at March 31, 2017
Authorised:		
95,00,00,000 (March 31, 2017 : 95,00,00,000) equity shares of Rs. 10 each	950.00	950.00
	950.00	950.00
Issued, subscribed and fully paid up:		
78,49,20,791 (March 31, 2017 : 78,49,20,791) equity shares of Rs. 10 each	784.92	784.92
Total	784.92	784.92

	Numbers	Amount
Issued Share Capital:		
At April 01, 2016	78.49	784.92
Increase/(decrease) during the year	-	-
At March 31, 2017	78.49	784.92
Increase/(decrease) during the year	-	-
At March 31, 2018	78.49	784.92

(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.

16 Other equity

	As at March 31, 2018	As at March 31, 2017
Equity portion of guarantee commission payable to Parent Company		
Opening Balance	1.69	1.13
Add: Additions during the year *	0.08	0.56
Closing balance	1.77	1.69
Reserves and surplus		
Securities premium		
Opening Balance	452.93	452.93
Add: Additions during the year	-	-
Closing balance	452.93	452.93
Deficit in the statement of profit and loss		
Opening Balance	(914.24)	(965.42)
Add: Profit/ (loss) for the year	(22.26)	51.18
Closing balance	(936.50)	(914.24)
Total	(481.80)	(459.62)

* This comprises of guarantee commission expenses of Rs. 0.08 crores (As on March 31, 2017: Rs. 0.56 crores) against corporate guarantee given by holding company towards ECB loan.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

17 Borrowings

	As at March 31, 2018	As at March 31, 2017
Secured		
Term loan		
Indian rupee loan from banks (see note i below)	251.65	283.22
Unsecured		
Foreign currency loan from banks (see note ii below)	53.55	53.54
Total	305.20	336.76

Less: Current portion of long term loans (transferred to other financial liabilities) (refer note 22)		
Secured		
Term loan		
Indian rupee loan from banks (see note i below)	44.44	31.74
Unsecured		
Foreign currency loan from banks (see note ii below)	9.37	7.63
Total	53.81	39.37

Non-current portion of term loans		
Secured		
Term loan		
Indian rupee loan from banks (see note i below)	207.21	251.48
Unsecured		
Foreign currency loan from banks (see note ii below)	44.18	45.91
Total non current borrowings	251.39	297.39

i) Indian rupee term loan from banks comprises term loan (RTL) taken from banks of Rs. 251.65 crores (March 31, 2017: Rs. 283.22 crores) carrying interest rate of 11.30 to 12.35 per cent 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. 53.55 crores (March 31, 2017: Rs. 51.65 crores) 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. Nil (March 31, 2017: Rs. 1.89 crores) 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.

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.

18 Provisions (non-current)

	As at March 31, 2018	As at March 31, 2017
Provision for gratuity (Refer note 36)	0.82	1.08
Provision for long term retention bonus	0.21	0.86
Total	1.03	1.94



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

19 Current borrowings

	As at March 31, 2018	As at March 31, 2017
Working capital loans		
Secured borrowings		
Cash credit from banks	29.16	20.93
Buyer's credit from banks	19.95	9.74
	49.11	30.67
Unsecured borrowings		
Loans from related parties (refer note below)	15.66	14.11
Total	64.77	44.78

The rate of interest on working capital loans from banks is 10.95 to 12.05 per cent per annum. For details of security given and loan covenants for short term borrowings, refer note 17 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.

20 Provisions (Current)

	As at March 31, 2018	As at March 31, 2017
Provision for long term retention bonus	0.91	0.50
Provision for leave encashment	1.72	1.99
Total	2.63	2.49

21 Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables		
Trade payables	54.58	71.22
Trade payables to related parties	1.12	3.11
Trade payables for salaries and wages	0.66	0.94
Total	56.36	75.27

Trade payables are non-interest bearing and are normally settled as per purchase order terms.

Trade payables include acceptances of Rs. 22.51 crores (March 31, 2017 : Rs 19.59 crores).

Trade payable includes provision made for litigation Rs. 1.59 crores (March 31, 2017 : Rs. 1.80 crores).

Trade payable includes the MSMED creditors as given in note 44.

22 Other financial liabilities

	As at March 31, 2018	As at March 31, 2017
Current maturities of long term borrowings (Refer note 17)	53.81	39.37
Interest accrued but not due on borrowings	0.02	0.01
Interest accrued and due on borrowings	0.64	0.68
Payables for capital goods	3.42	3.45
Others	1.40	1.40
Total	59.29	44.91



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

23 Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Statutory dues payable	0.41	1.03
Advance from customers	53.40	50.10
Total	53.81	51.13

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, 2018 which is debited by bank in next month.

24 Revenue from operations

	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products		
Finished goods	338.63	467.86
Sale of services	0.29	4.62
Other operating revenue		
Scrap sales	17.97	18.23
Sale of MEIS Authorisations	2.95	-
Total	359.84	490.71

The Company is situated in Special Economic Zone and hence Integrated Goods and Service tax on domestic sale of products is payable by customer.

25 Other income

	Year Ended March 31, 2018	Year Ended March 31, 2017
Other non-operating income		
Interest income		
Bank deposits	0.41	0.49
Others	-	0.05
Sundry credit balances and provisions written back	1.79	-
Miscellaneous income	0.56	1.19
Total	2.76	1.73

26 Cost of raw materials consumed

	Year Ended March 31, 2018	Year Ended March 31, 2017
Raw materials consumed		
Inventories at the beginning of the year	27.24	31.32
Add: Purchases *	154.74	194.61
	181.98	225.93
Less: Inventory at the end of the year *	35.23	27.24
Cost of raw material consumed	146.75	198.69

* Purchases and inventory at the end of the year include goods in transit of Rs.1.27 crores (March 31, 2017 : Rs. 5.23 crores).



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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

	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories in hand at the end of the year		
Work - in - progress	33.70	31.10
Finished goods	7.69	16.78
	41.39	47.88
Inventories in hand at the beginning of the year		
Work - in - progress	31.10	20.67
Finished goods	16.78	6.89
	47.88	27.56
(Increase) / decrease in inventories		
Work - in - progress	(2.60)	(10.43)
Finished goods	9.09	(9.89)
Total (increase) / decrease in inventories	6.49	(20.32)

Break up of inventory in hand at the end of the year:

Work - in - progress		
Foundry products	24.07	27.25
Forging products	9.63	3.85
	33.70	31.10
Finished goods		
Foundry products	1.77	9.35
Forging products	5.92	7.43
	7.69	16.78
Total	41.39	47.88

28 Employee benefits expense

	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages and bonus	26.30	29.41
Contribution to provident and other fund	2.20	1.81
Staff welfare expense	1.68	1.53
Total	30.18	32.75

29 Depreciation, amortisation and impairment expenses

	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on property, plant & equipment (note 6)	46.08	48.19
Amortisation of intangible assets (note 6)	0.73	0.06
Total	46.81	48.25
Impairment of non-financial assets (note 6)	-	1.04
Total	-	1.04



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

30 Other expenses

	Year Ended March 31, 2018	Year Ended March 31, 2017
Consumption of stores and spares	33.83	38.88
Power and fuel	42.52	50.25
Other manufacturing expenses	4.10	4.43
Factory labour charges	8.87	14.55
Operating lease rentals *	4.05	3.98
Rates and taxes	0.40	0.61
Insurance	1.02	0.97
Repairs and maintenance		
Plant and machinery	1.29	2.09
Buildings	0.08	0.27
Others	0.31	0.28
Business promotion expenses	0.66	0.12
Freight outward	6.65	4.16
Travelling and conveyance	2.15	2.65
Communication expenses	0.26	0.25
Administrative cost	1.00	1.41
Legal and professional fees	0.94	1.27
Directors' sitting fees	0.02	0.01
Payment to auditors (refer note below)	0.23	0.18
Exchange difference (net)	(1.31)	1.99
Loss on sale of property, plant and equipment (net)	-	0.19
Miscellaneous expenses	1.53	0.45
Total	108.60	128.99

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

Payment to auditors

	As auditors	
Audit fee	0.15	0.15
Tax audit fee	0.02	0.02
Reimbursement of expense	0.06	0.01
Total	0.23	0.18

Out of Rs. 0.06 crores amount of Rs.0.05 crores are reimbursed to predecessor statutory auditors.

31 Finance cost

	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest on debts and borrowings	43.21	43.36
Bank charges	1.68	3.75
Exchange differences regarded as an adjustment to borrowing cost	1.48	4.15
Total	46.37	51.26

32 Income Tax Expense

Income tax expense in the statement of profit and loss comprises :

	Year Ended March 31, 2018	Year Ended March 31, 2017
Current tax		
In respect of current period	-	-
Deferred tax		
In respect of current period	-	-
Total income tax expense recognised	-	-



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

The income tax expense for the year can be reconciled to the accounting profit as follows::

	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit / (loss) before income tax	(22.60)	51.78
Enacted tax rate	34.61%	34.61%
Income tax expense calculated (A)	-	17.92
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense	-	17.92
Brought forward losses (B)	-	17.92
Income tax expense recognised in profit or loss (A-B)	-	-

The tax rate used for the above reconciliations are the rates as applicable for the respective periods payable by corporate entities in India on taxable profits under the India tax laws.

33 Components of Other Comprehensive Income (OCI)

	Year Ended March 31, 2018	Year Ended March 31, 2017
The disaggregation of changes to OCI in retained earnings is as follows:		
Remeasurement (gains)/losses on defined benefit plans	(0.34)	0.60
Total	(0.34)	0.60

34 Earning/loss per share (EPS)

	Year Ended March 31, 2018	Year Ended March 31, 2017
Profit/(loss) for the year	(22.60)	51.78
Weighted average number of equity shares	78.49	78.49
Basic and diluted earnings/(loss) per share of Rs.10 each	(0.29)	0.66

35 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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 36.

36 Gratuity and other post employment benefit plans

The Company has a defined benefit gratuity plan ('Defined Benefit'). Every employee, who 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 March 31, 2018	Year Ended March 31, 2017
Principal assumptions used in determining the gratuity obligations for the Company's plans:		
Discounting rate	7.70%	7.00%
Salary escalation rate	8.00%	10.00%
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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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 March 31, 2018	Year Ended March 31, 2017
Net employee benefit expense recognised in statement of profit and loss		
Current service cost	0.60	0.36
Interest cost on benefit obligation	0.19	0.13
Expected return on plan assets	(0.11)	(0.10)
Net benefit expense (refer note 28) *	0.68	0.39

Remeasurement gain/losses in other comprehensive income		
Remeasurement for the year- Obligation - (gains)/losses	(0.33)	0.59
Remeasurement for the year- plan assets - (gains)/losses	(0.01)	0.01
Net recognition in other comprehensive income	(0.34)	0.60

	As at March 31, 2018	As at March 31, 2017
Details of defined benefit gratuity plan		
Defined benefit obligation (A)	2.78	2.66
Fair value of plan assets (B)	1.95	1.57
Plan liability / (asset) (A-B)	0.83	1.09

	Year Ended March 31, 2018	Year Ended March 31, 2017
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	2.66	1.74
Interest cost	0.19	0.13
Current service cost	0.60	0.36
Benefits paid	(0.34)	(0.17)
Actuarial (gains)/losses on obligation	(0.33)	0.60
Closing defined benefit obligation	2.78	2.66

Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	1.57	1.13
Expected return on plan assets	0.11	0.10
Actuarial gain/ (loss)	0.01	(0.01)
Employer's Contribution	0.26	0.35
Benefits paid	-	-
Closing fair value of plan assets	1.95	1.57

* This amount includes ex-gratia of Rs. 0.34 crores (March 31, 2017: Rs.0.17 crores) 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%



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

A quantitative sensitivity analysis for significant assumptions increase/decrease by 100 basis point as at March 31, 2018 is as below			
Defined Benefit obligation		2.78	2.66
Discount Rate			
6.7% (31 March 2017: 6 %)		3.03	2.87
8.7% (31 March 2017: 8 %)		2.57	2.48
Salary increment rate			
7% (31 March 2017: 9 %)		2.57	2.50
9% (31 March 2017: 11 %)		3.02	2.84
Withdrawal rate			
Decrease by 50% of withdrawal rate		2.81	2.70
Increase by 50% of withdrawal rate		2.78	2.63

The expected contribution to defined benefit plan (based on discounted cash flows using mortality, withdrawal and interest rate)for next year is Rs. 1.32 crores.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

Funding arrangements and funding policy:

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

Expected cash flows over the next (valued on undiscounted basis):

1 year	0.32
2 to 5 years	1.18
6 to 10 years	1.14
More than 10 years	3.69

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy).The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities.Thus,the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

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

37 Defined Contribution plan

Amount recognised as an expense in the statement of profit and loss in respect of defined contribution plan is Rs.1.29 crores (Year ended March 31,2017: Rs. 1.25 crores)



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

38 Commitments and contingencies

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

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances	30.96	41.03

39 Related party disclosures and transactions as per Ind - AS 24

A. Related party disclosures

Holding Company: Suzlon Energy Limited

Related parties where control exists

Subsidiary: Ataegina Forge Limited

Subsidiary: Hoenir Forge Limited

Other related parties with whom transactions have taken place during the year:

Fellow subsidiaries: Suzlon Wind Energy Corporation, USA

Post Employment Benefit Plan: SE Forge Limited Employee's Group Gratuity Scheme

Entities where Key Management Personnel has interest : Aspen Infrastructures Limited

Entities where Key Management Personnel has interest : SE Freight and Logistics India Private 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. Vaidhyanathan Raghuraman

Independent Director: Mr. Per Torven Hornung Pedersen

Independent Director: Ms. Nidhi T. Tanti (w.e.f September 01, 2017)

Director: Mr. Vinod R. Tanti

Company Secretary: Mr. Akshay Kulkarni (W.e.f April 01, 2017)



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

B. Related party transactions and balances

	As at March 31, 2018	As at March 31, 2017
Investment in subsidiary companies (Refer note v below)		
Ataegina Forge Limited	0.00	-
Hoenir Forge Limited	0.00	-
Suzlon Energy Limited - Holding Company		
Sale of goods	145.92	262.08
Purchase of goods	0.22	0.18
Interest expense	1.55	1.33
Bank guarantee expenses	0.55	0.56
Loan taken	1.55	1.33
Loan balance	15.66	14.11
Amount owed by related party	52.96	66.16
Amount (owed to) related party	50.28	(49.78)
Transaction and balance with fellow subsidiaries:		
Suzlon Wind Energy Corporation		
Reimbursement of expenses	-	0.86
Amount owed to related party	-	(0.14)
Aspen Infrastructures Limited		
Gross lease rent	-	14.31
Facility management charges and other services	3.02	3.04
Reimbursement of expenses	42.73	50.68
Deposits given	0.32	0.64
Amount owed to related party	(1.04)	(2.85)
Amount owed by related party	0.50	0.50
Amount owed as a security deposit	2.56	2.24
SE Freight and Logistics India Private Limited		
Purchase of services	0.11	0.11
Amount owed to related party	(0.08)	(0.03)
SE Forge Limited Employee's Group Gratuity Scheme		
Contribution to fund	0.26	0.35
Remuneration to Key Managerial Personnel		
Mr. Girish R. Tanti - CMO	1.11	1.11
Mr. Sunil J. Gupta - CEO	1.61	1.63
Mr. TPA Narayanan - CFO	0.68	0.64
Mr. Akshay Kulkarni - Company Secretary	0.03	-
Sitting fees		
Mrs. Pratima Ram - Independent Director (SBI)	0.00	0.00
Mr. Vaidhyanathan Raghuraman - Independent Director	0.01	0.01
Mr. Per Torven Hornung Pedersen	0.01	-
Ms. Nidhi T. Tanti	0.00	-

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, 2018, the company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

- ii) The Company has availed a long term loan from Landes Bank amounting of Rs. 53.55 crores (March 31, 2017 : Rs. 53.54 crores) 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.
- v) The company has incorporated two subsidiaries namely Ataegina Forge Ltd and Hoenir Forge Ltd on May 31, 2017 and on June 05, 2017 respectively with paid up capital of Rs.200 divided into 20 equity shares of Rs.10 each in both companies. These companies were incorporated to carry out Independent Power Projects and the company invested Rs.140 divided into 14 equity shares of Rs.10 each in both the subsidiaries.

The company has applied to Registrar of Companies to strike off name of both the subsidiaries under Section 248 of the Companies Act, 2013

40 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.

41 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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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, 2018		
Financial assets		
Trade receivable	43.70	22.11
Bank Balances	-	-
	43.70	22.11
Financial liabilities		
Borrowings	2.55	70.37
Trade payables	0.83	6.45
	3.38	76.82
As at March 31, 2017		
Financial assets		
Trade receivable	50.19	16.61
Bank Balances	-	-
	50.19	16.61
Financial liabilities		
Borrowings	1.17	62.47
Trade payables	0.36	4.55
	1.53	67.02

b. Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2018 and March 31, 2017 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, 2018		
US Dollar	1%	0.40
US Dollar	-1%	(0.40)
EURO	1%	(0.55)
EURO	-1%	0.55
As at March 31, 2017		
US Dollar	1%	0.49
US Dollar	-1%	(0.49)
EURO	1%	(0.50)
EURO	-1%	0.50

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.



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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, 2018		
On Demand	15.66	21.42
Upto One year	105.55	94.23
1 - 5 years	251.39	-
> five years	1.03	-
Total	373.63	115.65
Year ended March 31, 2017		
On Demand	14.11	29.92
Upto One year	72.53	102.02
1 - 5 years	299.33	-
> five years	-	-
Total	385.97	131.94

42 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, 2018	As at March 31, 2017
Borrowings (note 17)	305.20	336.76
Borrowings current (note 19)	64.77	44.78
Trade Payables (Note 21)	56.36	75.27
Other Payables (Note 22 & 23)	59.28	56.67
Less: Cash and Cash Equivalent (Note 9)	(0.04)	(0.18)
Net Debt	485.57	513.30
Equity Capital	784.92	784.92
Reserves & Surplus	(483.57)	(461.31)
Net worth	301.35	323.61
Gearing ratio (times)	1.61	1.59



43 Segment reporting

Based on the "management approach" as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

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 used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are as set out in the significant accounting policies. Revenue in relation to segments are categorized based on items that are individually identifiable to that segment. Total expenses are specifically identified to specific segments to the extent applicable in case of Primary Business Segments. However in case of Geographical Segments total expenses are not specifically identified to the specific segments as the management believes that it is not practical to provide segment disclosures relating to total expenses.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. Geographical information on revenue is collated based on individual customers invoiced or in relation to which the revenue is otherwise recognized. Segregation of assets into geographic segments has been done to the extent applicable. Segregation of balance assets, liabilities and expenses into various geographic segments has not been done as the related assets are used as common assets amongst the segments. Accordingly no disclosure relating to such has been made.

A. Primary business segment

	Year Ended March 31, 2018			Year Ended March 31, 2017		
	Foundry	Forging	Total	Foundry	Forging	Total
Segment revenue						
External sales	188.44	171.40	359.84	283.01	207.70	490.71
Inter - segment sales						
Total segment revenue	188.44	171.40	359.84	283.01	207.70	490.71
Less: identifiable operating expenses	173.70	165.13	338.83	210.89	178.51	389.40
Operating profit	14.74	6.27	21.01	72.12	29.19	101.31
Add: Identifiable other income	1.95	0.40	2.35	0.94	0.25	1.19
Identifiable Segment result	16.69	6.67	23.36	73.06	29.44	102.50
Add / less: items to reconcile with profit as per statement of profit and loss						
Add : other income				0.41	-	0.54
Add : finance income				-	-	-
Less : finance charges				46.37	-	51.26
Profit/(loss) before tax				(22.60)	-	51.78
Provision for current tax				-	-	-
Deferred tax				-	-	-
Profit/(loss) after tax				(22.60)	-	51.78
Segment assets						
Common assets						
Total assets	382.62	353.18	735.80	432.22	333.25	765.47
Segment liabilities						
Common liabilities						
Total liabilities	100.01	38.59	138.60	110.90	34.51	145.41
Capital expenditure (during the period)						
Degrecification & Impairment of financial assets	8.78	10.14	18.92	21.74	(6.10)	15.64
Chartered Accountants	29.81	17.00	46.81	29.59	18.66	48.25
Impairments of financial assets	1.03					1.03



B. Geographical segments (revenue basis)

Segment revenue	Foundry	Forging	As at March 31, 2018	Foundry	Forging	As at March 31, 2017
	Foundry	Forging	As at March 31, 2018	Foundry	Forging	As at March 31, 2017
India	137.70	98.52	236.22	252.17	156.89	409.06
China	-	4.69	4.69	-	13.12	13.12
Europe	-	28.49	28.49	-	30.54	30.54
USA	50.74	38.68	89.42	30.84	6.55	37.39
Australia	-	1.02	1.02	-	0.60	0.60
Total	188.44	171.40	359.84	283.01	207.70	490.71
Segment assets*						
Segment assets*	Foundry	Forging	As at March 31, 2018	Foundry	Forging	As at March 31, 2017
	Foundry	Forging	As at March 31, 2018	Foundry	Forging	As at March 31, 2017
India	26.91	61.76	760.27	48.48	53.62	815.95
China	-	22.11	22.11	-	16.67	16.67
Europe	-	10.02	10.02	-	5.09	10.59
USA	-	-	-	-	-	-
Total	36.93	83.87	792.40	53.97	75.38	843.21

* Segment assets on geographical area basis is monitored only for debtors with functional business segment



SE Forge Limited

Notes to financial statements for the year ended March 31, 2018

(All amounts in crores unless otherwise stated)

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

	As at March 31, 2018	As at March 31, 2017
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	4.67	12.34
·Interest due on above	0.99	0.25
	5.66	12.59
(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	0.05	0.60
(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	1.04	0.85

* Interest payable as per section 16 of the Micro, Small and Medium Enterprises Development, 2006, for the year is Rs 1.04 crores (March 31, 2017 Rs.0.85 crores).

45 Corporate social responsibility :

- a) Gross amount required to be spent by the Company Rs. Nil during the year (since the average net profit for last three financial years (preceding the financial year under review) is negative.)
- b) Amount spent during the year Rs. Nil

46 Since all figures are rounded off to Rupees in crores with two decimal, some amounts less than one lakh rupees are appearing as zero in the financial statements

47 The Financial statements of the company for the year ended March 31, 2017, were audited by SRBC & CO LLP, the predecessor auditor.

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

Vinod R. Tanti
Director
DIN - 00002266
Place: Pune
Date: May 29, 2018

Nidhi Tanti
Director
DIN - 02957451
Place : Pune
Date: May 29, 2018

TPA Narayanan
TPA Narayanan
Chief Financial Officer
Place: Pune
Date: May 29, 2018

Akshay R. Kulkarni
Company Secretary
Place: Pune
Date: May 29, 2018
MEM NO: A50113

