



GANDHI RATHI & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of **ECONOMIC EXPLOSIVES LIMITED**

Report on the Financial Statements

1. We have audited the accompanying financial statements of Economic Explosives Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 16, 2016 and May 25, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the have been audited by us.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - I. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its financial statements.
 - II. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
 - IV. The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, on the basis of information available with the Company. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by Company for the purpose of preparation of the financial statements and as produced to us by the management of the Company.

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


C.N. Rathi

Partner
Membership No. 39895

Place: Nagpur
Date: May 29, 2017



"Annexure A" referred to in the Independent Auditor's report of even date on the financial statements of Economic Explosives 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 **Economic Explosives Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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



C.N. Rathi
Partner
Membership No. 39895

Place: Nagpur
Date: May 29, 2017



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

Re: Economic Explosives Limited (“the Company”)

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been 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 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 any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. Accordingly clause 3 (v) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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 including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.



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 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, the dues outstanding of income-tax, duty of excise, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amt under dispute not deposited (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	355,817	2008-2013	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	1,396,252	2006-2014	Commissioner (Appeal), Nagpur
Income Tax Act, 1961	Income tax	473,790	2012-2013	Commissioner of Income Tax (Appeals), Nagpur

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to bank or Government as at the balance sheet date. The Company did not have any outstanding dues in respect of financial institutions and debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of Initial Public offer or further public offer (including 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 have we been informed of any such case by the Management.
- xi. As per the information provided managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- 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.
- 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 Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



- xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- 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 Act. 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: May 29, 2017



Economic Explosives Limited
Balance Sheet as at March 31, 2017
(All amounts in Rupees, unless otherwise stated)

Balance Sheet as at	Notes	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	3	2,965,026,575.53	2,655,953,460.04	2,004,693,117.08
Capital work-in-progress	3	52,886,587.66	25,968,960.65	184,847,132.59
Financial assets				
Investments	4	10,000.00	10,000.00	10,000.00
Other financial assets	6	39,322,852.43	21,646,679.00	11,478,400.00
Current tax assets (net)		-	29,311,690.00	85,597,050.97
Other non-current assets	9	61,418,554.53	55,359,176.14	112,646,428.75
Total non-current assets		3,118,664,570.15	2,788,249,965.83	2,399,272,129.39
Current assets				
Inventories	10	232,968,083.35	168,831,041.33	141,854,368.18
Financial assets				
Investments	4	-	204,960,338.00	274,441,892.30
Trade receivables	7	383,280,703.87	450,804,603.09	285,861,043.60
Cash and cash equivalents	8	15,273,743.77	3,487,549.17	4,749,676.63
Bank balances other than cash and cash equivalents	8	56,136,706.91	52,123,845.06	52,070,889.71
Loans	5	18,998,202.00	18,353,202.00	17,683,791.00
Other financial assets	6	176,876,532.46	193,631,375.37	215,046,207.00
Other current assets	9	57,924,447.47	73,698,631.74	29,294,639.59
Total current assets		941,458,419.83	1,165,890,585.76	1,021,002,508.01
Total assets		4,060,122,989.98	3,954,140,551.59	3,420,274,637.40
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	48,000,000.00	48,000,000.00	48,000,000.00
Other equity		2,828,309,104.27	2,406,071,835.11	2,059,671,894.31
Total equity		2,876,309,104.27	2,454,071,835.11	2,107,671,894.31
LIABILITIES				
Non-current liabilities				
Financial Liabilities				
Borrowings	12	439,813,223.01	380,046,303.00	682,346,303.00
Deferred tax liabilities	13	137,530,727.20	168,262,657.20	76,805,858.00
Total non-current liabilities		577,343,950.21	548,308,960.20	759,152,161.00
Current liabilities				
Financial liabilities				
Borrowings	12	260,509,244.04	410,636,899.66	79,653,943.48
Trade payables	14	34,820,348.88	58,602,156.94	28,826,778.18
Other financial liabilities	15	259,138,346.70	450,516,465.78	405,026,571.06
Liability for current tax (net)		14,026,139.00	-	-
Other current liabilities	16	37,975,856.88	32,004,233.90	39,943,289.37
Total current liabilities		606,469,935.50	951,759,756.28	553,450,582.09
Total liabilities		1,183,813,885.71	1,500,068,716.48	1,312,602,743.09
Total equity and liabilities		4,060,122,989.98	3,954,140,551.59	3,420,274,637.40

Summary of significant accounting policies 2.1
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





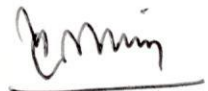

Place: Nagpur
Date: May 29, 2017

For and on behalf of the Board of Directors of
Economic Explosives Limited


S.N. Nuwa
Director


Manish Nuwal
Director

Economic Explosives Limited
Statement of Profit and Loss for the year ended March 31, 2017
(All amounts in Rupees, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Continuing operations			
Revenue from operations	17	2,428,685,403.51	1,876,220,498.82
Other income	18	18,581,797.41	21,407,188.88
Total income		2,447,267,200.92	1,897,627,687.70
Expenses			
Cost of materials consumed	19	533,154,159.78	403,593,330.89
Purchases of stock-in-trade		507,072,512.72	353,022,311.98
Changes in inventories of work-in-progress, stock-in-trade and finished goods	20	(16,269,930.33)	(6,129,609.07)
Excise duty		109,265,603.03	84,737,018.96
Employee benefit expense	21	240,922,266.86	179,955,204.94
Depreciation Expense		108,045,948.01	51,462,535.36
Other expenses	22	382,298,724.78	271,853,152.17
Finance costs	23	38,471,704.91	21,759,030.67
Total expenses		1,902,960,989.76	1,360,252,975.90
Profit before tax		544,306,211.16	537,374,711.80
Tax expense :			
- Current tax	24	82,121,843.00	127,193,180.00
- Deferred tax	24	33,520,421.00	63,781,591.00
Total tax expense		115,642,264.00	190,974,771.00
Profit for the year		428,663,947.16	346,399,940.80
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(9,828,227.00)	-
Tax relating to these items		3,401,549.00	-
Total Other comprehensive income for the year, net of tax		(6,426,678.00)	-
Total comprehensive income for the year		422,237,269.16	346,399,940.80
Earnings per equity share	25		
Basic and Diluted earnings per share [Nominal value of Rs.10]		87.97	72.17
Summary of significant accounting policies	2.1		
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 Economic Explosives Limited	
 C. N. Rathi Partner Membership No.39895		 S.N. Nuwal Director	
 Manish Nuwal Director			
			
Place: Nagpur Date: May 29, 2017			

Economic Explosives Limited
Statement of cash flows for the year ended March 31, 2017
(All amounts in Rupees, unless otherwise stated)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities		
Profit before tax	544,306,211.16	537,374,711.80
Adjustments for :		
Depreciation expense	108,045,948.01	51,462,535.36
Gain on disposal of property, plant and equipment	(3,317.24)	(151,765.52)
Profit on sale of financial assets carried at fair value through profit or loss	(9,536,404.32)	(7,566,256.00)
Interest income	(9,045,393.09)	(13,840,932.88)
Finance costs	38,471,704.91	21,759,030.67
Remeasurements of post-employment benefit obligations	(9,828,227.00)	-
Impairment loss on trade receivables	14,304,909.00	12,977,575.00
Operating profit before working capital changes	676,715,431.43	602,014,898.43
(Increase)/Decrease in trade receivables	53,218,990.22	(177,921,134.49)
(Increase) in inventories	(64,137,042.02)	(26,976,673.15)
(Decrease)/Increase in trade payables	(23,781,808.06)	29,775,378.76
(Increase)/Decrease in other financial assets (excluding derivatives)	(55,887,424.52)	5,768,644.63
(Increase) in other assets	9,714,805.88	12,883,260.46
Decrease/(Increase) in other current liabilities	5,971,622.98	(7,939,055.47)
(Increase)/Decrease in other financial liabilities (excluding derivatives)	(142,095,505.08)	67,168,114.72
Cash generated from operations	459,719,070.83	504,773,433.89
Income taxes paid	99,634,816.00	43,232,610.83
Net cash inflow from operating activities	360,084,254.83	461,540,823.06
Cash flows from investing activities		
Payments for property, plant and equipment	(444,058,666.27)	(543,879,162.86)
Proceeds from sale of property, plant and equipment	25,293.00	186,222.00
Loans repaid/ (given)	(645,000.00)	(669,411.00)
Proceeds from sale of current investments	204,960,338.00	69,481,554.30
Investment in Fixed Deposit	(4,012,861.85)	(52,955.35)
Profit on sale of financial assets carried at fair value through profit or loss	9,536,404.32	7,566,256.00
Interest income	9,045,393.09	13,840,932.88
Net cash outflow from investing activities	(225,149,099.71)	(453,526,564.03)
Cash flows from financing activities		
Proceeds from/(Repayments of) non current borrowings	59,766,920.01	(302,300,000.00)
(Repayment of)/ proceeds from current borrowings	(150,127,655.62)	330,982,956.18
Interest paid	(38,471,704.91)	(21,759,030.67)
Fair value changes on derivatives not designated as hedges	5,683,480.00	(16,200,312.00)
Net cash inflow (outflow) from financing activities	(123,148,960.52)	(9,276,386.49)
Net increase/(decrease) in cash and cash equivalents	11,786,194.60	(1,262,127.46)
Add:- Cash and cash equivalents at the beginning of the financial year	3,487,549.17	4,749,676.63
Cash and cash equivalents at end of the year (note 8)	15,273,743.77	3,487,549.17

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




S.N. Nuwal
Director


Manish Nuwal
Director

Place : Nagpur
Date : May 29, 2017

Economic Explosives Limited
Statement of changes in equity
(All amounts in Rupees, unless otherwise stated)

A. Equity share capital

	Amount
As at April 1, 2015	48,000,000
Changes in equity share capital	
As at March 31, 2016	48,000,000
Changes in equity share capital	-
As at March 31, 2017	48,000,000

B. Other equity

				Other comprehensive income	Total other equity
	Retained earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit, liabilities / assets	
Balance at April 1, 2015	772,752,782.31	11,200,000.00	1,365,089,797.00		2,149,042,579.31
Ind AS adjustments on first time adoption (Refer Note No. 30)	(89,370,685.00)				(89,370,685.00)
Balance at April 1, 2015 after Ind AS Adjustment	683,382,097.31	11,200,000.00	1,365,089,797.00		2,059,671,894.31
Profit for the year	346,399,940.80				346,399,940.80
Total comprehensive income for the year	346,399,940.80	-	-		346,399,940.80
Transfer to General reserve	(300,000,000.00)		300,000,000.00		(300,000,000.00)
Transfer from Retained earnings					300,000,000.00
Balance at March 31, 2016	729,782,038.11	11,200,000.00	1,665,089,797.00	-	2,406,071,835.11


				Other comprehensive income	Total other equity
	Retained earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit, liabilities / assets	
Balance at April 1, 2016	729,782,038.11	11,200,000.00	1,665,089,797.00		2,406,071,835.11
Profit for the year	428,663,947.16				428,663,947.16
Other comprehensive income				(6,426,678.00)	(6,426,678.00)
Total comprehensive income for the year	428,663,947.16	-	-	(6,426,678.00)	422,237,269.16
Transfer to General reserve	(300,000,000.00)		300,000,000.00		(300,000,000.00)
Transfer from Retained earnings					300,000,000.00
Balance at March 31, 2017	858,445,985.27	11,200,000.00	1,965,089,797.00	(6,426,678.00)	2,828,309,104.27

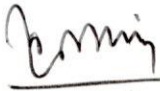
As per our report of even date attached
For Gandhi Rathi & Co.
Chartered Accountants
Firm's Registration Number: 103031W


C. N. Rathi
Partner
Membership No.39895



For and on behalf of the Board of Directors of
Economic Explosives Limited


S.N. Nuwal
Director


Manish Nuwal
Director

Place: Nagpur
Date: May 29, 2017

Note 1: Corporate Information

Economic Explosives 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 complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 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 and initial recognition of assets acquired under business combinations which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the previous year except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The Company's standalone financial statements up to and for the year ended March 31, 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 33.

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in Schedule III to the Act.

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 are measured on initial recognition at cost. Following initial recognition, intangible assets are 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.

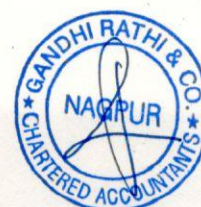
Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

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)
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 20	15 to 20
Wind Mill	22	22
Electrical installation and Lab equipment	10	10
Furniture and fixtures	10	10
Vehicles	8 to 10	8 to 10
Office equipments and Computers	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.



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

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

An impairment loss is 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 are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

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

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate

Where the Company is a lessee

Leases that transfers substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.



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 depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies 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 are measured at amortised cost. Interest income from these financial assets is 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 is included in other income.

B. Equity instruments:

The Company measures 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 is 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 are measured at fair value with all changes recognized in the statement of profit and loss.

iii) Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

iv) 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 is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

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

i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

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) Dividends

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.

j. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Government grant received in the form of sales tax subsidy has been considered as revenue grant and the same has been recognized in the statement of profit and loss.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



k. Foreign currency translation

(i) **Functional and presentation currency**

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

(ii) **Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the Statement of Profit and Loss.

l. Inventories

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

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

(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.

m. 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. The Company has no obligation, other than the contribution payable to the provident fund.



(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. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. 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. Remeasurements are not reclassified to profit and loss subsequently. Overseas subsidiaries do not operate any defined benefit plans for employees.

(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. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. 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.

n. 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.

o. 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.

p. 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.

q. 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.



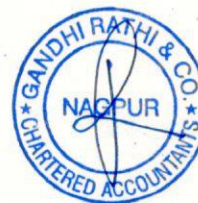
r. Contingent liability

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.

s. 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.



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 3 : Property, plant and equipment

	Freehold Land	Freehold Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipments	Total	Capital Work-in-progress
Year ended 31 March 2016								
Gross carrying value	44,43,05,876.00	1,00,58,27,664.90	1,21,89,263.56	71,64,92,959.64	2,22,22,965.99	1,56,56,055.70	2,21,66,94,785.79	18,48,47,132.59
Carrying value as at 1 April 2015	6,29,14,943.62	34,57,23,898.41	60,41,227.47	27,91,05,046.61	67,95,897.00	21,76,321.69	70,27,57,334.80	-
Additions	-	-	-	-	(8,35,949.78)	(76,440.00)	(9,12,389.78)	-
Disposals	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(15,88,78,171.94)
Closing gross carrying value as at 31 March 2016	50,72,20,819.62	1,35,15,51,563.31	1,82,30,491.03	99,55,98,006.25	2,81,82,913.21	1,77,55,937.39	2,91,85,39,730.81	2,59,68,960.65
Accumulated depreciation								
Accumulated Depreciation as at 1 April 2015	-	8,60,40,232.91	50,87,231.58	10,30,74,892.29	1,05,83,187.70	72,16,124.23	21,20,01,668.71	-
Depreciation charge during the year	-	1,60,65,853.00	11,44,344.23	2,89,33,963.58	32,05,487.86	21,12,886.69	5,14,62,535.36	-
Disposals	-	-	-	-	(8,05,315.30)	(72,618.00)	(8,77,933.30)	-
Closing accumulated depreciation as at 31 Mar 2016	-	10,21,06,085.91	62,31,575.81	13,20,08,855.87	1,29,83,360.26	92,56,392.92	26,25,86,270.77	-
Net carrying value as at 31 March 2016	50,72,20,819.62	1,24,94,45,477.40	1,19,98,915.22	86,35,89,150.38	1,51,99,552.95	84,99,544.47	2,65,59,53,460.04	2,59,68,960.65
Net carrying value as at 31 March 2015	44,43,05,876.00	91,97,87,431.99	71,02,031.98	61,34,18,067.35	1,16,39,778.29	84,39,931.47	2,00,46,93,117.08	18,48,47,132.59
Year ended 31 March 2017								
Gross carrying value	50,72,20,819.62	1,35,15,51,563.31	1,82,30,491.03	99,55,98,006.25	2,81,82,913.21	1,77,55,937.39	2,91,85,39,730.81	2,59,68,960.65
Opening gross carrying value	4,31,95,079.00	21,11,64,070.35	57,25,325.72	14,90,87,618.44	49,68,222.41	30,00,723.34	41,71,41,039.26	2,69,17,627.01
Additions	-	-	-	-	(60,049.00)	(58,810.00)	(1,18,859.00)	-
Disposals	(62,96,827.00)	62,96,827.00	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Closing gross carrying value as at 31 March 2017	54,41,19,071.62	1,56,90,12,460.66	2,39,55,816.75	1,14,46,85,624.69	3,30,91,086.62	2,06,97,850.73	3,33,55,61,911.07	5,28,86,587.66
Accumulated depreciation								
Opening accumulated depreciation	-	10,21,06,085.91	62,31,575.81	13,20,08,855.87	1,29,83,360.26	92,56,392.92	26,25,86,270.77	-
Depreciation charge during the year	-	4,85,29,695.89	18,58,808.94	5,12,12,145.23	34,73,118.77	29,72,179.78	10,80,45,948.01	-
Disposals	-	-	-	-	(41,013.74)	(55,869.50)	(96,883.24)	-
Closing accumulated depreciation as at 31 Mar 2017	-	15,06,35,781.80	80,90,384.15	18,32,21,001.10	1,64,15,465.29	1,21,72,703.20	37,05,35,335.54	-
Net carrying value as at 31 March 2017	54,41,19,071.62	1,41,83,76,678.86	1,58,65,432.60	96,14,64,623.59	1,66,75,621.33	85,25,147.53	2,96,50,26,575.53	5,28,86,587.66



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Financial assets
Note 4: Investments

Non-current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Unquoted							
Investment in government securities (NSC)					10,000.00	10,000.00	10,000.00
					10,000.00	10,000.00	10,000.00
Aggregate amount of unquoted investments					10,000.00	10,000.00	10,000.00

Current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Quoted							
Investment in mutual funds of :							
Reliance Equity Saving Fund-Growth Plan	Rs. 10	-	1,44,26,447	-	-	14,40,76,925.51	-
Reliance Regular Saving Fund-Debt Plan- Growth Plan	Rs. 10	-	29,54,989	1,14,76,349	-	6,08,83,412.49	21,80,88,504.78
Reliance Fixed Horizon Fund-Growth Plan	Rs. 10	-	-	49,99,990	-	-	5,63,53,387.52
					-	20,49,60,338.00	27,44,41,892.30
Aggregate amount of quoted investments					-	20,49,60,338.00	27,44,41,892.30



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 5: Loans

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Unsecured, considered good						
Loan to employees	2,482,132.00	-	2,782,132.00	-	2,782,132.00	-
Loan to Others	16,516,070.00	-	15,571,070.00	-	14,901,659.00	-
	18,998,202.00	-	18,353,202.00	-	17,683,791.00	-

Notes:

1. Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.

Note 6: Other financial assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Derivative Instruments at fair value through profit or loss						
Foreign-exchange forward contracts	54,113,850.00	-	109,825,398.00	-	115,303,306.00	-
Interest rate swaps	745,454.00	-	-	-	-	-
	54,859,304.00	-	109,825,398.00	-	115,303,306.00	-
Others						
Deposits	-	423,400.00	-	423,400.00	-	423,400.00
Sales Tax Receivables	120,695,813.22	38,899,452.43	82,516,695.37	21,223,279.00	96,934,536.00	11,055,000.00
Interest accrued but not due on Fixed Deposit	1,321,415.24	-	1,289,282.00	-	2,808,365.00	-
	122,017,228.46	39,322,852.43	83,805,977.37	21,646,679.00	99,742,901.00	11,478,400.00
	176,876,532.46	39,322,852.43	193,631,375.37	21,646,679.00	215,046,207.00	11,478,400.00

Notes:

1. Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationship, but are, nevertheless, intended to reduce the level of foreign currency risk for foreign currency borrowing.



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 7: Trade receivables

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	436,557,271.33	398,957,040.08	235,611,475.24
Receivables from related parties (refer note 28)	38,629,529.54	129,448,751.01	114,873,181.36
Less: Allowance for doubtful debts	(91,906,097.00)	(77,601,188.00)	(64,623,613.00)
	383,280,703.87	450,804,603.09	285,861,043.60

Break-up of security details

	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	21,016,096.44	3,200,000.00	10,334,351.65
Unsecured, considered good	362,264,607.43	447,604,603.09	275,526,691.95
Doubtful	91,906,097.00	77,601,188.00	64,623,613.00
	475,186,800.87	528,405,791.09	350,484,656.60
Allowance for doubtful debts	(91,906,097.00)	(77,601,188.00)	(64,623,613.00)
	383,280,703.87	450,804,603.09	285,861,043.60

Note 8: Cash and bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
Cash and cash equivalents			
Balances with banks			
in current accounts	15,020,212.75	3,282,696.15	4,419,012.61
Cash on hand	253,531.02	204,853.02	330,664.02
	15,273,743.77	3,487,549.17	4,749,676.63

	March 31, 2017	March 31, 2016	April 1, 2015
Other bank balances			
Deposit accounts - with remaining maturity of less than 12 Months	686,566.00	23,865,049.43	115,050.00
Deposit accounts - held as margin money	55,450,140.91	28,258,795.63	51,955,839.71
	56,136,706.91	52,123,845.06	52,070,889.71



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 9: Other current / Non-Current assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Capital advances	-	52,879,135.53	-	44,754,885.62	-	98,490,108.75
Advances other than capital advances						
Pre paid Gratuity	-	-	-	4,718,146.52	-	67,062.00
Security Deposits	232,334.00	8,539,419.00	-	5,886,144.00	-	14,089,258.00
Prepayments	-	-	12,463,182.00	-	-	-
Advances to suppliers for Goods and Services	49,888,704.56	-	11,063,508.11	-	6,829,280.24	-
Advances to Staff	302,957.00	-	241,549.00	-	722,980.00	-
Balances with Revenue Authorities	7,500,451.91	-	49,930,392.63	-	21,742,379.35	-
	57,924,447.47	61,418,554.53	73,698,631.74	55,359,176.14	29,294,639.59	112,646,428.75

Note 10: Inventories

	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials & Packing Material	138,418,735.45	90,215,586.09	76,070,335.72
Work-in-progress	23,879,009.86	20,269,468.34	31,511,476.03
Finished goods	50,469,431.82	37,809,043.01	20,437,426.25
Traded goods	3,843,814.02	4,280,249.88	5,402.36
Stores and spares	16,357,092.20	16,256,694.01	13,829,727.82
	232,968,083.35	168,831,041.33	141,854,368.18



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 11: Equity share capital

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Authorised equity share capital (face value Rs.10 each)	6,000,000	6,000,000	6,000,000	60,000,000.00	60,000,000.00	60,000,000.00
				60,000,000.00	60,000,000.00	60,000,000.00
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	4,800,000	4,800,000	4,800,000	48,000,000.00	48,000,000.00	48,000,000.00
				48,000,000.00	48,000,000.00	48,000,000.00

(a) Movements in equity share capital

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Number of Shares at the beginning of the year	4,800,000	4,800,000	4,800,000	48,000,000.00	48,000,000.00	48,000,000.00
Add: Issued during the year	-	-	-	-	-	-
Number of Shares at the end of the year	4,800,000	4,800,000	4,800,000	48,000,000.00	48,000,000.00	48,000,000.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Ultimate holding/ Holding Company						
Solar Industries India Limited (par value Rs.10 each fully paid)	4,800,000	4,800,000	4,800,000	48,000,000.00	48,000,000.00	48,000,000.00
	4,800,000	4,800,000	4,800,000	48,000,000.00	48,000,000.00	48,000,000.00

(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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Solar Industries India Limited	100	100	100	4,800,000	4,800,000	4,800,000

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.



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 12: Borrowings

Non-current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Secured Borrowings carried at amortised cost			
Term loans From banks			
Foreign currency loan (USD)	595,764,411.01	688,700,000.00	910,300,000.00
Interest accrued but not due	5,480.00	760,924.69	-
Sales Tax Deferral Loan	6,161,312.00	6,421,303.00	6,421,303.00
	601,931,203.01	695,882,227.69	916,721,303.00
Less: Current maturities of non-current borrowings (included in note 15)	(162,112,500.00)	(315,075,000.00)	(234,375,000.00)
Less: Current maturities of interest accrued on non-current borrowings (included in note 15)	(5,480.00)	(760,924.69)	-
	439,813,223.01	380,046,303.00	682,346,303.00

Current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Secured			
Indian Rupee working capital loan	102,960,194.04	136,839,546.66	73,253,943.48
Unsecured			
From related parties			
From Holding Company	172,602,853.00	187,011,525.00	-
From other related parties	6,795,829.00	94,575,861.00	8,702,353.00
	282,358,876.04	418,426,932.66	81,956,296.48
Less: Interest accrued (included in note 15)	(21,849,632.00)	(7,790,033.00)	(2,302,353.00)
	260,509,244.04	410,636,899.66	79,653,943.48



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

	Maturity date	Terms of repayment	March 31, 2017	March 31, 2016	April 1, 2015
Non-Current Borrowings					
Secured					
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly installments starting after moratorium period of 12 months	190,483,306	-	-
Foreign currency term loan from Bank	Sept 27, 2019	Repayable in eight equal half yearly installments	405,281,250	523,075,000	597,800,000
Foreign currency term loan from Bank	July 27, 2016	Repayables in four equal yearly installment	-	165,625,000	312,500,000
Unsecured					
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	6,161,312	6,421,303	6,421,303
			601,925,868	695,121,303	916,721,303
The above loans from Banks carries an interest rate of LIBOR + 100 bps to LIBOR + 215 bps					
Current Borrowings					
Secured					
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	102,960,194	136,839,547	73,253,943
Unsecured					
Loan from related parties	On Demand	Repayable on demand	179,398,682	281,587,386	8,702,353
			282,358,876	418,426,933	81,956,296

The Indian rupee working capital loans from Banks and loan from related parties carries an interest rate of 8.35% p.a. to 10.00% p.a.

Security

Loan is secured by first charge over the entire movable or immovable fixed assets of the Company, both present and future with a collateral on entire current assets of the Company, on pari passu basis with other banks.

Loan covenants

Bank loan contains certain debt covenants relating to debt-equity ratio, net borrowings to EBITDA ratio, interest coverage ratio and debt service coverage ratio (DSCR). The Company has satisfied all debt covenants prescribed in the terms of bank loans.

The other loans do not carry any debt covenants.



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 13: Deferred tax liabilities

The balance comprises temporary differences attributable to:

	March 31, 2017	March 31, 2016	April 1, 2015
Deferred tax liabilities			
Property, plant and equipment	300,984,600.00	257,444,912.00	192,499,772.00
Financial assets at fair value through profit or loss	-	601,154.00	4,127,949.00
Derivative Instruments at fair value through profit or loss	5,781,621.00	7,748,673.00	2,103,379.00
Employee benefit	-	1,632,951.00	22,794.00
	306,766,221.00	267,427,690.00	198,753,894.00
Deferred tax assets			
Trade receivables	(31,808,700.00)	(26,857,771.00)	(21,965,566.00)
Employee benefits	(4,268,730.00)	-	-
MAT credit	(133,158,063.80)	(72,307,261.80)	(99,982,470.00)
	(169,235,493.80)	(99,165,032.80)	(121,948,036.00)
Deferred tax liabilities (net)	137,530,727.20	168,262,657.20	76,805,858.00

Movements in deferred tax are as follows:

	Property, plant and equipment and investment property	Financial assets at fair value through profit and loss	Other items	Total
At April 1, 2015	192,499,772.00	6,231,328.00	(121,925,242.00)	76,805,858.00
Charged/ (credited)				
- to profit or loss	64,945,140.00	2,118,499.00	(3,282,048.00)	63,781,591.00
MAT credit utilized	-	-	27,675,208.20	27,675,208.20
At March 31, 2016	257,444,912.00	8,349,827.00	(97,532,081.80)	168,262,657.20
Charged/ (credited)				
- to profit or loss	43,539,688.00	(2,568,206.00)	(7,451,061.00)	33,520,421.00
- to other comprehensive income	-	-	(3,401,549.00)	(3,401,549.00)
MAT credit	-	-	(60,850,802.00)	(60,850,802.00)
At March 31, 2017	300,984,600.00	5,781,621.00	(169,235,493.80)	137,530,727.20



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 14: Trade payables

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Trade payables	34,716,846.73	25,137,142.02	28,570,352.18
Trade payables to related parties (note 28)	103,502.15	33,465,014.92	256,426.00
	34,820,348.88	58,602,156.94	28,826,778.18

Note 15: Other financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Derivative Instruments at fair value through profit or loss			
Foreign-exchange forward contracts	38,154,244.00	81,558,898.00	102,330,886.00
Interest rate swaps	-	5,877,960.00	6,784,192.00
	38,154,244.00	87,436,858.00	109,115,078.00
Others			
Current maturities of long-term debt	162,112,500.00	315,075,000.00	234,375,000.00
Interest accrued on Non-current Borrowings	5,480.00	760,924.69	
Interest accrued on Current Borrowings	21,849,632.00	7,790,033.00	2,302,353.00
Capital creditors	551,123.40	17,980,843.79	45,104,895.76
Liabilities towards employee benefits	36,465,367.30	21,472,806.30	14,129,244.30
	220,984,102.70	363,079,607.78	295,911,493.06
	259,138,346.70	450,516,465.78	405,026,571.06

Note 16: Other current liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Statutory tax payables	20,344,752.18	15,587,379.07	17,258,904.54
Advances from customers	17,631,104.70	16,416,854.83	22,684,384.83
	37,975,856.88	32,004,233.90	39,943,289.37



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 17: Revenue from operations

	March 31, 2017	March 31, 2016
Sale of products (including excise duty)	2,281,611,339.51	1,772,927,055.46
Other operating revenue	147,074,064.00	103,293,443.36
	2,428,685,403.51	1,876,220,498.82

Note 18: Other income and other gains/(losses)

(a) Other income

	March 31, 2017	March 31, 2016
Interest income from financial assets at amortised cost		
Deposit with Banks	3,882,975.09	2,917,927.85
On loans given to others	1,343,600.00	1,376,073.00
Interest on Income Tax Refund	3,818,818.00	9,546,932.03
Profit on sale of financial assets carried at fair value through profit or loss	9,536,404.32	4,092,182.00
	18,581,797.41	17,933,114.88
(b) Other gains/(losses)		
Net gain on financial assets mandatorily measured at fair value through profit or loss	-	3,474,074.00
	-	3,474,074.00
Total (a+b)	18,581,797.41	21,407,188.88

Note 19: Cost of materials consumed

	March 31, 2017	March 31, 2016
Raw materials at the beginning of the year	90,215,586.09	76,070,335.72
Add: Purchases	581,357,309.14	417,738,581.26
Less: Raw material at the end of the year	138,418,735.45	90,215,586.09
	533,154,159.78	403,593,330.89

Note 20: Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2017	March 31, 2016
Opening balance		
Work-in progress	20,269,468.34	31,511,476.03
Finished goods	37,809,043.01	20,437,426.25
	58,078,511.35	51,948,902.28
Closing balance		
Work-in progress	23,879,009.86	20,269,468.34
Finished goods	50,469,431.82	37,809,043.01
	74,348,441.68	58,078,511.35
	(16,269,930.33)	(6,129,609.07)

Note 21: Employee benefit expense

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	221,990,726.16	165,069,424.98
Provident fund, ESIC and Gratuity	15,394,993.00	11,427,258.23
Staff welfare expenses	3,536,547.70	3,458,521.73
	240,922,266.86	179,955,204.94



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)
Note 22: Other expenses

	March 31, 2017	March 31, 2016
Consumption of stores and spares	35,220,008.45	24,669,818.72
Excise Duty on Inventory	2,702,175.00	(628,352.00)
Repairs and maintenance		
Plant and machinery	16,350,080.54	13,712,685.61
Buildings	5,962,033.74	7,712,539.64
Others	3,099,797.14	3,558,866.46
Water and electricity charges	28,777,755.67	29,261,913.49
Rates and taxes	16,724,562.72	5,455,921.00
Legal and professional fees	22,405,605.82	17,838,468.90
Travel and conveyance	14,606,546.08	13,731,460.76
Export Expenses	164,915,192.13	134,670,191.08
Remuneration to Directors	3,600,000.00	5,000,000.00
Security Service Charges	10,628,300.00	9,461,475.00
Sales Tax	68,122.00	6,345.00
Transportation Expenses	14,827,456.46	11,144,340.91
Net foreign exchange losses/ (gain)	(6,288,032.64)	(11,263,870.94)
Fair value loss/ (gain) on derivatives not designated as hedges	5,683,480.00	(16,200,312.00)
Impairment loss on Trade Receivables	14,304,909.00	12,977,575.00
Corporate social responsibility expenditure (refer note 24(b) below)	811,994.75	-
Payments to auditors (refer note 24(a) below)	3,322,450.00	2,860,150.00
Other expenses	24,576,287.92	7,883,935.54
	382,298,724.78	271,853,152.17

Note 22(a): Details of payments to auditors

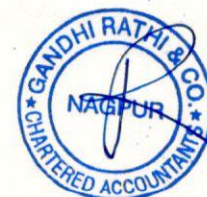
	March 31, 2017	March 31, 2016
Payment to auditors		
As auditor:		
Audit fee	1,200,000.00	1,200,000.00
Tax audit fee	300,000.00	300,000.00
In other capacities		
Taxation matters	1,145,750.00	265,150.00
Certification fees	676,700.00	1,095,000.00
	3,322,450.00	2,860,150.00

Note 22: Corporate social responsibility expenditure

	March 31, 2017	March 31, 2016
Contribution towards CSR	811,994.75	-
	811,994.75	-
Amount required to be spent as per Section 135 of the Act	9,012,061	8,231,340
Amount spent during the year on		
(i) Construction/acquisition of an asset	10,715,442.00	9,481,745.00
(ii) On purposes other than (i) above	811,994.75	-

Note 23: Finance costs

	March 31, 2017	March 31, 2016
Interest on Borrowings		
To Banks	20,263,678.91	12,942,159.57
To Related Party	18,208,026.00	8,655,613.00
To Other	-	161,258.10
	38,471,704.91	21,759,030.67



Economic Explosives Limited
Notes to Financial Statements
(All amounts in Rupees, unless otherwise stated)

Note 24: Tax expenses

	March 31, 2017	March 31, 2016
Current tax		
Current tax on profits for the year	9,05,43,772.00	12,71,57,547.00
Adjustments for current tax of prior periods	(84,21,929.00)	35,633.00
	8,21,21,843.00	12,71,93,180.00
Deferred tax		
Decrease (increase) in deferred tax assets	(58,18,110.00)	(48,92,205.00)
(Decrease) increase in deferred tax liabilities	3,93,38,531.00	6,86,73,796.00
	3,35,20,421.00	6,37,81,591.00
	11,56,42,264.00	19,09,74,771.00

Note 25: Earnings per share

	March 31, 2017	March 31, 2016
Basic and Diluted EPS		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	42,22,37,269.16	34,63,99,940.80
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	48,00,000	48,00,000
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	87.97	72.17
Nominal value of shares (Rs.)	10.00	10.00



Note 26: Employee Benefit obligations

(i) Post-employment obligations

a) 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 scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded 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, 2017	March 31, 2016
Service cost	3,160,302	1,571,000
Net Interest Cost	(377,452)	-
Expenses Recognized in the statement of Profit & Loss	2,782,850	1,571,000

Other Comprehensive Income

	March 31, 2017	March 31, 2016
Opening amount recognized in OCI outside profit and loss account	-	-
Actuarial gain / (loss) on liabilities	(9,762,836)	2,865,000
Actuarial gain / (loss) on assets	(65,391)	-
Closing of amount recognized in OCI outside profit and loss account	(9,828,227)	2,865,000

The amount to be recognized in Balance Sheet Statement

	March 31, 2017	March 31, 2016
Present value of funded obligations	25,697,843	12,178,000
Fair value of plan assets	20,483,748	16,896,147
Net defined benefit liability / (assets) recognized in balance sheet	5,214,095	(4,718,147)

Change in Present Value of Obligations

	March 31, 2017	March 31, 2016
Opening of defined benefit obligations	12,178,000	13,829,000
Service cost	3,160,302	1,571,000
Interest Cost	974,240	1,106,000
Benefit Paid	(377,535)	(1,463,000)
Actuarial (Gain)/Loss on total liabilities:	9,762,836	(2,865,000)
Closing of defined benefit obligation	25,697,843	12,178,000

Change in Fair Value of Plan Assets

	March 31, 2017	March 31, 2016
Opening fair value of plan assets	16,896,147	16,677,000
Actual Return on Plan Assets	1,286,301	1,351,147
Employer Contribution	2,678,836	331,000
Benefit Paid	(377,535)	(1,463,000)
Closing fair value of plan assets	20,483,749	16,896,147



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(All amounts in Rupees , unless otherwise stated)

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

	March 31, 2017	March 31, 2016
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2017	March 31, 2016
Discount Rate	6.8% per annum	8% per annum
Rate of increase in Compensation levels	7.5% per annum	5% per annum
Rate of Return on Plan Assets	8% per annum	8.1% per annum

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.

The overall expected rate of return on assets is determined based on the interest rate prevailing in the market on that date, applicable to the period over which the obligation is to be settled.

Sensitivity Analysis

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

	March 31, 2017	Impact (Absolute)	Impact (%)
Base Liability	25,697,843		
Increase Discount Rate by 0.50%	24,648,687	(1,049,156)	-4.08%
Decrease Discount Rate by 0.50%	26,829,391	1,131,548	4.40%
Increase Salary Inflation by 1%	27,929,077	2,231,234	8.68%
Decrease Salary Inflation by 1%	23,719,740	(1,978,103)	-7.70%
Increase in Withdrawal Assumption by 5%	24,706,697	(991,146)	-3.86%
Decrease in Withdrawal Assumption by 5%	27,148,520	1,450,677	5.65%

Notes :

1. Liabilities are very sensitive to discount rate, salary inflation and attrition rate.
2. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.



Note 27: Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	3,42,02,557	57,09,017	8,57,75,900

Contingent liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Performance guarantees given by the Company	15,25,72,208	12,65,18,092	8,61,38,451
Excise demands- matters under dispute*	1,39,66,530	1,32,32,449	1,25,87,428
Income tax demands- matters under dispute*	2,69,16,311	2,64,42,521	1,36,36,651

*The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised.



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(All amounts in Rupees , unless otherwise stated)

Note 28: Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

Shri S.N. Nuwal
Shri K.C. Nuwal
Shri Manish Nuwal
Shri Rahul Nuwal
Shri K.S.Talesra
Shri Anil Kumar Jain

III Non executive directors

Shri Dilip Patel
Shri Anant Sagar Awasthi

IV Key Management Personnel of Holding Company

Shri R D Vakil
Shri Nilesh Panpalia
Smt Khushboo Pasari

**V Step down subsidiaries of Holding Company
(with whom transactions have taken place)**

- 1 Nigachem Nigeria Limited
- 2 Solar Explochem Zambia Limited
- 3 Solar Mining Services Pty Limited
- 4 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi

**VI Subsidiaries, step down subsidiaries and associates of Holding Company
(other than V above)**

- 1 Solar Overseas Mauritius Limited
- 2 Blastec (India) Private Limited
- 3 Emul Tek Pvt. Limited
- 4 Solar Mines & Minerals Limited
- 5 Solar Mining Resources Limited
- 6 Solar Defence Limited
- 7 Solar Defence Systems Limited
- 8 Solar Overseas Netherlands Cooperative U.A
- 9 Solar Overseas Singapore Pte Limited
- 10 Solar Industries Africa Limited
- 11 Australian Explosive Technologies Group Pty Limited*
- 12 Solar Overseas Netherlands B.V.
- 13 Solar Nitro chemicals Limited
- 14 P.T. Solar Mining Services
- 15 Solar Mining Services Australia Pty Limited
- 16 Solar Explochem (Ghana) Limited
- 17 Solar Industries Mozambique LDA
- 18 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi
- 19 Solar Bhatgaon Extension Mines Pvt. Limited
- 20 SMS Bhatgaon Mines Extension Pvt. Limited



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(All amounts in Rupees , unless otherwise stated)

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

Commercial Sales Corporation
Solar Initiating Systems Limited
Solar Synthetics Private Limited

VIII Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'IV' above (other than those disclosed in VII above)

Mahakal Infrastructures Private Limited
Mahakal Project Private Limited
Nagpur Infrastructure Private Limited
Solar Processors (Bhilwara) Limited
Gulmohar Developers and Constructions Private Limited
Sun Developers and Constructions Private Limited
Sunbeam Developers and Constructions Private Limited
Sundrop Realtors Private Limited
Sunland Infracon Private Limited
Sunlight Infraventures Private Limited

IX Other related party

Economic Explosives Limited employee group gratuity assurance scheme
(Post employment benefit plan of the Company)

Refer to Note 26 for information on transactions with post employment benefit plan mentioned above



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(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 'IV' above	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
a. Transactions with related parties								
Sales of products and services	71,63,13,879	64,89,36,401	13,98,67,705	8,66,93,394	-	-	-	-
Other operating income	95,89,877	21,48,659	-	-	-	-	-	-
Purchase of raw material and components	66,50,32,213	48,18,12,525	-	-	-	77,79,428	-	-
Purchase of License	21,09,917	45,10,586	-	-	-	12,00,000	10,00,000	-
Rent paid	-	-	-	-	-	(8,77,80,032)	8,58,73,508	-
Loans taken/ repaid during the year (net)	(1,44,08,672)	18,70,11,525	-	-	-	72,95,428	45,03,908	-
Interest on inter-corporate loans (net)	1,09,12,598	41,51,705	-	-	36,00,000	-	-	-
Remuneration to KMP	-	-	-	-	-	-	-	-

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 'IV' above		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Loans Taken	17,26,02,853	18,70,11,525	-	-	-	-	-	-	-	67,95,829	9,45,75,861	87,02,353
Trade receivables	-	6,70,02,764	-	3,86,29,530	6,24,45,987	11,48,73,181	-	-	-	-	-	-
Trade payables	-	3,24,16,739	-	-	-	-	-	-	-	1,03,500	10,48,281	2,56,426
(Advances)/ Payables	-	-	-	-	-	-	77,226	1,75,000	-	-	-	-

Transactions with related parties during the year

Nature of Transaction	March 31, 2017	March 31, 2016
Sales of products and services		
Solar Industries India Limited	716,313,879	648,936,401
Nigachem Nigeria Limited	75,144,644	30,108,552
Solar Explochem Zambia Limited	26,093,531	30,548,469
Solar Mining Services Pty Limited	19,310,837	-
Solar Patlayıcı Maddeler Sanayi Ve Ticaret Anonim Sirketi	19,318,693	26,036,373
Total	856,181,584	735,629,795
Other operating income		
Solar Industries India Limited- License	9,589,877	2,148,659
Total	9,589,877	2,148,659
Purchase of raw material and components		
Solar Industries India Limited	665,032,213	481,812,525
Solar Synthetics Private Limited	291,187	371,272
Solar Initiating Systems Limited	-	7,408,156
Total	665,323,400	489,591,953
Purchase of License		
Solar Industries India Limited	2,109,917	4,510,586
Total	2,109,917	4,510,586
Rent paid		
Solar Initiating Systems Limited	1,200,000	1,000,000
Total	1,200,000	1,000,000
Loans taken/ (repaid) during the year (net)		
Solar Industries India Limited	(14,408,672)	187,011,525
Commercial Sales Corporation	(87,780,032)	85,873,508
Total	(102,188,704)	272,885,033
Interest on inter-corporate loans Paid (net)		
Solar Industries India Limited	10,912,598	4,151,705
Commercial Sales Corporation	7,295,428	4,503,908
Total	18,208,026	8,655,613
Remuneration to KMP*		
Shri Rahul Nuwal	1,200,000	1,200,000
Shri S V Kanan	-	1,800,000
Shri K S Talesra	2,400,000	2,000,000
Total	3,600,000	5,000,000

*This aforesaid amount does not includes amount in respect of gratuity and leave since the actuarial valuation has been taken for the Company as a whole and individual amounts are not determinable.



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(All amounts in Rupees , unless otherwise stated)

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2017	March 31, 2016	April 1, 2015
Loans Taken			
Solar Industries India Limited	17,26,02,853	18,70,11,525	-
Commercial Sales Corporation	67,95,829	9,45,75,861	87,02,353
Total	17,93,98,682	28,15,87,386	87,02,353
Trade receivables			
Solar Industries India Limited	-	6,70,02,764	-
Nigachem Nigeria Limited	-	2,86,76,404	2,86,76,404
Solar Explochem Zambia Limited	-	1,95,31,708	6,30,57,487
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	1,93,18,693	1,42,37,875	2,31,39,290
Solar Mining Services Pty Limited	1,93,10,837	-	-
Total	3,86,29,530	12,94,48,751	11,48,73,181
Trade payables			
Solar Industries India Limited	-	3,24,16,739	-
Solar Initiating Systems Limited	1,03,500	10,25,000	2,56,426
Solar Synthetics Private Limited	-	23,281	-
Total	1,03,500	3,34,65,020	2,56,426
(Advances)/ Payables			
Shri Rahul Nuwal	-	70,000	-
Shri K.S.Talesra	1,38,000	-	-
Shri S.V. Kannan	-	1,05,000	-
Shri. Manish Nuwal	(60,774)	-	-
Total	77,226	1,75,000	-

Note 29: 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 is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers	March 31, 2017	March 31, 2016
India	1,46,01,86,623	1,17,52,86,078
Rest of the World	82,14,24,716	59,76,40,978
Total	2,28,16,11,339	1,77,29,27,055

The revenue from a single customer in excess of 10% of total revenue of the Company is Rs. 716,313,879 (March 31, 2016: Rs. 648,936,401)

Note 30: 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 (except derivatives) , trade payables, other financial liabilities (except derivatives), 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 Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.
- 4 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.
- 5 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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2017** is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	18,998,202	5	-	-	18,998,202
Other financial assets (except derivatives)	161,340,080	6	-	-	-
Trade receivables	383,280,704	7	-	-	-
Cash and cash equivalents	15,273,744	8	-	-	-
Bank balances other than above	56,136,707	8	-	-	-
Investment in government securities (NSC)	10,000	4	-	10,000	-
Fair value through profit or loss					
Derivative Instruments	54,859,304	6	-	54,859,304	-
Total Financial assets	689,898,741		-	54,869,304	18,998,202
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	439,813,223	12	-	-	439,813,223
Current	260,509,244	12	-	-	-
Trade payables	34,820,349	14	-	-	-
Other financial liabilities (except derivatives)	220,984,102	15	-	-	-
Fair Value through profit or loss					
Derivative Instruments	38,154,244	15	-	38,154,244	-
Total Financial liabilities	994,281,162		-	38,154,244	439,813,223

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



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
(All amounts in Rupees , unless otherwise stated)

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 2016** is as follows:

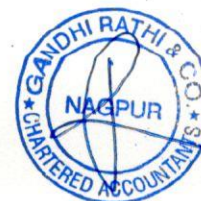
Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	18,353,202	5	-	-	18,353,202
Other financial assets (except derivatives)	105,452,657	6	-	-	-
Trade receivables	450,804,603	7	-	-	-
Cash and cash equivalents	3,487,549	8	-	-	-
Bank balances other than above	52,123,845	8	-	-	-
Investment in Government securities	10,000	4	-	10,000	-
Fair Value through profit or loss					
Investment in mutual funds	204,960,338	4	204,960,338	-	-
Derivative Instruments	109,825,398	6	-	109,825,398	-
Total Financial assets	945,017,592		204,960,338	109,835,398	18,353,202
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	380,046,303	12	-	-	380,046,303
Current	410,636,899	12	-	-	-
Trade payables	58,602,157	14	-	-	-
Other financial liabilities (except derivatives)	363,079,607	15	-	-	-
Fair Value through profit or loss					
Derivative Instruments	87,436,858	15	-	87,436,858	-
Total Financial liabilities	1,299,801,824		-	87,436,858	380,046,303

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 April 1, 2015 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	17,683,791	5	-	-	17,683,791
Other financial assets (except derivatives)	111,221,301	6	-	-	-
Trade receivables	285,861,043	7	-	-	-
Cash and cash equivalents	4,749,677	8	-	-	-
Bank balances other than above	52,070,890	8	-	-	-
Investment in Government securities	10,000	4	-	10,000	-
Fair Value through profit or loss					
Investment in mutual funds	274,441,892	4	274,441,892	-	-
Derivative Instruments	115,303,306	6	-	115,303,306	-
Total Financial assets	861,341,899		274,441,892	115,313,306	17,683,791
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	682,346,303	12	-	-	682,346,303
Current	79,653,943	12	-	-	-
Trade payables	28,826,778	14	-	-	-
Other financial liabilities (except derivatives)	295,911,493	15	-	-	-
Fair Value through profit or loss					
Derivative Instruments	109,115,078	15	-	109,115,078	-
Total Financial liabilities	1,195,853,595		-	109,115,078	682,346,303

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



Note 31: Financial risk management objectives and policies

The Company's financial assets includes loans and trade receivables, and cash and cash equivalents that comes directly from its operations and financial liabilities comprises of loans and borrowings, trade and other payables. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of the various 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	Aging 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 including investments and deposits, foreign currency receivables and loans and borrowings.

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 manages its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR.

0.5% changes in interest rate will increase the borrowing cost by Rs 2,700,000.

The Company does not have significant investment in Bank deposits so not much exposed to Interest rate sensitivity.

Foreign Currency Risk

Foreign Currency risk is the risk that the future earnings, fair values of future cash flows will fluctuate because of changes in foreign exchange rates. The Company operates globally and portion of the business is transacted in USD and Euro. The Company evaluates exchange rate exposure and manages it by using derivatives like forward contracts and call spreads to hedge the foreign exchange risk.

Derivative instruments and unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Company has borrowings in foreign currency amounting to Rs. 59,57,64,411 (March 31, 2016: Rs. 68,87,00,000). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Company has taken foreign exchange forward contracts, which are as follows:

Name of the instrument	Currency	March 31, 2017	March 31, 2016
Forward contract to buy	USD	91,78,258	87,50,000



b) Unhedged foreign currency exposure as at the reporting date:

In USD

	March 31, 2017	March 31, 2016
	USD	USD
Trade Receivable	43,14,003	45,68,737
Borrowings	-	25,00,000
Trade Payables	5,037	42,035

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

In Rupees

	March 31, 2017	March 31, 2016
Impact of change in USD	27,94,149	13,42,690

Equity price risk

The Company's investments in mutual funds are subject to market price risk arising from uncertainties about future values of the invested securities. The Company manages the equity price risk through diversification. The portfolio reports are submitted to senior management on regular basis and the board of directors reviews and approves all investments.

Following are the details of investments which are subject to price risk:

	March 31, 2017	March 31, 2016
Investment in mutual funds	-	20,49,60,338

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and mutual funds and gain/ loss for the period would be Rs. NIL (March 31, 2016: Rs. 20,49,603). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

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.

Investments: The Company limits its exposure to credit risk by generally investing in liquid securities and counterparties that have a good credit ratings. The group does not expect any credit losses from non-performance by these counter parties, and does not have any significant concentration of exposures to specific industry sectors.

Loans: The Company has given loans to certain unrelated parties. However there is no counter party risk.

Trade and other receivables:

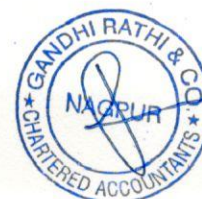
The ageing analysis of the receivables (gross of provisions) has been considered from the date the invoice falls due:

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2017	13,92,23,907	5,46,14,055	28,13,48,839	47,51,86,801
As at March 31, 2016	27,00,86,038	7,05,09,376	18,78,10,377	52,84,05,791

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

	March 31, 2017	March 31, 2016
Opening balance	7,76,01,188	6,46,23,613
Provided during the year	1,43,04,909	1,29,77,575
Amounts written off	-	-
Reversals of provisions	-	-
Closing balance	9,19,06,097	7,76,01,188

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



Economic Explosives Limited
Notes to Financial Statements for the year ended March 31, 2017
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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
March 31, 2017						
Borrowings						
From related party	17,93,98,682	-	-	-	-	17,93,98,682
From Banks	10,29,60,194	-	16,21,23,460	43,36,46,431	-	69,87,30,085
Sales tax deferral loan	-	-	5,71,166	50,38,608	5,51,538	61,61,312
Trade payables	-	3,18,79,262	29,41,087	-	-	3,48,20,349
Other financial liabilities	71,19,709	1,21,74,766	1,77,22,015	-	-	3,70,16,490
Derivative Instruments	-	-	86,34,471	2,95,19,773	-	3,81,54,244
March 31, 2016						
Borrowings						
From related party	28,15,87,386	-	-	-	-	28,15,87,386
From Banks	13,68,39,547	-	31,58,35,924	37,36,25,001	-	82,63,00,471
Sales tax deferral loan	-	2,59,990	-	48,96,504	12,64,809	64,21,303
Trade payables	-	5,56,61,070	29,41,087	-	-	5,86,02,157
Other financial liabilities	-	2,78,37,780	1,16,15,870	-	-	3,94,53,650
Derivative Instruments	-	-	43,02,175	8,31,34,683	-	8,74,36,858



Economic Explosives Limited**Notes to Financial Statements for the year ended March 31, 2017****(All amounts in Rupees , unless otherwise stated)****Note 32: 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, 2017	March 31, 2016	April 1, 2015
Net debt	628,912,016	735,071,808	705,179,680
Equity	2,876,309,104	2,454,071,835	2,107,671,894
Capital and net debt	3,505,221,121	3,189,143,644	2,812,851,574
Gearing ratio	18%	23%	25%

Calculation of Net Debt is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings			
Non Current	439,813,223	380,046,303	682,346,303
Current	260,509,244	410,636,900	79,653,943
	700,322,467	790,683,203	762,000,246
Cash and cash equivalents	15,273,744	3,487,549	4,749,677
Bank balances other than cash and cash equivalents	56,136,707	52,123,845	52,070,890
	71,410,451	55,611,394	56,820,566
Net Debt	628,912,016	735,071,808	705,179,680

Note 32(b): Research & Development Expenditure:

1. Capital Expenditure incurred on R&D is included in Fixed Assets and depreciation is provided on the same at the respective applicable rates.
2. Revenue expenditure incurred on R&D has been included in the respective account heads in the statement of accounts.

	March 31, 2017	March 31, 2016
In the nature of Revenue Expenditure	75,879,534	31,219,599
In the nature of Capital Expenditure	21,691,375	54,961,655
Total	97,570,909	86,181,254

Note 33: First- time adoption of Ind AS

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

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the financial statements as at and for the year ended March 31, 2016.

A Exemptions and exceptions applied

Ind AS 101 allows first- time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities.

Accordingly, the Company has elected to measure all of its property, plant and equipment at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind ASs as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- Investment in equity instruments carried at FVPL or FVOCI; and
- Impairment of financial assets based on expected credit loss model.

A.2.2 Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- equity as at April 1, 2015;
- equity as at March 31, 2016;
- total comprehensive income for the year ended March 31, 2016; and
- explanation of material adjustments to cash flow statements

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation



Economic Explosives Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amounts in Rupees , unless otherwise stated)

Reconciliation of total equity as at March 31, 2016 and April 1, 2015

	Notes to first-time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per Indian GAAP		2,525,925,995	2,149,042,579
Adjustments:			
Fair valuation of mutual fund	1	3,474,074	24,289,199
Fair valuation of derivatives	2	22,388,540	6,188,228
Provision for expected credit losses on trade receivables	3	(65,339,590)	(64,623,613)
Tax effects of adjustments	4	(80,377,184)	(55,224,499)
Total adjustments		(119,854,160)	(89,370,685)
Total equity as per Ind AS		2,406,071,835	2,059,671,894

Reconciliation of total comprehensive income for the year ended March 31, 2016

	Notes to first-time adoption	March 31, 2016
Profit after tax as per Indian GAAP		376,883,416
Adjustments:		
Fair valuation of mutual fund	1	(20,815,125)
Fair valuation of derivatives	2	16,200,312
Provision for expected credit losses on trade receivables	3	(715,977)
Tax effects of adjustments	4	(25,152,685)
Total adjustments		(30,483,475)
Profit after tax as per Ind AS		346,399,941
Other comprehensive income		-
Total comprehensive income as per Ind AS		346,399,941

Notes to first-time adoption:

Note 1 Fair valuation of mutual fund

Under Ind AS, investments in equity instruments and mutual funds are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2016.



Economic Explosives Limited

Notes to Financial Statements for the year ended March 31, 2017

(All amounts in Rupees , unless otherwise stated)

Note 2 Fair valuation of derivatives

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. The impact in equity and profit is on account of fair valuation of forward foreign exchange contracts.

Note 3 Trade receivables

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. Consequently, the total equity as at March 31, 2016 and April 1, 2015 decreased and profit for the year ended March 31, 2016 has also been decreased

Note 4 Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note 5 Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

Note 6 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP. Further the Company has reconciled Indian GAAP profit or loss to total comprehensive income as per Ind AS.

Note 7 Statement of cash flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating , investing & financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended March 31, 2016 as compared with the previous GAAP.

Note 8 Discount and incentives directly relatable to revenue

Under previous GAAP, the discounts and incentives on sales were shown as other expenses. Under Ind AS, these are required to be netted off against revenue. There is no impact on the total equity and profit.



Note 34: Disclosure in respect of Specified Bank Notes held and transacted:

	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on Nov 08, 2016	1,13,500	1,06,962	2,20,462
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	(1,13,500)	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

Specified Bank Notes is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees.

The disclosures with respect to ' Permitted receipts' , 'Permitted payments' , 'Amount deposited in Banks' and 'Closing Cash in Hand as on Dec 30, 2016 is understood to be applicable in case of SBN's only.

Note 35: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:


	March 31, 2017	March 31, 2016	April 1, 2015
Principal amount outstanding (whether due or not) to micro and small enterprises	3,75,21,709	3,11,56,869	3,45,99,796
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	-	-	-

As per our report of even date attached

For **Gandhi Rathi & Co.**

Chartered Accountants

Firm's Registration Number: 103031W



C. N. Rathi

Partner

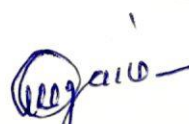
Membership No.39895

Place: Nagpur

Date: May 29, 2017



For and on behalf of the Board of Directors of
Economic Explosives Limited



S.N. Nuwal
Director



Manish Nuwal
Director