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INDEPENDENT AUDITOR'S REPORT

To the Members of

Emul Tek Private Limited
Report on the Audit of the Financial Statements

Opinion

1. We have audited the financial statements of **Emul Tek Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2019 and the statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit/loss (including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Other Information

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



5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors are also responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has no pending litigations as at March 31, 2019 on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts for which there were any material foreseeable losses
 - iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

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



C.N. Rathi
Partner
Membership No. 39895

Place: Nagpur
Date: May 6, 2019



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

Re: Emul Tek Private Limited ("the Company")

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



- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company did not avail any loan or borrowings from banks or financial institutions or Government. Also, have no outstanding dues in respect of debenture holders.
- ix. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/ further public offer/ debt instruments.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor we have been informed of any such case by the Management.
- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company as managerial remuneration is not paid and hence reporting under clause 3 (xi) is not applicable and hence not commented upon.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made preferential allotment with respect to further issue of shares to its existing shareholders during the year under review.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W



C.N. Rathi

Partner

Membership No. 39895

Place: Nagpur

Date: May 6, 2019



"Annexure B" referred to in the Independent Auditor's report of even date on the financial statements of Emul Tek Private Limited

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

1. We have audited the internal financial controls over financial reporting of Emul Tek Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 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 authorizations of management and directors of the company; and
- c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



C.N. Rathi
Partner
Membership No. 39895
Place: Nagpur
Date: May 6, 2019



1. Corporate Information

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

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the previous year.

With effect from April 1, 2018, Ind AS 115 – "Revenue from Contracts with Customers" (Ind AS 115) supersedes Ind AS 18 – "Revenue" and related Appendices. T. The application of Ind AS 115 did not have any material impact on recognition and measurement principles related to revenue recognition of the Company. However, it results in additional presentation and disclosure requirements for the company. The Company has updated presentation and disclosures in accordance with Ind AS 115 in the financial statements (also read with Note 38 to the financial statement).

In addition, the following amendments also became effective from the financial year 2017-18. The management has evaluated and concluded that the adoption of these amendments does not have any material impact on the financial statements:

- a. Ind AS 12 Income Taxes
- b. Ind AS 21 The Effects of Changes in Foreign Exchange Rates
- c. Ind AS 28 Investments in Associates and Joint Ventures
- d. Ind AS 40 Investment Property
- e. Ind AS 112 Disclosure of Interests in Other Entities

Statement of compliance

These 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.

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 will be measured on initial recognition at cost. Following initial recognition, intangible assets will be carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

d. Depreciation and amortization :

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

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



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

Leasehold Land is amortized over the period of the lease.

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

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

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

f. Borrowing costs :

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

g. 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 will measure a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss will be expensed in the Statement of Profit and Loss.

A. Debt instruments:

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



1. Amortised cost:

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

2. Fair value through profit and loss:

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

B. Equity instruments:

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

ii) Financial liabilities

Classification

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

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

Measurement

A. Financial liabilities at amortised cost

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

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

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

iii) Impairment of financial assets

The Company will apply Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Company will measure 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 will be applied depending on whether there has been a significant increase in credit risk.

For trade receivables, the Company will follow '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 will recognise impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company will use a provision matrix



to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix will be based on its historically observed default rates over the expected life of the trade receivables and will be adjusted for forward-looking estimates. At every reporting date, the historical observed default rates will be updated and changes in the forward-looking estimates will be analysed.

h. Revenue:

Revenue from Contract with Customer

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 22.

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

i. Sale of products:

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

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

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

a. Variable consideration

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

• Volume rebates and discounts

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



volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

b. **Significant financing component**

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

ii. **Interest Income:**

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

iii. **Dividend:**

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

i. **Inventories :-**

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

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

- (i) **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.



- (ii) **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- (iii) **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

j. 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 will be charged to the statement of profit and loss for the period / year when the contributions are due.

(ii) Gratuity

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

(iii) Leave encashment

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

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

The Company will present 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.

k. 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.

I. Segment reporting:-

(i) Identification of segment

Operating segments will be 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 will prepare its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

m. 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.

n. 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.



o. 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.

p. 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.



Emul Tek Private Limited
Balance Sheet as at March 31, 2019
(All amounts in Rupees , unless otherwise stated)

Balance Sheet as at	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,21,67,520	43,69,371
Capitas work-in-progress	3	1,03,304	1,63,41,177
Deferred tax assets	10	-	2,37,345
Other non-current assets	4a	1,86,895	21,86,895
Total non-current assets		2,24,57,719	2,31,34,788
Current assets			
Inventories	5	-	6,72,085
Financial assets			
Cash and cash equivalents	6	33,04,316	2,76,797
Bank balances other than cash and cash equivalents	6	-	7,09,201
Other financial assets	7	-	22,621
Other current assets	4b	35,95,328	34,81,254
Total current assets		68,99,644	51,61,957
Total assets		2,93,57,363	2,82,96,745
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	4,97,77,000	4,97,77,000
Other equity			
Reserves and surplus		(5,05,90,591)	(4,70,18,601)
Total equity		(8,13,591)	27,58,399
LIABILITIES			
Non-Current liabilities			
Deferred tax liabilities	8	2,97,750	-
Total - Current liabilities		2,97,750	-
Current liabilities			
Financial liabilities			
Borrowings	11	2,90,77,908	2,19,29,392
Trade payables	12	1,79,282	7,492
Other financial liabilities	13	5,49,534	34,73,244
Other current liabilities	14	66,480	1,28,218
Total current liabilities		2,98,73,204	2,55,38,346
Total liabilities		3,01,70,954	2,55,38,346
Total equity and liabilities		2,93,57,363	2,82,96,745

Summary of significant accounting policies

2

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

As per our report of even date attached

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

For and on behalf of the Board of Directors
Emul Tek Private Limited

C. N. Rathi
Partner
Membership No.39895



A.K.Jain
Director
DIN: 03532932

S.L.Mundhada
Director
DIN: 07112092

Place: Nagpur
Date: May 06, 2019

Emul Tek Private Limited
Statement of Profit and Loss for the year ended March 31, 2019
(All amounts in Rupees , unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Other income	15	✓ 10,45,255	50,264
Total income		10,45,255	50,264
Expenses			
Depreciation and amortisation expense		✓ 5,78,378	8,14,538
Other expenses	16	✓ 13,46,580	13,73,576
Finance costs	17	✓ 21,57,193	7,95,645
Total expenses		40,82,150	29,83,759
Profit before tax		(30,36,895)	(29,33,495)
Tax expense :			
Deferred tax charge on account of decrease in deferred tax asset		✓ 5,35,095	80,354
Prior Period Taxes		-	3,53,081
Total tax expense		5,35,095	4,33,435
Total comprehensive income for the year		(35,71,990)	(33,66,930)
Earnings per equity share			
Basic and diluted earnings per share			
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:		(35,71,990)	(33,66,930)
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS		49,77,700	49,77,700
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)		(0.72)	(0.68)
Summary of significant accounting policies	2		

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

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

For and on behalf of the Board of Directors of
Emul Tek Private Limited


C. N. Rathi
Partner
Membership No.39895




A.K.Jain
Director
DIN: 03532932


S.L.Mundhada
Director
DIN: 07112092

Place: Nagpur
Date: May 06, 2019

Emul Tek Private Limited
Statement of cash flows for the year ended March 31, 2019
(All amounts in Rupees , unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	(30,36,895)	(29,33,495)
Profit before income tax	(30,36,895)	(29,33,495)
Adjustments for		
Depreciation and amortisation expense	5,78,378	8,14,538
Dividend and interest income classified as investing cash flows	(10,45,255)	(50,264)
Finance costs	21,57,193	7,95,645
Change in operating assets and liabilities	(13,46,580)	(13,73,576)
(Increase)/ decrease in inventories	6,72,085	(6,65,285)
Increase/ (decrease) in trade payables	1,71,790	(47,671)
Increase/ (decrease) in trade Receivable		1,70,924
Decrease in other financial assets	22,621	4,514
(Increase)/Decrease in other non-current assets	20,00,000	(20,00,000)
(Increase)/Decrease in other current assets	(1,14,074)	(15,87,568)
Increase / (Decrease)in other current liabilities	(61,738)	69,046
Decrease/ (Increase) in other financial liabilities	(34,73,244)	34,73,244
Cash generated from operations	(21,29,140)	(19,56,371)
Income taxes paid	-	3,53,081
Net cash inflow from operating activities	(21,29,140)	(23,09,452)
	Year ended March 31, 2019	Year ended March 31, 2018
Cash flows from investing activities		
Payments for property, plant and equipment	(21,38,654)	(1,61,96,367)
Loans given		-
Interest received	10,45,255	50,264
Net cash outflow from investing activities	(10,93,399)	(1,61,46,103)
Cash flows from financing activities		
Proceeds from current borrowings from related party	89,19,775	3,81,61,535
Repayment of borrowings from related party	(11,95,439)	(1,87,36,395)
Interest paid	(21,83,479)	(7,95,645)
Net cash inflow (outflow) from financing activities	55,40,857	1,86,29,495
Net increase (decrease) in cash and cash equivalents	23,18,318	1,73,939
Cash and cash equivalents at the beginning of the financial year	9,85,998	8,12,059
Cash and cash equivalents at end of the year	33,04,316	9,85,998
Reconciliation of cash and cash equivalents as per the cash flow statement	March 31, 2019	March 31, 2018
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (as per note 6)	33,04,316	2,76,797
Bank balances other than cash and cash equivalents (as per note 6)	-	7,09,201
	33,04,316	9,85,998

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 Director of
Emul Tek Private Limited


C. N. Rathi
Partner
Membership No.39895
Place: Nagpur
Date: May 06, 2019




A.K.Jain
Director
DIN: 03532932


S.L.Mundhada
Director
DIN: 07112092

Emul Tek Private Limited
Statement of changes in equity
(All amounts in Rupees , unless otherwise stated)

A. Equity share capital

	Notes	Number of shares	Amount
As at April 1, 2017	9	49,77,700	4,97,77,000
Changes in equity share capital		-	-
As at March 31, 2018	9	49,77,700	4,97,77,000
Changes in equity share capital		-	-
As at March 31, 2019	9	49,77,700	4,97,77,000

B. Other equity


		Retained earnings	Total other equity
Balance at April 1, 2017		(4,36,51,671)	(4,36,51,671)
Total comprehensive income for the year		(33,66,930)	(33,66,930)
Balance at March 31, 2018		(4,70,18,601)	(4,70,18,601)
Total comprehensive income for the year		(35,71,990)	(35,71,990)
Balance at March 31, 2019		(5,05,90,591)	(5,05,90,591)

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
Emul Tek Private Limited


C. N. Rathi
Partner
Membership No.39895




A.K.Jain
Director
DIN: 03532932


S.L.Mundhada
Director
DIN: 07112092

Place: Nagpur
Date: May 06, 2019

Emul Tek Private Limited
Notes to Financial Statements
Statement of changes in equity

Note 3 : Property, plant and equipment

	Freehold Land	Leasehold Land	Factory Building	Plant & Machinery	Office & Other Equipments	Furniture & Fixtures	Vehicles	Total	Capital Work-in-progress
Gross carrying amount									
Gross carrying amount as at April 1, 2017		19,68,413	13,40,690	21,34,854	23,251	1,818	22,910	54,91,936	1,44,810
Additions		0	0	0	0	0	0	0	1,61,96,367
Gross carrying amount as at March 31, 2018		19,68,413	13,40,690	21,34,854	23,251	1,818	22,910	54,91,936	1,63,41,177
Accumulated depreciation									
Accumulated depreciation as at April 1, 2017		0	28,459	2,79,569	0	0	0	3,08,027	
Depreciation/ Amortization Charges during the year		0	1,76,077	2,79,569	0	0	0	8,14,538	
Accumulated depreciation as at March 31, 2018			2,04,536	5,59,137	0	0	0	11,22,565	0
Net carrying amount as at March 31, 2018		16,09,521	11,36,154	15,75,717	23,251	1,818	22,910	43,69,371	1,63,41,177
Year ended March 31, 2018									
Gross carrying amount									
Gross carrying amount as at March 31, 2019		19,68,413	13,40,690	21,34,854	23,251	1,818	22,910	54,91,936	1,63,41,177
Additions		0	65,94,262	1,00,68,014	32,230	0	0	1,83,76,526	-1,62,37,872
Gross carrying amount as at March 31, 2019		16,82,020	19,68,413	1,22,02,868	55,481	1,818	22,910	2,38,68,462	1,03,304
Accumulated depreciation									
Accumulated depreciation as at April 1, 2018		3,58,892	2,04,536	5,59,137	0	0	0	11,22,565	
Depreciation/ Amortization Charges during the year		27,867	2,11,724	3,36,405	2,382	0	0	5,78,378	
Accumulated depreciation as at March 31, 2019		0	4,16,260	8,95,542	2,382	0	0	17,00,943	0
Net carrying amount as at March 31, 2019		16,82,020	15,81,654	75,18,692	1,13,07,326	53,099	22,910	2,21,67,520	1,03,304



Emul Tek Private Limited
Notes to Financial Statements
(All amounts in Rupees , unless otherwise stated)

Note 4a: Other non-current assets

	March 31, 2019	March 31, 2018
Security Deposits	1,86,895	21,86,895
	1,86,895	21,86,895

Note 4b: Other current assets

	March 31, 2019	March 31, 2018
Balances with Revenue Authorities	35,15,032	33,79,855
Income Tax Receivable	79,410	74,886
Advances to staff	-	1,793
Advances to suppliers	885	24,720
	35,95,328	34,81,254

Note 5: Inventories

	March 31, 2019	March 31, 2018
Consumable	-	6,72,085
	-	6,72,085



Emul Tek Private Limited
Notes to Financial Statements
(All amounts in Rupees , unless otherwise stated)

Note 6 : Cash and cash bank balances

	March 31,2019	March 31,2018
Balances with banks		
- in current accounts	33,03,694	2,74,025
Cash on hand	622	2,772
	33,04,316	2,76,797
Other bank balances		
Deposit accounts - held as margin money	-	7,09,201
	33,04,316	9,85,998

Note 7 : Other financial assets

	March 31,2019	March 31,2018
Interest accrued but not due on Fixed Deposit	-	22,621
	-	22,621



Note 9: Equity share capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Authorised equity share capital (face value Rs.10 each)	1,00,00,000	50,00,000	10,00,00,000	5,00,00,000
			10,00,00,000	5,00,00,000
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	49,77,700	49,77,700	4,97,77,000	4,97,77,000
			4,97,77,000	4,97,77,000

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Number of Shares at the beginning of the year	49,77,700	49,77,700	4,97,77,000	4,97,77,000
Number of Shares at the end of the year	49,77,700	49,77,700	4,97,77,000	4,97,77,000

(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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Ultimate holding/ Holding Company				
Solar Industries India Limited (par value Rs.10 each fully paid)	49,77,700	49,77,700	4,97,77,000	4,97,77,000
	49,77,700	49,77,700	4,97,77,000	4,97,77,000

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

Name of the shareholder	% holding		No of shares	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Solar Industries India Limited	100%	100%	49,77,700	49,77,700

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.



Emul Tek Private Limited
Notes to Financial Statements
(All amounts in Rupees , unless otherwise stated)

Note 10: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Property, plant and equipment and investment property	-	2,37,345
	-	2,37,345

Note 8: Deferred tax liabilities

	March 31, 2019	March 31, 2018
Property, plant and equipment and investment property	2,97,750	-
	2,97,750	-

Note 11: Current borrowings

	March 31, 2019	March 31, 2018
Unsecured		
From Holding Company	2,96,27,442	2,19,29,392
From Fellow Subsidiary		-
	2,96,27,442	2,19,29,392
Less: Interest accrued (included in note 13)	5,49,534	-
	2,90,77,908	2,19,29,392

Note :12 Trade payables

	March 31, 2019	March 31, 2018
Trade payables	60,861	7,492
Trade payables to related parties	1,18,421	-
	1,79,282	7,492

Note 13 : Other financial liabilities

	March 31, 2019	March 31, 2018
Interest accrued on Borrowing	5,49,534	-
Capital creditors		
Others	-	5,73,262
Related Party	-	28,99,982
	5,49,534	34,73,244

Note 14: Other current liabilities

	March 31, 2019	March 31, 2018
Statutory Dues	66,480	1,10,218
Other	-	18,000
	66,480	1,28,218



Emul Tek Private Limited
Notes to Financial Statements
(All amounts in Rupees , unless otherwise stated)

Note 15: Other income

	March 31, 2019	March 31, 2018
Interest Income		
On financial assets carried at amortised cost		
On Deposits with Bank	✓ 45,255	50,035
Other Misc. Income	✓ 10,00,000	-
Interest on Income Tax Refund	-	228
	✓ 10,45,255	50,264

Note 16: Other expenses

		March 31, 2018
Consumption of consumable stores	✓ 2,150	43,149
Water and electricity charges	✓ 77,814	20,989
Repair		
Plant & Machinery	-	1,87,497
Other	-	1,21,500
Staff Welfare expenses	✓ 305	249
Rates and taxes	✓ 6,21,504	2,24,106
Legal and professional fees	✓ 22,125	-
Travel and conveyance	-	10,085
Printing and stationery	✓ 1,200	1,710
Insurance Charges	✓ 10,185	6,526
Consultancy/Professional Fees	✓ 17,000	31,150
Factory Expenses	-	19,681
Office Expenses	✓ 110	17,382
Security Service Charges	✓ 4,78,022	5,57,727
Payments to auditors (Note 16 (a))	✓ 20,000	20,000
Bank Charges	✓ 96,165	1,11,824
	13,46,580	13,73,576

Note 16(a): Details of payments to auditors

	March 31, 2019	March 31, 2018
Payment to auditors		
Audit fee	✓ 20,000	20,000
	20,000	20,000

Note 17: Finance costs

	March 31, 2019	March 31, 2018
Interest on Borrowings		
Related Parties	✓ 21,57,193	7,95,645
	21,57,193	7,95,645



Note 18: Commitments and contingencies

Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
Performance guarantees given by the Company	-	1,21,82,000

Note 19: Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

- 1 Shri Anil Kumar Jain (Executive Director)
- 2 Shri Someshwar Lonkaran Mundhada (Executive Director)
- 3 Shri Kesam Satyanarayan Rao (Executive Director)

III Key Management Personnel of Holding Company

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

IV Subsidiaries, step down subsidiaries and associates of Holding Company

A. Indian Subsidiaries of Holding Company

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

B. Overseas Subsidiary

- 1 Solar Overseas Mauritius Limited

Overseas Step down Subsidiaries

- 1 Solar Overseas Netherlands B.V. - (a)
- 2 Nigachem Nigeria Limited - (a)
- 3 Solar Explochem Zambia Limited - (a)
- 4 Solar Mining Services Pty Limited - (South Africa) (a)
- 5 P.T. Solar Mining Services - (Note 1) & (b)
- 6 Solar Explochem (Ghana) Limited - (Note 2) & (b)
- 7 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b)
- 8 Solar Madencilik Hizmetleri A.S (b)
- 9 Solar Nitro Ghana Limited - (Note 1) & (b)
- 10 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 2) & (b)
- 11 Solar Overseas Netherlands Cooperative U.A - (c)
- 12 Solar Overseas Singapore Pte Ltd. - (c)
- 13 Solar Industries Africa Limited - (c)
- 14 Solar Industrias Mozambique LDA - (Note 3) & (c)
- 15 Solar Nitro Zimbabwe (Private) Limited (Note 1 & 4) & (c)
- 16 Solar Nitrochemicals Limited -(Note 1) & (d)
- 17 Solar Mining Services Pty Ltd. (Australia) - (e)



C. Associates

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

V Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above

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

VI Entities with joint control or significant influence over the entity

- 1 Astra Resources (Pty) Limited

Note 1: The Entity has not commenced its business operations

Note 2: The entity is under liquidation

Note 3: The entity is Liquidated on October 18, 2018.

Note 4: The entity is incorporated on October 10, 2018.

Note 5: The entity is under Process of Striking Off

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



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

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
a. Transactions with related parties							
Loans taken during the year	81,48,516	2,19,29,392	7,71,259	(25,04,252)	-	-	-
Loans repaid during the year	(4,24,180)	-	(7,71,259)	-	-	-	-
Interest on inter-corporate loans	21,46,589	5,75,820	10,604	2,19,825	-	-	-

b. Balances as at the year end

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	
Loan	2,90,77,908	2,19,29,392	-	-	-	-	-
Capital Creditors	-	18,40,741	-	-	-	-	-
Accrued Interest	5,49,534	-	-	-	-	-	-
Other Credit Balance	1,18,421	10,59,241	-	-	-	-	-

Emul Tek Private Limited
Notes to Financial Statements for the year ended March 31, 2019
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Transactions with related parties during the year

Nature of Transaction	March 31, 2019	March 31, 2018
Loans taken/(repaid)during the year		
Solar Industries India Limited- Taken	81,48,516 ✓	2,19,29,392
Solar Industries India Limited-Repaid	(4,24,180) ✓	-
Blastec india Pvt Ltd-Taken	7,71,259 ✓	-
Blastec india Pvt Ltd-Repaid	(7,71,259) ✓	(25,04,252)
Total	77,24,336	1,94,25,140
Interest on inter-corporate loans Paid (net)		
Solar Industries India Limited	21,46,589 ✓	5,75,820
Blastec india Pvt Ltd	10,604 ✓	2,19,825
Total	21,57,193	7,95,645

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2019	March 31, 2018
Loan		
Solar Industries India Limited	2,90,77,908 ✓	2,19,29,392
Total	2,90,77,908	2,19,29,392
Capital Creditors		
Solar Industries India Limited	-	18,40,741
Total	-	18,40,741
Other Credit Balance		
Solar Industries India Limited	1,18,421 ✓	10,59,241
Total	1,18,421	10,59,241
Accrued Interest		
Solar Industries India Limited	5,49,534 ✓	-
Total	5,49,534	-

Note 19: 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 would cater mainly to the needs of Indian Markets. Currently there is no revenue and hence there are no reportable geographical segments.



Note 20: 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, other receivables, other financial assets , trade payables, other financial liabilities 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 Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

A. Fair Value Hierarchy

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

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

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

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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Cash and cash equivalents	33,04,316	6			
Bank balances other than cash and cash equivalents	-	6			
Other financial assets	-	7			
Total Financial assets	33,04,316		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	2,90,77,908	11	-	-	2,90,77,908
Trade payables	1,79,282	12	-	-	-
Other financial liabilities	5,49,534	13			
Total Financial liabilities	2,98,06,724		-	-	2,90,77,908

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2018 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					
Cash and cash equivalents	2,76,797	6			
Bank balances other than cash and cash equivalents	7,09,201	6			
Other financial assets	22,621	7			
Total Financial assets	10,08,619		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	2,19,29,392	11	-	-	2,19,29,392
Trade payables	7,492	12	-	-	-
Other financial liabilities	34,73,244	13			
Total Financial liabilities	2,54,10,128		-	-	2,19,29,392



Note 21: Financial risk management objectives and policies

The Company's financial assets includes trade receivables, cash and cash equivalents that comes directly from its operations and financial liabilities comprises of 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 various identified risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks.

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	
Credit Risk	Cash and Cash equivalents, trade receivables and investments	Ageing Analysis	Diversification of credit limits and letters of credit
		Credit Analysis	
Liquidity Risk	Borrowing and other liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

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

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

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

Interest Rate Risk

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

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

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

Foreign Currency Risk

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

Equity price risk

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

Credit risk

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

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

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

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, 2019						
Borrowings						
From related party	29,077,908	-	-	-	-	29,077,908
Trade payables	-	179,282	-	-	-	179,282
Others Financial Liabilities						
From related party	549,534	-	-	-	-	549,534
Others	-	-	-	-	-	-
March 31, 2018						
Borrowings						
From related party	21,929,392	-	-	-	-	21,929,392
Trade payables	-	7,492	-	-	-	7,492
Others Financial Liabilities						
From related party	-	1,840,741	-	-	-	1,840,741
Others	-	573,262	-	-	-	573,262
Other Credit Balance						
Related Party	1059241	-	-	-	-	1,059,241



Emul Tek Private Limited
Notes to Financial Statements for the year ended March 31, 2019
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Note 22. Revenue from operations:

As there is no revenue and operational activity in the company hence reporting under IND AS 115 has not been reported.

Disaggregated Revenue 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:

Particulars	March 31, 2019	March 31, 2018
India	-	-
Rest of the World	-	-
Total	-	-

Contract balances

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	-	-
Contract Assets	-	-
Contract Liabilities	-	-

Set out below is the amount of revenue recognised from

Particulars	March 31, 2019	March 31, 2018
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years		

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

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

Particulars	March 31, 2019	March 31, 2018
Revenue as per contracted price	-	-
Adjustments for:		
Rebates, Discounts and powder factor	-	-
Others	-	-
Revenue from contract with customers	-	-

Transaction price allocated to the remaining performance obligations



Note: 23 Going Concern

As at March 31, 2019 the Company had a net asset deficiency of Rs. 813,591, which included borrowing taken from Holding Company of Rs. 29,077,908. However, the financial statements have been prepared on a going concern basis as the Holding Company has provided its continuing support.



Emul Tek Private Limited

Notes to Financial Statements for the year ended March 31, 2019

(All amounts in Rupees , unless otherwise stated)

Note 24: 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, 2019	March 31, 2018
Net Debt	✓ 2,57,73,592	✓ 2,09,43,394
Equity	✓ -8,13,591	✓ 27,58,399
Capital and net debt	2,49,60,001	2,37,01,793
Gearing ratio	✓ 103.26%	✓ 88.36%

Calculation of Net Debt is as follows:

	March 31, 2019	March 31, 2018
Borrowings		
Current	✓ 2,90,77,908	✓ 2,19,29,392
	2,90,77,908	2,19,29,392
Cash and cash equivalents	✓ 33,04,316	✓ 2,76,797
Bank balances other than cash and cash equivalents	-	✓ 7,09,201
	33,04,316	9,85,998
Net Debt	✓ 2,57,73,592	✓ 2,09,43,394

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 Director of
 Emul Tek Private Limited**


C. N. Rathi
 Partner

Membership No.39895
 Place: Nagpur
 Date: May 6, 2019




A.K.Jain
 Director
 DIN:03532932


S.L.Mundhada
 Director
 DIN:07112092