



**GANDHI RATHI & CO.**  
**CHARTERED ACCOUNTANTS**

PAREKH CENTRE, 3RD FLOOR, OPP. DAGA  
HOSPITAL, GANDHIBAGH NAGPUR-440 002  
PH. : +91-712-2766732, 2764207

**INDEPENDENT AUDITOR'S REPORT**

To the Members of

**Blastec (India) Private Limited**

**Report on the Audit of the Financial Statements**

**Opinion**

1. We have audited the financial statements of **Blastec (India) Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2020 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit/loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Emphasis of Matter**

4. We draw attention to Note 31 in the financial Statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations and financial position of the Company. The management believes that Covid-19 pandemic currently does not have material impact on the Company; however, the future impact may be different from that estimated as at the date of approval of these financial statements.  
Our opinion is not modified in respect of this matter.



## Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.
6. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements.
7. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue Recognition</b> (as described in note 2.2 (h) of the standalone Ind AS financial statements)	
<p>Revenue from sale of goods is recognized as outlined in note 15 of the standalone Ind AS financial statements.</p> <p>The Company estimate provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customers' site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales which are reduced from the sales for the period.</p> <p>As at 31 March, 2020, the Company is carrying a powder factor provision of INR 0.05 crore.</p> <p>This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>Assessed the Company's accounting policies pertaining to revenue recognition and compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers).</p> <p>Assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision.</p> <p>Read the agreement with customers for validating terms relating to powder factor.</p> <p>Assessed the key management assumptions/judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions.</p> <p>We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision.</p> <p>Evaluated the historical trend against the actual powder factor deduction.</p>



Key audit matters	How our audit addressed the key audit matter
	Reviewed the disclosures made by the Company in the standalone Ind AS financial statements.
<b>Carrying value of trade receivables</b> (as described in note 2.2 h (iii) of the standalone Ind AS financial statements)	
<p>As at March 31, 2020, trade receivable constitutes approximately 26.07% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables.</p> <p>The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates which is also outlined in note 2.2 h (iii) of the standalone Ind AS financial statements.</p> <p>This is a key audit matter as significant judgement is involved to establish the provision matrix.</p> <p>The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in Notes 7 to the standalone Ind AS financial statements.</p>	<p>Our audit procedures included and were not limited to the following:</p> <p>Assessed the Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 (Financial Instruments).</p> <p>Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss.</p> <p>Assessed management's assumption and judgment relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision.</p> <p>Assessed management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables.</p> <p>Reviewed the disclosures made by the Company in the standalone Ind AS financial statements.</p>

#### Other Information

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
9. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



10. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

11. 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.
12. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
13. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

14. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has



adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

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

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



## Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its financial statements
  - ii. The Company did not have any long-term contracts for which there were any material foreseeable losses
  - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W



C.N. Rathi  
Partner  
Membership No. 39895



Place: Nagpur  
Date: June 27, 2020  
UDIN:20039895AAAACJ5838

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

**Re: Blastec (India) Private Limited ("the Company")**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) All fixed assets have been physically verified by the management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) According to the information and explanation given by the management, the title deeds of immovable properties included in Property, plant and equipment/fixed assets are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. According to information and explanations given to us, the Company has not granted loan to anybody corporate covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans. There are no investments made or guarantees or securities granted in respect of which provisions of section 185 and 186 of the Act are applicable.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. Cost Audit is not applicable.
- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues with respect to provident fund, employees' state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, goods & service tax, income tax and cess have generally been regularly deposited with the appropriate authorities.  
b. According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, cess, goods & service tax and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.  
c. According to the records of the Company, there are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or goods & service tax which has not been deposited with the relevant authority.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company did not avail any loan or borrowings from banks or financial institutions or Government. Also, have no outstanding dues in respect of debenture holders.



- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- 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 as managerial remuneration is not paid and hence reporting under clause 3 (xi) is not applicable and hence not commented upon.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has made preferential allotment with respect to further issue of shares to its existing shareholders during the year under review.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W



C.N. Rathi  
Partner  
Membership No. 39895  
Place: Nagpur  
Date: June 27, 2020  
UDIN:20039895AAAACJ5838





**Annexure B" referred to in the Independent Auditor's report of even date on the financial statements of Blastec (India) Private Limited**

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

1. We have audited the internal financial controls over financial reporting of Blastec (India) Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

2. 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 (ICAI) ('the Guidance Note'). 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the Guidance Note) and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls Over Financial Reporting

6. 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
- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - 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 authorizations of management and directors of the company; and
  - provide reasonable assurance regarding prevention or timely detection of unauthorized 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

7. 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

8. In our opinion, the Company has maintained, 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, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W



C.N. Rathi  
Partner  
Membership No. 39895  
Place: Nagpur  
Date: June 27, 2020  
UDIN:20039895AAAACJ5838



**Blastec (India) Private Limited**  
**Balance Sheet as at March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

Balance Sheet as at	Notes	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	4,24,08,063	4,11,48,479
Capital work-in-progress	3	1,79,38,716	1,17,34,275
Right-of use assets	3a	1,94,606	1,97,103
Deferred tax assets	4	2,22,16,726	2,14,93,826
Loans	5(a)	6,12,979	21,63,179
Current tax asset (net)		-	1,82,596
<b>Total non-current assets</b>		<b>8,33,71,090</b>	<b>7,69,19,458</b>
<b>Current assets</b>			
Inventories	6	1,85,05,403	2,32,21,624
<b>Financial assets</b>			
Trade receivables	7	4,01,52,200	6,10,88,654
Cash and cash equivalents	8	16,40,958	31,86,015
Loans	5(a)	10,10,500	-
Other current assets	5(b)	93,38,370	93,03,136
<b>Total current assets</b>		<b>7,06,47,431</b>	<b>9,67,99,429</b>
<b>Total assets</b>		<b>15,40,18,520</b>	<b>17,37,18,887</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	9,90,00,000	9,90,00,000
<b>Other equity</b>			
Reserves and surplus		(11,50,07,807)	(7,07,24,367)
<b>Total equity</b>		<b>(1,60,07,807)</b>	<b>2,82,75,633</b>
<b>LIABILITIES</b>			
<b>Non-Current liabilities</b>			
Provisions	12	10,02,893	15,42,054
<b>Total non-current Liabilities</b>		<b>10,02,893</b>	<b>15,42,054</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	10	15,31,37,652	8,30,19,134
<b>Trade payables</b>			
a) total outstanding dues of micro enterprises and small enterprises	11	1,63,160	3,89,923
b) total outstanding dues of creditors other than micro enterprises and small enterprises		68,17,702	5,11,86,533
Other financial liabilities	12	76,08,055	75,90,062
<b>Other current liabilities</b>			
Liability for current tax(net)	13	8,24,948	9,03,487
Provisions	14	4,71,916	6,26,707
<b>Total current Liabilities</b>		<b>16,90,23,434</b>	<b>14,39,01,200</b>
<b>Total liabilities</b>		<b>17,00,26,327</b>	<b>14,54,43,254</b>
<b>Total equity and liabilities</b>		<b>15,40,18,520</b>	<b>17,37,18,887</b>

Summary of significant accounting policies 2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached

**For Gandhi Rathi & Co.**

Chartered Accountants

Firm's Registration Number: 103031W

C. N. Rathi

Partner

Membership No. 39895



For and on behalf of the Board of Directors of

**Blastec (India) Private Limited**

P.P. Deotare

Director

DIN: 08225124

S.L. Mundhada

Director

DIN: 07112092






Amit Ahuja

Company Secretary

Place: Nagpur

Date: June 27, 2020

**Blastec (India) Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

Statement of Profit and Loss for the	Notes	Year ended March 31, 2020	Year ended March 31, 2019
<b>Continuing operations</b>			
Revenue from operations	15	27,48,76,858	42,91,70,075
Other income	16	9,100	7,97,291
<b>Total income</b>		<b>27,48,85,958</b>	<b>42,99,67,366</b>
<b>Expenses</b>			
Cost of materials consumed	17(a)	24,18,36,503	35,63,10,785
Purchases of stock-in-trade		1,00,019	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods	17(b)	8,40,763	(11,37,114)
Employee benefit expense	18	1,86,04,658	2,06,52,635
Depreciation expense		30,69,614	29,36,031
Other expenses	19	4,22,70,511	4,96,92,501
Finance costs	20	1,27,99,226	1,41,04,116
<b>Total expenses</b>		<b>31,95,21,294</b>	<b>44,25,58,955</b>
<b>Profit before tax</b>			
Tax expense	21	(4,46,35,336)	(1,25,91,589)
- Current tax		-	1,69,414
- Taxes in respect of earlier years		3,48,932	39,313
- Deferred tax		(7,17,161)	(8,67,175)
<b>Total tax expense</b>		<b>(3,68,229)</b>	<b>(6,58,448)</b>
<b>Profit for the year</b>		<b>(4,42,67,107)</b>	<b>(1,19,33,140)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement (loss)/Income on defined benefit plans		(22,072)	5,38,316
Income tax relating to these items		5,739	(1,39,962)
		(16,333)	3,98,354
<b>Total comprehensive income for the year</b>		<b>(4,42,83,440)</b>	<b>(1,15,34,786)</b>
<b>Earnings per equity share</b>	22		
Basic earnings per share		(44.71)	(20.62)
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements			
As per our report of even date attached For Gandhi Rathi & Co. Chartered Accountants Firm's Registration Number: 103031W		For and on behalf of the Board of Directors of Blastec (India) Private Limited	
 C. N. Rathi Partner Membership No.39895		 P.P. Deotare Director DIN: 08225124	 S.L. Mundhada Director DIN:07112092
Place: Nagpur Date: June 27, 2020		 Amit Ahuja Company Secretary	

**Blastec (India) Private Limited**  
**Statement of cash flows for the year ended March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Cash flow from operating activities</b>		
Profit before income tax from Continuing operations	(4,46,35,336)	(1,25,91,589)
<b>Profit before income tax including discontinued operations</b>	<b>(4,46,35,336)</b>	<b>(1,25,91,589)</b>
Adjustments for		
Depreciation and amortisation expense	30,69,614	29,36,031
Dividend and interest income classified as investing cash flows	(9,100)	(7,97,291)
Remeasurement loss on defined benefit plans	(16,333)	3,98,354
Finance costs	1,27,99,226	1,41,04,116
Allowance for doubtful debts - trade receivables	38,06,908	1,31,64,760
Bad Debts Written-Off	-	19,94,713
<b>Change in operating assets and liabilities, net of effects from</b>	<b>(2,49,85,021)</b>	<b>1,92,09,095</b>
(Increase) / Decrease in trade receivables	1,71,29,546	1,14,45,511
(Increase)/Decrease in inventories	47,16,221	(88,27,248)
Decrease / (Increase) in other financial assets	-	1,21,113
(Increase)/Decrease in other current assets	(35,234)	(22,01,384)
(Decrease) / Increase in trade payables	(4,45,95,594)	3,48,10,984
Increase / (Decrease) in other current liabilities	(78,539)	(25,59,638)
(Decrease)/Increase in provisions - Non current	(5,39,161)	(2,77,919)
Increase in provisions - current	(1,54,791)	46,960
(Decrease) / Increase in other financial liabilities	(6,11,224)	47,36,407
<b>Cash generated from operations</b>	<b>(4,91,53,796)</b>	<b>5,65,03,880</b>
Income taxes paid (net)	3,57,429	41,88,598
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(4,95,11,225)</b>	<b>5,23,15,282</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(76,30,701)	(1,42,30,273)
Payments for CWIP	(62,04,441)	(78,53,005)
Repayment / (Loan given) to Fellow Subsidiary	-	-
Loans to Other	5,39,700	11,00,000
Interest received	9,100	7,97,291
<b>Net cash Inflow / (outflow) from investing activities</b>	<b>(1,32,86,342)</b>	<b>(2,01,85,987)</b>
<b>Cash flows from financing activities</b>		
Proceeds from current borrowings Related party	40,52,58,267	60,18,83,252
Repayment of current borrowings to related party	(33,51,39,749)	(65,81,59,567)
Repayment of /Proceeds from borrowings Other -current	-	(1,40,43,015)
Interest paid	(88,66,009)	(2,40,46,346)
Issue of Shares	-	4,91,23,400
<b>Net cash (outflow) from financing activities</b>	<b>6,12,52,509</b>	<b>(4,52,42,276)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(15,45,057)</b>	<b>(1,31,12,981)</b>
Cash and cash equivalents at the beginning of the financial year	31,86,015	1,62,98,996
<b>Cash and cash equivalents at end of the year</b>	<b>16,40,958</b>	<b>31,86,015</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (as per note 8)	16,40,958	31,86,015
Bank balances other than cash and cash equivalents (as per note 8)	-	-
	<b>16,40,958</b>	<b>31,86,015</b>

As per our report of even date attached  
**For Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W

**C. N. Rathi**  
Partner  
Membership No.39895



For and on behalf of the Board of Directors of

**P.P. Deotare**  
Director  
DIN: 08225124

**S.L. Mundhada**  
Director  
DIN:07112092

Place: Nagpur  
Date: June 27, 2020

**Amit Ahuja**  
Company Secretary

**Blastec (India) Private Limited**  
**Statement of changes in equity**  
**(All amounts in Rupees , unless otherwise stated)**

**A. Equity share capital**

	Notes	Number of shares	Amount
As at March 31, 2019	11	9,90,000	9,90,00,000
Changes in equity share capital			
As at March 31, 2020	11	9,90,000	9,90,00,000

**B. Other equity**

	Reserves and surplus			Total other equity
	Securities premium reserve	Retained earnings	Capital Reserve	
<b>Balance at March 31, 2019</b>	<b>3,29,50,000</b>	<b>(10,43,74,368)</b>	<b>7,00,000</b>	<b>(7,07,24,367)</b>
Total comprehensive Income for the year		(4,42,67,107)		(4,42,67,107)
Other comprehensive Income for the year		(16,333)		(16,333)
<b>Balance at March 31, 2020</b>	<b>3,29,50,000</b>	<b>(14,86,57,808)</b>	<b>7,00,000</b>	<b>(11,50,07,807)</b>

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached  
**For Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W



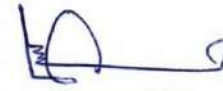
**C. N. Rathi**  
Partner  
Membership No.39895



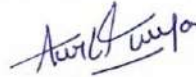
For and on behalf of the Board of Directors of  
**Blastec (India) Private Limited**



**P.P. Deotare**  
Director



**S.L. Mundhada**  
Director



**Amit Ahuja**  
Company Secretary

Place: Nagpur  
Date: June 27, 2020

## 1. Corporate Information

Blastec India Private Limited (the 'Company') is a company domiciled in India, with its registered office situated in Nagpur. The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Solar Industries India Limited, which is listed in India. The Company is primarily involved in manufacturing of bulk explosives.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

#### Current and 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 treated as current when it is:

- Expected to be settled in normal operating cycle
- 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

All other liabilities are classified as non-current.

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

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.



## 2.2 Summary of significant accounting policies

### a. Use of estimates:-

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

### b. Property, Plant and Equipment :-

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period / year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

### c. Intangible assets :

Intangible assets including software licenses of enduring nature and contractual rights acquired separately will be measured on initial recognition at cost. Following initial recognition, intangible assets will be carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset will be measured as the difference between the net disposal proceeds and the carrying amount of the asset and will be recognized in the statement of profit and loss when the asset is disposed.

### d. Depreciation and amortization :

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:





Assets	Company's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
<b>Buildings:</b>		
Factory buildings	30	30
<b>Plant and Machinery:</b>		
Factory Plant and Machinery	15 to 20	15 to 20
Furniture and fixtures	10	10
Vehicles	8 to 10	8 to 10
Office and other equipment	3 to 6	3 to 6

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

Leasehold Land is amortized over the period of the lease.

**e. Impairment of Property, Plant and Equipment and other intangible assets :**

The carrying amounts of assets will be reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

An impairment loss will be recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows will be discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

**f. Borrowing costs :**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**g. Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a Lessee:**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**i. Right-of-use assets:**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial



direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

**ii. Lease Liabilities:**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

**iii. Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**h. Financial instruments :**

**i) Investments and other financial assets**

**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and



- those measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

##### A. Debt instruments:

Subsequent measurement of debt instruments will depend on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company will classify its debt instruments into following categories:

###### 1. Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest will be measured at amortised cost. Interest income from these financial assets will be included in other income using effective interest rate method.

###### 2. Fair value through profit and loss:

Assets that do not meet the criteria of amortised cost are measured at fair value through Profit and Loss. Interest income from these financial assets will be included in other income.

##### B. Equity instruments:

The Company will measure its equity investment other than in subsidiaries and associates at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there will be no subsequent reclassification, on sale or otherwise, of fair value gains to the statement of profit and loss.

#### ii) Financial liabilities

##### Classification

The Company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through the Statement of Profit and Loss, and
- those measured at amortised cost

##### Measurement

###### A. Financial liabilities at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost.

###### B. Financial liabilities at fair value through profit and loss:



Financial liabilities at fair value through profit and loss will be measured at fair value with all changes recognized in the statement of profit and loss.

iii) **Impairment of financial assets**

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company measures the ECL associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

i. **Revenue:**

**Revenue from Contract with Customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 32.

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

i. **Sale of products:**

Revenue from sale of products is recognised at the point in time when control of the goods is transferred to the customer, generally on shipment or delivery. The normal credit term is 30 days from shipment or delivery as the case may be.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

*In determining the transaction price for the sale of good or rendering of service, the Company considers the effects of variable consideration and provisional pricing, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.*



a. **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The volume rebates give rise to variable consideration.

• **Volume rebates and discounts**

The products are often sold with volume discounts based on aggregate sales over a specific time period, normally 3–12 months. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts using either the expected value method or an assessment of the most likely amount. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

• **Powder Factor**

The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

b. **Significant financing component**

In many cases, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Hence, there is no financing component which needs to be separated.

ii. **Interest Income:**

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

iii. **Dividend:**

Revenue is recognised when the Company's right to receive the dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.



**Contract balances**

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.2 (i) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**j. Inventories :-**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- (i) **Raw materials:** 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.
- (ii) **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. Cost is determined on weighted average basis.
- (iii) **Traded goods:** 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.

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.

**k. Retirement and other employee benefits :-**

**(i) Provident Fund**

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due.

**(ii) Gratuity**



Gratuity is a defined benefit obligation plan operated by the Parent Company and its Indian Subsidiaries for its employees covered under Company Gratuity Scheme. Under the gratuity plan, every employee who has completed at least specified years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur and are not reclassified to profit and loss.

**(iii) Leave encashment**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**I. Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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 recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.



Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount is written down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

**m. Segment reporting:-**

**(i) Identification of segment**

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker of the Company.

**(ii) Segment accounting policies**

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

**n. Earnings per share (EPS)**

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

**o. Provisions :**

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**p. Contingent liability :-**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of





resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

**q. Cash and cash equivalents :-**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of 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.

**r. Recent accounting pronouncements**

**Lease**

**Determining the lease term of contracts with renewal and termination options – Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

**2.3 Changes in accounting policies and disclosures**

**New and amended standards**

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending 31 March 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

**Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease). The standard



sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on 1 April 2019. The comparative figures are not restated and the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings at the date of initial application. The Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

The effect of adoption of Ind AS 116 is presented in Note 3a of financial statements.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.2 (g) Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.



Blastec (India) Private Limited  
Notes to Financial Statements  
Note 3 : Property, plant and equipment

	Freehold Land	Factory Building	Plant & Machinery	Office & Other Equipments	Furniture & Fixtures	Vehicles	Total	Capital Work-in-progress
Gross carrying amount as at April 1, 2018	6,89,755	86,80,300	2,22,85,756	4,99,922	54,186	59,21,719	3,81,31,639	38,81,270
Additions	1,14,97,170	-	19,33,880	-	-	8,18,635	1,42,49,685	78,53,005
Disposal	-	-	-	-	-	(3,88,253)	(3,88,253)	-
<b>Gross carrying amount as at March 31, 2019</b>	<b>1,21,86,925</b>	<b>86,80,300</b>	<b>2,42,19,636</b>	<b>4,99,922</b>	<b>54,186</b>	<b>63,52,101</b>	<b>5,19,93,071</b>	<b>1,17,34,275</b>
Accumulated depreciation	-	-	-	-	-	-	-	-
Accumulated depreciation as at April 1, 2018	-	8,43,750	46,59,937	2,74,026	11,435	24,90,750	82,79,898	-
Depreciation/Amortization Charge during the Period	-	4,08,394	17,89,294	41,567	1,864	6,92,415	29,33,534	-
Disposal	-	-	-	-	-	(3,68,840)	(3,68,840)	-
<b>Accumulated depreciation as at March 31, 2018</b>	<b>-</b>	<b>12,52,144</b>	<b>64,49,231</b>	<b>3,15,593</b>	<b>13,300</b>	<b>28,14,324</b>	<b>1,08,44,592</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>1,21,86,925</b>	<b>74,28,156</b>	<b>1,77,70,405</b>	<b>1,84,329</b>	<b>40,886</b>	<b>35,37,777</b>	<b>4,11,48,479</b>	<b>1,17,34,275</b>
Year ended 31 March 2019								
Gross carrying amount								
Gross carrying amount as at April 1, 2019	1,21,86,925	86,80,300	2,42,19,636	4,99,922	54,186	63,52,101	5,19,93,071	1,17,34,275
Additions	38,24,000	-	3,95,426	1,07,275	-	-	43,26,701	62,04,441
Disposal	-	-	-	-	-	-	-	-
<b>Gross carrying amount as at March 31, 2020</b>	<b>1,60,10,925</b>	<b>86,80,300</b>	<b>2,46,15,062</b>	<b>6,07,197</b>	<b>54,186</b>	<b>63,52,101</b>	<b>5,63,19,772</b>	<b>1,79,38,716</b>
Accumulated depreciation								
Accumulated depreciation as at April 1, 2019	-	12,52,144	64,49,231	3,15,593	13,300	28,14,324	1,08,44,592	-
Depreciation/Amortization Charge during the Period	-	4,08,394	19,04,267	46,503	1,228	7,06,725	30,67,117	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>-</b>	<b>16,60,538</b>	<b>83,53,498</b>	<b>3,62,096</b>	<b>14,528</b>	<b>35,21,049</b>	<b>1,39,11,709</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>1,60,10,925</b>	<b>70,19,762</b>	<b>1,62,61,564</b>	<b>2,45,101</b>	<b>39,658</b>	<b>28,31,053</b>	<b>4,24,08,063</b>	<b>1,79,38,716</b>



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**Note 3a. Right-of-use assets**  
**Leases**

The Company has lease contracts for Leasehold land. Leases of Lease hold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold land	Total
As at 1 April 2019	1,97,103	1,97,103
Additions	-	-
Depreciation	2,497	2,497
As at 31 March 2020	1,94,606	1,94,606



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 4 : Deferred tax assets**

The balance comprises temporary differences attributable to:

	March 31, 2020	March 31, 2019
Allowance for doubtful debts - trade receivables	1,92,00,182	1,82,10,385
Other	3,83,450	5,63,878
MAT Receivable	45,55,897	45,55,897
<b>Total deferred tax assets</b>	<b>2,41,39,529</b>	<b>2,33,30,160</b>
Property, plant and equipment.	(19,22,803)	(18,36,334)
<b>Total deferred tax liabilities</b>	<b>(19,22,803)</b>	<b>(18,36,334)</b>
<b>Net deferred tax assets</b>	<b>2,22,16,726</b>	<b>2,14,93,826</b>

**Note 5(a): Loans current**

	March 31, 2020	March 31, 2019
Security Deposits	10,500	-
Earnest Money Deposits	10,00,000	-
	<b>10,10,500</b>	<b>-</b>

**Note 5(a): Loans non current**

	March 31, 2020	March 31, 2019
Security Deposits	5,12,979	10,03,179
Earnest Money Deposits	1,00,000	11,60,000
	<b>6,12,979</b>	<b>21,63,179</b>

**Note 5(b): Other current assets**

	March 31, 2020	March 31, 2019
Prepaid Expenses	-	-
Advances to suppliers	48,26,797	50,70,313
Advances to Staff	1,25,501	6,858
Balances with Revenue Authorities	41,86,151	42,22,605
Deposit with insurance company	1,99,921	3,360
	<b>93,38,370</b>	<b>93,03,136</b>

**Note 6: Inventories**

	March 31, 2020	March 31, 2019
Raw materials (In transit of Rs 578631 (Previous year : Rs.2230050)	1,35,63,049	1,70,71,232
Stock of semi finished goods	27,53,133	35,93,896
Stores and spares	21,89,220	25,56,496
	<b>1,85,05,403</b>	<b>2,32,21,624</b>



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 7: Trade receivables**

	March 31, 2020	March 31, 2019
<b>Unsecured, considered good</b>		
Trade receivables	11,39,99,052	13,11,28,598
Less: Allowance for doubtful debts	(7,38,46,852)	(7,00,39,944)
<b>Total Trade Receivables</b>	<b>4,01,52,200</b>	<b>6,10,88,654</b>

**Break-up of security details**

	March 31, 2020	March 31, 2019
<b>Trade Receivables</b>		
Unsecured, considered good	5,03,55,322	6,79,53,027
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	6,36,43,730	6,31,75,571
	<b>11,39,99,052</b>	<b>13,11,28,598</b>
<b>Impairment allowance (allowance for bad and doubtful debts)</b>		
Unsecured, considered good	(1,02,03,122)	(68,64,373)
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	(6,36,43,730)	(6,31,75,571)
	<b>(7,38,46,852)</b>	<b>(7,00,39,944)</b>
<b>Total Trade Receivables</b>	<b>4,01,52,200</b>	<b>6,10,88,654</b>

**Note 8: Cash and bank balances**

	March 31, 2020	March 31, 2019
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	16,01,641	30,97,823
Cash on hand	39,317	88,192
	<b>16,40,958</b>	<b>31,86,015</b>



Note 9: Equity share capital

	Number of Shares		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Authorised equity share capital (face value Rs.100 each)	10,00,000	10,00,000	10,00,00,000	10,00,00,000
	10,00,000	10,00,000	10,00,00,000	10,00,00,000
Issued, Subscribed and fully paid up share capital (face value Rs.100 each)	9,90,000	4,98,766	9,90,00,000	4,98,76,600
Changes in equity share capital	-	4,91,234	-	4,91,23,400
	9,90,000	9,90,000	9,90,00,000	9,90,00,000

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Number of Shares at the beginning of the year	9,90,000	4,98,766	9,90,00,000	4,98,76,600
Add: Issued during the year	-	4,91,234	-	4,91,23,400
<b>Number of Shares at the end of the year</b>	<b>9,90,000</b>	<b>9,90,000</b>	<b>9,90,00,000</b>	<b>9,90,00,000</b>

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by ultimate holding/ holding company

	Number of Shares		Amount	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Ultimate holding/ Holding Company</b>				
Solar Industries India Limited (par value Rs.100 each fully paid)	9,90,000	9,90,000	9,90,00,000	9,90,00,000
	9,90,000	9,90,000	9,90,00,000	9,90,00,000

(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	% holding		No of shares	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Solar Industries India Limited	100	100	9,90,000	9,90,000

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



**Blastec (India) Private Limited**  
**Statement of changes in equity**  
**(All amounts in Rupees , unless otherwise stated)**

**Other equity**

**Securities premium**

	<b>Amount</b>
<b>As at April 1, 2018</b>	3,29,50,000
Movement for the year 2018-19	-
<b>As at March 31, 2019</b>	3,29,50,000
Movement for the year 2019-20	-
<b>As at March 31, 2020</b>	3,29,50,000

**Retained earnings**

<b>As at April 1, 2018</b>	(9,28,39,582)
Add : Profit for the year	(1,19,33,140)
Add : Other comprehensive Income for the year	3,98,354
<b>As at March 31,2019</b>	(10,43,74,368)
Add : Profit for the year	(4,42,67,107)
Add : Other comprehensive Income for the year	(16,333)
<b>As at March 31, 2020</b>	(14,86,57,808)

**Capital reserve**

<b>As at April 1, 2018</b>	7,00,000
Movement for the year 2018-19	-
<b>As at March 31, 2019</b>	7,00,000
Movement for the year 2019-20	-
<b>As at March 31, 2020</b>	7,00,000





**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 12 : Provisions**

	March 31, 2020	March 31, 2019
<b>Non Current</b>		
Provision for employee benefits - Gratuity	10,02,893	15,42,054
	<b>10,02,893</b>	<b>15,42,054</b>

**Note 14 : Provisions**

	March 31, 2020	March 31, 2019
<b>Current</b>		
Provision for employee benefits		
Gratuity	98,923	1,63,696
Leave obligations	3,72,993	4,63,011
	<b>4,71,916</b>	<b>6,26,707</b>

**Note 10 : Current borrowings**

	March 31, 2020	March 31, 2019
<b>Unsecured</b>		
From Holding Company	15,31,37,652	8,51,28,957
Accrued Interest	60,43,040	-
	<b>15,91,80,692</b>	<b>8,51,28,957</b>
Less: Accrued Interest (included in note 15)	60,43,040	21,09,823
	<b>15,31,37,652</b>	<b>8,30,19,134</b>

**Note 11 : Trade payables**

	March 31, 2020	March 31, 2019
<b>Current</b>		
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	1,63,160	3,89,923
b) total outstanding dues of creditors other than micro enterprises and small enterprises	68,11,717	3,05,01,261
<b>Related Party</b>		
a) Holding Company	-	2,06,02,876
b) Associates	5,985	82,396
	<b>69,80,862</b>	<b>5,15,76,456</b>

**Note 12 Other financial liabilities**

	March 31, 2020	March 31, 2019
<b>Current</b>		
Interest accrued on Current Borrowing	60,43,040	21,09,823
Employee related payables	15,65,015	21,76,239
Capital creditors	-	33,04,000
	<b>76,08,055</b>	<b>75,90,062</b>

**Note 13: Other current liabilities**

	March 31, 2020	March 31, 2019
Statutory Dues Payables	8,24,948	9,03,487
	<b>8,24,948</b>	<b>9,03,487</b>



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 15: Revenue from operations**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Sale of products	27,48,76,176	42,61,93,836
Other operating revenue	682	29,76,239
	<b>27,48,76,858</b>	<b>42,91,70,075</b>

**Note 16: Other income**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest Income		
On financial assets carried at amortised cost		
On Deposits with Bank	-	7,70,175
On loans given to Fellow Subsidiary	-	10,604
Interest Received on Income Tax Refund	9,100	16,512
	<b>9,100</b>	<b>7,97,291</b>

**Note 17(a): Cost of materials consumed**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Raw materials at the beginning of the year	1,70,71,232	1,02,80,269
Add: Purchases	23,83,28,321	36,31,01,748
Less: Raw material at the end of the year	1,35,63,049	1,70,71,232
	<b>24,18,36,503</b>	<b>35,63,10,785</b>

**Note 17(b): Changes in inventories**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Opening balance</b>		
Semi finished goods	35,93,896	24,56,782
<b>Total opening balance</b>	<b>35,93,896</b>	<b>24,56,782</b>
<b>Closing balance</b>		
Semi finished goods	27,53,133	35,93,896
<b>Total closing balance</b>	<b>27,53,133</b>	<b>35,93,896</b>
Total changes in inventories of semi finished goods	<b>8,40,763</b>	<b>(11,37,114)</b>

**Note 18: Employee benefit expense**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Salaries, wages including bonus	55,94,524	56,08,247
Contribution to provident fund, gratuity & leave benefits	6,35,549	6,58,005
Staff welfare expenses	5,00,739	4,25,788
<b>Total A</b>	<b>67,30,812</b>	<b>66,92,040</b>
Labour charges (including bonus)	1,18,73,847	1,39,60,595
<b>Total B</b>	<b>1,18,73,847</b>	<b>1,39,60,595</b>
<b>Total expenses (A+B)</b>	<b>1,86,04,658</b>	<b>2,06,52,635</b>



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 19: Other expenses**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Consumption of stores and spares	12,47,877	15,49,626
Repairs and maintenance		
Plant and machinery	5,02,506	18,00,830
Buildings	7,64,384	85,692
Others	19,21,879	38,21,063
Water and electricity charges	33,53,201	51,85,088
Rates and taxes	17,32,271	16,41,360
Legal and professional fees	7,28,101	10,41,630
Consultancy Charges	7,59,974	8,23,860
Donation	44,586	29,216
Pump Truck Expenses	79,19,976	1,32,31,466
Security Service Charges	12,81,216	12,02,806
Bad Debts Written-Off	-	19,94,713
Testing Charges - Other Expenses	1,09,60,188	-
Domestic & Bulk PF Expenses	36,86,746	-
Allowance for doubtful debts - trade receivables	38,06,908	1,31,64,760
Payments to auditors (refer note 21(a) below)	4,00,000	4,00,000
Miscellaneous Expenses (includes Printing , Communication , Postage , office expenses etc)	31,60,698	37,20,392
	<b>4,22,70,511</b>	<b>4,96,92,501</b>

**Note 21(a): Details of payments to auditors**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	4,00,000	4,00,000
	<b>4,00,000</b>	<b>4,00,000</b>

**Note 20: Finance costs**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Interest on Borrowings		
From Holding Company	1,27,99,226	1,23,68,553
From Others	-	17,35,563
	<b>1,27,99,226</b>	<b>1,41,04,116</b>

**Note 21: Tax expense**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Current tax	-	1,69,414
Taxes in respect of earlier years	3,48,932	39,313
<b>Total tax expense</b>	<b>3,48,932</b>	<b>2,08,727</b>
<b>Deferred tax</b>		
(Increase) in deferred tax assets	(8,09,369)	(6,27,732)
Increase in deferred tax liabilities	86,469	(99,482)
<b>Total deferred tax (benefit)</b>	<b>(7,22,900)</b>	<b>(7,27,213)</b>



**Blastec (India) Private Limited**  
**Notes to Financial Statements**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 22: Earnings per share (EPS)**

	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	(4,42,67,107)	(1,19,33,140)
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	9,90,000	5,78,781
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	<b>(44.71)</b>	<b>(20.62)</b>



**Note 23: Employee Benefit obligations****(i) Post-employment obligations****Gratuity**

The Company operate a defined benefit plan viz. namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the status and amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

**Expense Recognized in Statement of Profit and Loss**

	March 31, 2020'	March 31, 2019'
Service cost	1,02,765	1,28,319
Net Interest Cost	1,20,255	1,51,083
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>2,23,020</b>	<b>2,79,402</b>

**Other Comprehensive Income**

	March 31, 2020'	March 31, 2019'
Opening amount recognized in OCI outside of statement of profit or account		-
Actuarial gain / (loss) on liabilities	(22,072)	5,38,316
Actuarial gain / (loss) on assets		-
<b>Closing of amount recognized in OCI outside of statement of profit and loss</b>	<b>(22,072)</b>	<b>5,38,316</b>

**The amount to be recognized in Balance Sheet Statement**

	March 31, 2019'	March 31, 2019'
Present value of obligations	11,01,816	17,05,750
Fair value of plan assets		-
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>11,01,816</b>	<b>17,05,750</b>

**Change in Present Value of Obligations**

	March 31, 2020'	March 31, 2019'
Opening of defined benefit obligations	17,05,750	19,64,664
Service cost	1,02,765	1,28,319
Interest Cost	1,20,255	1,51,083
Benefit Paid	(8,49,026)	-
Actuarial (Gain)/Loss on total liabilities:	22,072	(5,38,316)
<b>Closing of defined benefit obligation</b>	<b>11,01,816</b>	<b>17,05,750</b>

**Bifurcation of Present Value of Obligation at the end of the year**

Current Liability	98,923	1,63,696
Non-current Liability	10,02,893	15,42,054
<b>Total Liability</b>	<b>11,01,816</b>	<b>17,05,750</b>



**Change in Fair Value of Plan Assets**

	March 31, 2020'	March 31, 2019'
Opening fair value of plan assets		-
Actual Return on Plan Assets		-
Employer Contribution	8,49,026	-
Benefit Paid	(8,49,026)	-
<b>Closing fair value of plan assets</b>		-

**The significant actuarial assumptions were as follows :**

	March 31, 2020'	March 31, 2019'
Discount Rate	6.65% per annum	7.05% per annum
Rate of increase in Compensation levels	5% per annum	5% per annum
Rate of Return on Plan Assets	NA	NA
Average future service (in Years)	19.65 Years	17.65 Years

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

**Sensitivity Analysis**

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2020'	Impact (Absolute)	Impact (%)
Base Liability	11,01,816		
Increase Discount Rate by 0.50%	1068309	(33,507)	-3.04%
Decrease Discount Rate by 0.50%	1137270	35,454	3.22%
Increase Salary Inflation by 1%	1175299	73,483	6.67%
Decrease Salary Inflation by 1%	1035040	(66,776)	-6.06%
Increase in Withdrawal Assumption by 5%	1124992	23,176	2.10%
Decrease in Withdrawal Assumption by 5%	1058964	(42,852)	-3.89%

**Notes :**

1. The base liability is calculated at discount rate of 6.65% per annum and salary inflation rate of 5.00% per annum for all future years.
2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.



**Note 24: Related Party Disclosures**

**A Names of related parties and related party relationship :**

**I Holding Company**

Solar Industries India Limited

**II Key Managerial Personnel (KMP)**

- 1 Shri Someshwar Lonkaran Mundhada (Executive Director)
- 2 Shri Purushottam Pundlikrao Deotare (Executive Director)
- 3 Shri Shyamsundar Mishra (Executive Director)

**III Key Managerial Personnel of Holding Company**

- 1 Shri Satyanarayan Nuwal (Chairman & Executive Director)
- 2 Shri Kailashchandra Nuwal (Vice-Chairman & Executive Director)
- 3 Shri Manish Nuwal (Managing Director & CEO)
- 4 Shri Anil Kumar Jain (Executive Director)
- 5 Shri Suresh Menon (Executive Director)
- 6 Shri Nilesh Panpaliya (Chief Financial Officer)
- 7 Smt. Khushboo Pasari (Company Secretary & Compliance Officer)

**IV Subsidiaries, step down subsidiaries and associates of Holding Company**

**A. Indian Subsidiaries**

- 1 Economic Explosives Limited
- 2 Emul Tek Private Limited
- 3 Solar Defence Limited. - (Note 1)
- 4 Solar Defence Systems Limited - (Note 1)

**B. Overseas Subsidiary**

- 1 Solar Overseas Mauritius Limited

**Overseas Step down Subsidiaries**

- 1 Solar Overseas Netherlands B.V. - (a)
- 2 Nigachem Nigeria Limited - (a)
- 3 Solar Explochem Zambia Limited - (a)
- 4 Solar Mining Services Pty Limited - (South Africa) (a)
- 5 P.T. Solar Mining Services - (Note 1) & (b)
- 6 Solar Explochem (Ghana) Limited - (Note 2) & (b)
- 7 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)
- 8 Solar Madencilik Hizmetleri A.S (b)
- 9 Solar Nitro Ghana Limited - (b)
- 10 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 3) & (b)
- 11 Solar Overseas Netherlands Cooperative U.A - (c)
- 12 Solar Overseas Singapore Pte Ltd. - (c)
- 13 Solar Industries Africa Limited - (c)
- 14 Laghe Venture Company Limited (Note 4) & (c)
- 15 Solar Nitro Zimbabwe (Private) Limited (Note 1) & (c)
- 16 Solar Nitrochemicals Limited -(Note 1) & (d)
- 17 Solar Mining Services Pty Ltd. (Australia) - (Note 7) & (e)
- 18 Solar Mining Services Cote d'Ivoire SARL (Note 1 & 5) & (e)

**C. Associates**

- 1 Solar Bhatgaon Extension Mines Pvt. Limited - (Note 6)
- 2 SMS Bhatgaon Mines Extension Pvt. Limited - (Note 6)

**V Enterprises, over which control or significant influence is exercised by individuals listed in 'III' above (with whom transactions have taken place)**

- 1 Solar Synthetics Private Limited



**VI Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above (other than those disclosed in V above)**

- 1 Mahakal Infrastructures Private Limited (Note 6)
- 2 Mahakal Project Private Limited (Note 6)
- 3 Nagpur Infrastructure Private Limited
- 4 Solar Processors (Bhilwara) Limited
- 5 Gulmohar Developers and Constructions Private Limited
- 6 Sun Developers and Constructions Private Limited
- 7 Sunbeam Developers and Constructions Private Limited
- 8 Sundrop Realtors Private Limited (Note 6)
- 9 Sunland Infracon Private Limited (Note 6)
- 10 Sunlight Infraventures Private Limited (Note 6)
- 11 Commercial Sales Corporation
- 12 Sundrop Developers and Ventures LLP
- 13 AG Technologies Private Limited
- 14 Solar Holdings and Investments Private Limited
- 15 Solar Enlightenment Foundation

**VII Entities with joint control or significant influence over the entity**

- 1 Astra Resources (Pty) Limited

**VIII Other related party**

- 1 Solar Industries India Limited employees group gratuity assurance scheme
- 2 Economic Explosives Limited employee group gratuity assurance scheme  
(Post employment benefit plant of the company)

Note 1: The entity has not commenced its business operations

Note 2: The entity liquidated on January 16, 2020

Note 3: The entity is under liquidation

Note 4: Overseas stepdown subsidiary of the Company w.e.f. September 05, 2019

Note 5: The entity is incorporated on November 04, 2019

Note 6: The entity is under Process of Striking Off

Note 7: Formerly known as Australian Explosives Technologies Group Pty Limited

- (a) Majority owned and controlled subsidiaries of Solar Overseas Netherlands Cooperatie U.A
- (b) Majority owned and controlled subsidiaries of Solar Overseas Netherlands B.V.
- (c) Majority owned and controlled subsidiaries of Solar Overseas Mauritius Limited
- (d) Majority owned and controlled subsidiaries of Solar Industries Africa Limited
- (e) Majority owned and controlled subsidiaries of Solar Overseas Singapore PTE Ltd.





**Blastec (India) Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel	Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above
	March 31, 2020'	March 31, 2019'	March 31, 2020'	March 31, 2019'		
<b>a. Transactions with related parties</b>						
Other operating income	12158327.87	-	-	10,604	-	-
Purchase of raw material and components	105000	2,01,42,100	-	-	-	82,396
Sale of input material	405258267	60,18,83,252	-	-	-	-
Loan Taken	0	-	-	7,71,259	-	-
Loan Given	(33,51,39,749)	(65,81,59,567)	-	(7,71,259)	-	-
Interest on inter-corporate loans (net)	12799226	1,23,68,553	-	-	-	-
Purchase of Asset	3600000	-	-	-	-	-
Cross charges - Insurance Charges	191444	-	-	-	-	-

**b. Balances as at the year end**

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel	Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above
	March 31, 2020'	March 31, 2019'	March 31, 2020'	March 31, 2019'		
Loans	15,31,37,652	8,30,19,134	-	-	-	-
Trade payables	0	2,06,02,876	-	-	-	-
Accrued Interest	60,43,040	21,09,823	5,985	-	-	82,396



Transactions with related parties during the year

Nature of Transaction	March 31, 2020	March 31, 2019
<b>Other operating income</b>		
Emul Tek Private Limited	-	10,604
<b>Total</b>	-	<b>10,604</b>
<b>Purchase of raw material and components</b>		
Solar Industries India Limited	1,21,58,328	2,01,42,100
Solar Synthetics Private Limited	-	82,396
<b>Total</b>	<b>1,21,58,328</b>	<b>2,02,24,496</b>
<b>Sale of input material</b>		
Solar Industries India Limited	1,05,000	-
<b>Total</b>	<b>1,05,000</b>	-
<b>Loans (repaid) / taken during the year</b>		
Solar Industries India Limited-Taken	40,52,58,267	60,18,83,252
Solar Industries India Limited-Repaid	(33,51,39,749)	(65,81,59,567)
<b>Total</b>	<b>7,01,18,518</b>	<b>(5,62,76,315)</b>
<b>Loan (repaid) / Given during the year</b>		
Emul Tek Pvt Ltd-Given	-	7,71,259
Emul Tek Pvt Ltd-Repaid	-	(7,71,259)
<b>Total</b>	-	-
<b>Interest on inter-corporate loans Paid (net)</b>		
Solar Industries India Limited	1,27,99,226	1,23,68,553
<b>Total</b>	<b>1,27,99,226</b>	<b>1,23,68,553</b>
<b>Cross Charges</b>		
Solar Industries India Limited	1,91,444	1,78,499
<b>Total</b>	<b>1,91,444</b>	<b>1,78,499</b>
<b>Purchase of Asset</b>		
Solar Industries India Limited	36,00,000	-
<b>Total</b>	<b>36,00,000</b>	-

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2020	March 31, 2019
<b>Loan</b>		
Solar Industries India Limited	15,31,37,652	8,30,19,134
<b>Total</b>	<b>15,31,37,652</b>	<b>8,30,19,134</b>
<b>Trade payables</b>		
Solar Industries India Ltd	-	2,06,02,876
Solar Synthetics Private Limited	-	82,396
Emul Tek Private Limited	5,985	-
<b>Total</b>	<b>5,985</b>	<b>2,06,85,272</b>
<b>Accrued Interest</b>		
Solar Industries India Limited	60,43,040	21,09,823
<b>Total</b>	<b>60,43,040</b>	<b>21,09,823</b>

Note 25: Segment Information

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. The CODM evaluates the Company's performance and allocates the resources. The Company is exclusively engaged in the business of manufacturing of explosives and its accessories. The entire operation is governed by the same set of risk and returns confirmed as representing a single operating segment and not analysed separately.

Geographical Information

The Company caters mainly to the needs of Indian Markets. Hence, there are no reportable geographical segments.

The revenue from a single customer in excess of 10% of total revenue of the Company is Rs. 28,79,82,718 (March 31, 2019: Rs. 51,17,44,229)



**Note 26: Fair Value Measurements**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- 1 The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, bank deposits, trade receivables, other financial assets, trade payables, other financial liabilities, current borrowings, because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
- 2 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- 3 The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 3 fair values in the fair value hierarchy.
- 4 Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

**A. Fair Value Hierarchy**

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

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2020 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Trade receivables	4,01,52,200	7	-	-	-
Cash and cash equivalents	16,40,958	8	-	-	-
Bank balances other than above	-	8	-	-	-
<b>Total Financial assets</b>	<b>4,17,93,158</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Current	15,31,37,652	10	-	-	-
Trade payables	69,80,862	11	-	-	-
Other financial liabilities	76,08,055	12A	-	-	-
<b>Total Financial liabilities</b>	<b>16,77,26,569</b>		-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2019 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Other financial assets	-		-	-	-
Trade receivables	6,10,88,654	7	-	-	-
Cash and cash equivalents	31,86,015	8	-	-	-
Bank balances other than above	-	8	-	-	-
<b>Total Financial assets</b>	<b>6,42,74,669</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Current	8,30,19,134	10	-	-	-
Trade payables	5,15,76,456	11	-	-	-
Other financial liabilities	75,90,062	12A	-	-	-
<b>Total Financial liabilities</b>	<b>14,21,85,652</b>		-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the period.



**Note 27: Financial risk management objectives and policies**

The company's financial assets includes loans, trade receivables, cash and cash equivalents that comes directly from its operations and financial liabilities comprises of borrowings, trade and other payables, and financial guarantee contracts. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All the derivative activities for risk management purposes are managed by experienced teams. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The following table mentions the risk the Company is exposed to and how it manages it

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk-Foreign Exchange	Recognised financial assets and liabilities not denominated in INR	Cash Flow Analysis	Forward Foreign Exchange Contracts
		Sensitivity Analysis	
Market Risk- Equity price risk	Investment in Mutual Fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Ageing Analysis	Diversification of credit limits and letters of credit
		Credit Analysis	
Liquidity Risk	Borrowing and other liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

**Market Risk**

Market Risk is the risk that the future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks include

- Interest rate risk,
- foreign currency risk and
- equity price risk.

Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

**Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The Company has mainly borrowed the funds from its holding company and others which are at fixed rate of Interest and hence not much sensitive to the market interest rates.

The Company's investments in Bank deposits are with fixed rate of interest with fixed maturity and hence not significantly exposed to interest rate sensitivity.

**Foreign Currency Risk**

There is no foreign currency Borrowing in the company and hence no foreign currency Risk. Further there are no significant foreign currency transactions in the Company.

**Equity price risk**

There is no investment in Company and hence no equity price risk

**Credit risk**

Credit risk arises from the possibility that the counter party may not be able to settle their obligation as agreed. To manage this, the Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

**Cash and cash equivalents and deposits:** Balances and deposits with banks are subject to low credit risks due to good credit ratings assigned to the banks.

**Trade and other receivables:**

The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2020	1,82,28,223	37,61,086	9,20,09,743	11,39,99,052
As at March 31, 2019	2,98,80,242	37,17,544	9,75,30,813	13,11,28,599



The following table summarizes the changes in the Provisions made for the receivables:

	March 31, 2020	March 31, 2019
Opening balance	7,00,39,944	5,68,75,184
Provided during the year	38,06,908	1,31,64,760
Amounts written off	-	-
Reversals of provisions	-	-
<b>Closing balance</b>	<b>7,38,46,852</b>	<b>7,00,39,944</b>

No significant changes in estimation techniques or assumptions were made during the reporting period.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management and then processes related to such risks are overseen by senior management through rolling forecasts on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>March 31, 2020</b>						
Borrowings						
From related party	15,31,37,652	-	-	-	-	15,31,37,652
From others	-	-	-	-	-	-
Trade payables	-	69,80,862	-	-	-	69,80,862
Other financial liabilities	-	68,62,250	7,45,806	-	-	76,08,055
<b>March 31, 2019</b>						
Borrowings						
From related party	8,30,19,134	-	-	-	-	8,30,19,134
From others	-	-	-	-	-	-
Trade payables	-	5,13,62,977	2,13,478	-	-	5,15,76,455
Other financial liabilities	21,09,823	47,08,833	7,71,407	-	-	75,90,062



**Blastec (India) Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 28: Capital Management**

For the purpose of Company's capital management, capital includes issued share capital, share premium and all other equity reserves. The primary objective of capital management is to maximise shareholder value. The Company consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and risk managements of the underlying assets.

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt.

	March 31, 2020	March 31, 2019
Net Debt	15,14,96,694	7,98,33,119
Equity	(1,60,07,807)	2,82,75,633
Capital and net debt	<b>13,54,88,887</b>	<b>10,81,08,752</b>
Gearing ratio	112%	74%

Calculation of Net Debt is as follows:

	March 31, 2020	March 31, 2019
Borrowings		
Current	15,31,37,652	8,30,19,134
	<b>15,31,37,652</b>	<b>8,30,19,134</b>
Cash and cash equivalents	16,40,958	31,86,015
Bank balances other than cash and cash equivalents	-	-
	<b>16,40,958</b>	<b>31,86,015</b>
<b>Net Debt</b>	<b>15,14,96,694</b>	<b>7,98,33,119</b>



**Note 29: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:**

	31-Mar-20	31-Mar-19
Principal amount outstanding (whether due or not) to micro and small enterprises	1,63,160	3,89,923
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
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.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 a deductible expenditure under section 23 of the MSMED Act, 2006	-	-



**Blastec (India) Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**  
**(All amounts in Rupees , unless otherwise stated)**

**Note 30. Revenue from operations**

**a. Disaggregated Revenue information**

The Company's disaggregate revenue by geographical location.

	March 31, 2020	March 31, 2019
India	27,48,76,176	42,61,93,836
Rest of the World	-	-
<b>Total</b>	<b>27,48,76,176</b>	<b>42,61,93,836</b>

**b. Contract balances**

	March 31, 2020	March 31, 2019
Trade Receivables	4,01,52,200	6,10,88,654
Contract Assets	-	-
Contract Liabilities	-	-

**c. Set out below is the amount of revenue recognised from**

	March 31, 2020	March 31, 2019
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years	-	50,79,129

Increase/ (decrease) in contract liability is mainly on account of receipt from customers and revenue recognized during the year.

**d. Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price**

	March 31, 2020	March 31, 2019
Revenue as per contracted price	29,16,80,902.00	43,14,74,207
Adjustments for:		
Rebates, Testing charges and Powder Factor deductions	1,68,04,726.00	52,80,370
Others		
<b>Revenue from contract with customers</b>	<b>27,48,76,176</b>	<b>42,61,93,837</b>

**e. Transaction price allocated to the remaining performance obligations**

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2020 is Nil Amount for March 31, 2019 609878663





Note 31. The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus includes travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

COVID-19 is significantly impacting business operation of the companies in India. On 24th March 2020, the Government of India announced a nationwide lockdown for 21 days which got further extended multiple times till 30th June 2020 to prevent community spread of COVID-19 resulting in significant reduction in economic activities.

On the basis of guidelines issued by the government authorities, some of the Company's products are categorised as essential goods and accordingly the Company has partially resumed its' operations. The Company has made an assessment of the impact of the pandemic on its operations and the carrying value of current and non-current assets, based on the internal and external sources of information and indicators of economic forecasts. Based on such assessment, the Company is confident of recovering the carrying value of these assets as at March 31, 2020.

The future impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached  
For Gandhi Rathi & Co.  
Chartered Accountants  
Firm's Registration Number : 103031W



C.N.Rathi  
Partner  
Membership No.39895

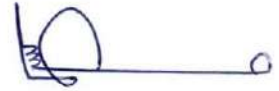


Place : Nagpur  
Date : June 27, 2020

For and on behalf of the Board of Director of



P.P.Deotare  
Director  
DIN: 08225124



S.L.Mundhada  
Director  
DIN: 07112092



Amit Ahuja  
Company Secretary