



INDEPENDENT AUDITOR'S REPORT

To the Members of
Emul Tek Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Emul Tek Private 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). The financial statements for the year ended March 31, 2016 were audited by us on, which we have expressed an unmodified opinion dated May 16, 2016. The financial statements for the year ended March 31, 2015 were audited by other auditors on which they have expressed an unmodified opinion dated July 15, 2015. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Indian Accounting Standards 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 for which there were no material foreseeable losses.
 - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - 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 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, 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: Emul Tek Private 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 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 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. 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 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 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 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. There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax 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 have any outstanding dues in respect of debenture holders, loan or borrowings from banks or financial institutions or Government.
- ix. In our opinion and according to the information and explanations given by the management, the Company has not availed any term loan from bank. 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. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3 (xi) 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.
- 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 and hence not commented upon.
- 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



Emul Tek Private 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	51,83,908.52	46,78,137.97	46,78,137.97
Capitas work-in-progress	3	1,44,809.80	0.00	0.00
Deferred tax assets	10	3,17,699.25	4,09,870.25	4,09,870.25
Other non-current assets	4a	1,86,895.00	1,61,895.00	1,61,895.00
Total non-current assets		58,33,312.57	52,49,903.22	52,49,903.22
Current assets				
Inventories	5	6,800.00	0.00	47,000.00
Financial assets				
Cash and cash equivalents	6	1,52,404.31	31,58,348.04	2,57,068.00
Bank balances other than cash and cash equivalents	6	6,59,654.51	6,09,100.00	1,32,24,157.00
Other financial assets	7	27,135.29	31,595.44	2,23,942.00
Other receivable	8	1,70,924.00	0.00	0.00
Other current assets	4b	18,93,685.46	18,98,410.61	28,32,892.00
Total current assets		29,10,603.57	56,97,454.09	1,65,85,059.00
Total assets		87,43,916.14	1,09,47,357.31	2,18,34,962.22
EQUITY AND LIABILITIES				
Equity				
Equity share capital	9	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00
Other equity				
Reserves and surplus		-4,36,51,671.10	-4,20,88,754.69	-4,12,08,530.79
Total equity		61,25,328.90	76,88,245.31	85,68,469.21
LIABILITIES				
Current liabilities				
Financial liabilities				
Borrowings	11	23,83,101.44	25,62,977.00	0.00
Trade payables	12	55,162.80	52,644.00	1,24,98,529.01
Other financial liabilities	13	1,21,151.00	5,78,501.00	2,56,000.00
Other current liabilities	14	59,172.00	64,990.00	5,11,964.00
Total current liabilities		26,18,587.24	32,59,112.00	1,32,66,493.01
Total liabilities		26,18,587.24	32,59,112.00	1,32,66,493.01
Total equity and liabilities		87,43,916.14	1,09,47,357.31	2,18,34,962.22

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


 S.L.Mundhada
 Director

Place: Nagpur
 Date: May 29, 2017

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

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Other income	15	52,341.35	6,29,135.05
Total income		52,341.35	6,29,135.05
Expenses			
Depreciation and amortisation expense		3,08,027.45	0.00
Other expenses	16	7,82,190.58	8,31,354.22
Finance costs	17	4,32,868.73	6,78,004.73
Total expenses		15,23,086.76	15,09,358.95
Profit before tax		-14,70,745.41	-8,80,223.90
Tax expense :			
Deferred tax charge on account of decrease in deferred tax asset		92,171.00	0.00
Total tax expense		92,171.00	0.00
Total comprehensive income for the year		-15,62,916.41	-8,80,223.90
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:		-15,62,916.41	-8,80,223.90
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS		49,77,700.00	49,77,700.00
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)		-0.31	-0.18
Summary of significant accounting policies	2		

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

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


C. N. Rathi
Partner
Membership No.39895



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


A.K.Jain
Director


S.L.Mundhada
Director

Place: Nagpur
Date: May 29, 2017

Emul Tek Private 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	(14,70,745.41)	(8,80,223.90)
Profit before income tax	(14,70,745.41)	(8,80,223.90)
Adjustments for		
Depreciation and amortisation expense	3,08,027.45	-
Dividend and interest income classified as investing cash flows	(52,341.35)	(6,29,135.05)
Finance costs	4,32,868.73	6,78,004.73
Change in operating assets and liabilities	(7,82,190.58)	(8,31,354.22)
(Increase)/ decrease in inventories	(6,800.00)	47,000.00
Increase/ (decrease) in trade payables	2,518.80	(1,24,45,885.01)
Decrease in other financial assets	4,460.15	1,92,346.56
(Increase) in other non-current assets	(25,000.00)	-
Decrease in other current assets	4,725.15	9,34,481.39
Increase in other current liabilities	(5,818.00)	(4,46,974.00)
Decrease/ (Increase) in other financial liabilities	(4,57,350.00)	3,22,501.00
Cash generated from operations	(12,65,454.48)	(1,22,27,884.28)
Income taxes paid	-	-
Net cash inflow from operating activities	(12,65,454.48)	(1,22,27,884.28)
	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from investing activities		
Payments for property, plant and equipment	(9,58,607.80)	-
Loans given	(1,70,924.00)	-
Interest received	52,341.35	6,29,135.05
Net cash outflow from investing activities	(10,77,190.45)	6,29,135.05
Cash flows from financing activities		
(Repayment of)/ Proceeds from current borrowings	(1,79,875.56)	25,62,977.00
Interest paid	(4,32,868.73)	(6,78,004.73)
Net cash inflow (outflow) from financing activities	(6,12,744.29)	18,84,972.27
Net increase (decrease) in cash and cash equivalents	(29,55,389.22)	(97,13,776.96)
Cash and cash equivalents at the beginning of the financial year	37,67,448.04	1,34,81,225.00
Cash and cash equivalents at end of the year	8,12,058.82	37,67,448.04
Reconciliation of cash and cash equivalents as per the cash flow statement	March 31, 2017	March 31, 2016
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (as per note 6)	1,52,404.31	31,58,348.04
Bank balances other than cash and cash equivalents (as per note 6)	6,59,654.51	6,09,100.00
	8,12,058.82	37,67,448.04

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
Emul Tek Private Limited


A.K.Jain
Director


S.L.Mundhada
Director

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, 2015	9	49,77,700	4,97,77,000.00
Changes in equity share capital			
As at March 31, 2016	9	49,77,700	4,97,77,000.00
Changes in equity share capital			
As at March 31, 2017	9	49,77,700	4,97,77,000.00

B. Other equity

	Retained earnings	Total other equity
Balance at April 1, 2015	(4,18,16,768.79)	(4,18,16,768.79)
Ind AS adjustments on first time adoption (Refer Note No. 23)	6,08,238.000	6,08,238.000
Balance at April 1, 2015 after Ind AS Adjustment	(4,12,08,530.79)	(4,12,08,530.79)
Loss for the year	(8,80,223.90)	(8,80,223.90)
Balance at March 31, 2016	(4,20,88,754.69)	(4,20,88,754.69)

	Retained earnings	Total other equity
Balance at April 1, 2016	(4,20,88,754.69)	(4,20,88,754.69)
Total comprehensive income for the year	(15,62,916.41)	(15,62,916.41)
Balance at March 31, 2017	(4,36,51,671.10)	(4,36,51,671.10)

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


S.L.Mundhada
Director

Place: Nagpur
Date: May 29, 2017

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

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 23.

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
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 equipments	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. 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) 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.

h. 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.

i. Inventories :-

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

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

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

(iii) Leave encashment

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

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

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

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 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. **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.



m. 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.

n. 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.

o. 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
Notes to Financial Statements
(All amounts in Rupees , unless otherwise stated)

Note 3 : Property, plant and equipment

	Freehold Land	Factory Building	Plant & Machinery	Office & Other Equipments	Furniture & Fixtures	Vehicles	Total	Capital Work-in-progress
Gross carrying amount								
Gross carrying amount as at April 1, 2015	19,68,413.00	28,25,227.35	1,41,96,846.77	4,64,978.12	36,351.00	4,58,209.00	1,99,50,025.24	0.00
Gross carrying amount as at March 31, 2016	19,68,413.00	28,25,227.35	1,41,96,846.77	4,64,978.12	36,351.00	4,58,209.00	1,99,50,025.24	0.00
Accumulated depreciation as at April 1, 2015		22,98,335.65	1,20,61,992.69	4,41,727.35	34,532.97	4,35,298.61	1,52,71,887.27	
Accumulated depreciation as at March 31, 2016	0.00	22,98,335.65	1,20,61,992.69	4,41,727.35	34,532.97	4,35,298.61	1,52,71,887.27	0.00
Net carrying amount as at March 31, 2015	19,68,413.00	5,26,891.70	21,34,854.08	23,250.77	1,818.03	22,910.39	46,78,137.97	0.00
Net carrying amount as at March 31, 2016	19,68,413.00	5,26,891.70	21,34,854.08	23,250.77	1,818.03	22,910.39	46,78,137.97	0.00
Year ended March 31, 2017								
Gross carrying amount								
Gross carrying amount as at April 1, 2016	19,68,413.00	28,25,227.35	1,41,96,846.77	4,64,978.12	36,351.00	4,58,209.00	1,99,50,025.24	0.00
Additions	0.00	8,13,798.00	0.00	0.00	0.00	0.00	8,13,798.00	1,44,809.80
Gross carrying amount as at March 31, 2017	19,68,413.00	36,39,025.35	1,41,96,846.77	4,64,978.12	36,351.00	4,58,209.00	2,07,63,823.24	1,44,809.80
Accumulated depreciation impairment								
Accumulated depreciation as at April 1, 2016	0.00	22,98,335.65	1,20,61,992.69	4,41,727.35	34,532.97	4,35,298.61	1,52,71,887.27	
Depreciation charge during the year		28,458.91	2,79,568.54				3,08,027.45	
Accumulated depreciation as at March 31, 2017	0.00	23,26,794.56	1,23,41,561.23	4,41,727.35	34,532.97	4,35,298.61	1,55,79,914.72	0.00
Net carrying amount as at March 31, 2017	19,68,413.00	13,12,230.79	18,55,285.54	23,250.77	1,818.03	22,910.39	51,83,908.52	1,44,809.80



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

Note 4a: Other non-current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Security Deposits	1,86,895.00	1,61,895.00	1,61,895.00
	1,86,895.00	1,61,895.00	1,61,895.00

Note 4b: Other current assets

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with Revenue Authorities	14,65,600.86	14,37,863.00	15,55,292.00
Income Tax Receivable	4,28,084.60	4,60,547.61	12,77,600.00
	18,93,685.46	18,98,410.61	28,32,892.00

Note 5: Inventories

	March 31, 2017	March 31, 2016	April 1, 2015
Semi Finished Goods	0.00	0.00	47,000.00
Consumable	6,800.00	0.00	0.00
	6,800.00	0.00	47,000.00



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

Note 6 : Cash and cash bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
Balances with banks			
- in current accounts	1,43,279.81	31,49,223.54	2,45,714.00
Cash on hand	9,124.50	9,124.50	11,354.00
	1,52,404.31	31,58,348.04	2,57,068.00
Other bank balances			
Deposit accounts - held as margin money	6,59,654.51	6,09,100.00	1,32,24,157.00
	8,12,058.82	37,67,448.04	1,34,81,225.00

Note 7 : Other financial assets

	March 31, 2017	March 31, 2016	April 1, 2015
Interest accrued but not due on Fixed Deposit	27,135.29	31,595.44	2,23,942.00
	27,135.29	31,595.44	2,23,942.00

Note 8 : Other receivable

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured, considered good			
Other receivable from holding company	1,70,924.00	0.00	0.00
	1,70,924.00	0.00	0.00



Note 9: 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)	50,00,000	50,00,000	50,00,000	5,00,00,000.00	5,00,00,000.00	5,00,00,000.00
				5,00,00,000.00	5,00,00,000.00	5,00,00,000.00
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	49,77,700	49,77,700	49,77,700	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00
				4,97,77,000.00	4,97,77,000.00	4,97,77,000.00

(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	49,77,700	49,77,700	49,77,700	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00
Add: Shares split during the year	-	-	-	-	-	-
Number of Shares at the end of the year	49,77,700	49,77,700	49,77,700	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00

(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.100 each fully paid)	49,77,700	49,77,700	49,77,700	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00
	49,77,700	49,77,700	49,77,700	4,97,77,000.00	4,97,77,000.00	4,97,77,000.00

(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	100.00%	100.00%	100.00%	49,77,700	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, 2017	March 31, 2016	April 1, 2015
Property, plant and equipment and investment property	3,17,699.25	4,09,870.25	4,09,870.25
	3,17,699.25	4,09,870.25	4,09,870.25

Note 11: Current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Unsecured			
From Holding Company	-	22,31,846.00	-
From Fellow Subsidiary	25,04,252.44	9,09,632.00	-
	25,04,252.44	31,41,478.00	-
Less: Interest accrued (included in note 13)	1,21,151.00	5,78,501.00	-
	23,83,101.44	25,62,977.00	-

Note :12 Trade payables

	March 31, 2017	March 31, 2016	April 1, 2015
Trade payables	55,162.80	52,644.00	45,36,227.01
Trade payables to related parties	-	-	79,62,302.00
	55,162.80	52,644.00	1,24,98,529.01

Note 13 : Other financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Liabilities towards employee benefits	-	-	2,56,000.00
Interest accrued on Borrowing	1,21,151.00	5,78,501.00	-
	1,21,151.00	5,78,501.00	2,56,000.00

Note 14: Other current liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Statutory Dues	40,629.00	64,990.00	4,94,892.00
Other	18,543.00	0.00	17,072.00
	59,172.00	64,990.00	5,11,964.00



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

Note 15: Other income

	March 31, 2017	March 31, 2016
Interest Income		
On financial assets carried at amortised cost		
On Deposits with Bank	51,215.96	3,35,510.05
Other Misc. Income	0.00	2,73,072.00
Interest on Income Tax Refund	1,125.39	20,553.00
	52,341.35	6,29,135.05

Note 16: Other expenses

	March 31, 2017	March 31, 2016
Water and electricity charges	14,228.00	34,339.00
Rates and taxes	1,67,324.00	40,414.00
Legal and professional fees	2,620.00	1,46,640.00
Travel and conveyance	0.00	3,400.00
Printing and stationery	3,426.00	1,440.00
Insurance Charges	4,769.00	0.00
Repair Civil	6,570.00	5,867.00
Lease Charges	0.00	21,980.00
Consultancy/Professional Fees	22,000.00	0.00
Factory Expenses	43,946.76	0.00
Office Expenses	49,998.08	23,998.01
Sales Tax Expenses	0.00	1,17,429.21
Security Service Charges	4,44,408.74	3,68,519.00
Sundry balances written off	0.00	47,000.00
Payments to auditors (refer note 16(a) below)	22,900.00	20,328.00
	7,82,190.58	8,31,354.22

Note 16(a): Details of payments to auditors

	March 31, 2017	March 31, 2016
Payment to auditors		
Audit fee	22,900.00	20,328.00
	22,900.00	20,328.00

Note 17: Finance costs

	March 31, 2017	March 31, 2016
Interest on Borrowings		
Banks	66,653.73	0.00
Related Parties	3,66,215.00	6,78,004.73
	4,32,868.73	6,78,004.73



Note 18: Commitments and contingencies

Contingent liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Performance guarantees given by the Company	1,21,82,000	1,21,82,000	-
	1,21,82,000	1,21,82,000	-

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

- 1 Shri S L Mundhada
- 2 Shri Anil Kumar Jain

III Key Management Personnel of Holding Company

- 1 Shri S N Nuwal
- 2 Shri K C Nuwal
- 3 Shri Manish Nuwal
- 4 Shri R D Vakil
- 5 Shri Nilesh Panpalia
- 6 Smt Khushboo Pasari

IV Subsidiaries, step down subsidiaries and associates of Holding Company

- 1 Solar Overseas Mauritius Limited
- 2 Economic Explosives Limited
- 3 Blastek India Private 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 Nigachem Nigeria Limited
- 19 Solar Explochem Zambia Limited
- 20 Solar Mining Services Pty Limited
- 21 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi
- 22 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi
- 23 Solar Bhatgaon Extension Mines Pvt. Limited
- 24 SMS Bhatgaon Mines Extension Pvt. Limited



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

- 1 Mahakal Infrastructures Private Limited
- 2 Mahakal Project Private Limited
- 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
- 9 Sunland Infracon Private Limited
- 10 Sunlight Infraventures Private Limited
- 11 Commercial Sales Corporation
- 12 Solar Initiating Systems Limited
- 13 Solar Synthetics Private Limited



Emul Tek Private 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 'III' 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	March 31, 2017	March 31, 2016
a. Transactions with related parties										
Loans taken during the year		22,31,846	15,94,620	-	-	-	-	-	-	-
Loans repaid during the year	(22,31,846)	-	-	(70,52,669)	-	-	-	-	-	-
Interest on inter-corporate loans (net)	2,45,064	1,77,888	1,21,151	4,00,613	-	-	-	-	-	-

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, 2017	March 31, 2016	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	-	22,31,846	-	-	-	9,09,632	-	-	-	-	-
Other Receivable	1,70,524	-	-	-	25,04,252	79,62,301	-	-	-	-	-



Transactions with related parties during the year

Nature of Transaction	March 31, 2017	March 31, 2016
Loans taken/(repaid)during the year		
Solar Industries India Limited	(22,31,846)	22,31,846
Blastec India Pvt Ltd	15,94,620	(70,52,669)
Total	(6,37,226)	(48,20,823)
Interest on inter-corporate loans Paid (net)		
Solar Industries India Limited	2,45,064	1,77,888
Blastec India Pvt Ltd	1,21,151	4,00,613
Total	3,66,215	5,78,501

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2017	March 31, 2016	April 1, 2015
Other Receivable			
Solar Industries India Limited	1,70,924	-	-
TOTAL	1,70,924		
Loans Taken			
Blastec India Pvt Ltd	25,04,252	9,09,632	79,62,301
Solar Industries India Limited	-	22,31,846	-
Total	25,04,252	31,41,478	79,62,301

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

A. Fair Value Hierarchy

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

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

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at **March 31, 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					
Cash and cash equivalents	1,52,404	6			
Bank balances other than cash and cash equivalents	6,59,655	6			
Other financial assets	27,135	7			
Other receivable	1,70,924	8			
Total Financial assets	10,10,118		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	23,83,101	11	-	-	23,83,101
Trade payables	55,163	12	-	-	-
Other financial liabilities	1,21,151	13	-	-	-
Total Financial liabilities	25,59,415		-	-	23,83,101

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, 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					
Cash and cash equivalents	31,58,348	6	-	-	-
Bank balances other than cash and cash equivalents	6,09,100	6	-	-	-
Other financial assets	31,595	7	-	-	-
Total Financial assets	37,99,043		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	25,62,977	11	-	-	25,62,977
Trade payables	52,644	12	-	-	-
Other financial liabilities	5,78,501	13	-	-	-
Total Financial liabilities	31,94,122		-	-	25,62,977

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					
Cash and cash equivalents	2,57,068	6	-	-	-
Bank balances other than cash and cash equivalents	1,32,24,157	6	-	-	-
Other financial assets	2,23,942	7	-	-	-
Total Financial assets	1,37,05,167		-	-	-
Financial Liabilities					
Amortised cost					
Trade payables	1,24,98,529	12	-	-	-
Other financial liabilities	2,56,000	13	-	-	-
Total Financial liabilities	1,27,54,529		-	-	-

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



Note 21: Financial risk management objectives and policies

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

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

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

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

Market Risk

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

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

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

Interest Rate Risk

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

The Company has mainly borrowed the funds from its holding/ 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.

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.

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	23,83,101	-	-	-	-	23,83,101
Trade payables	-	55,163	-	-	-	55,163
Other financial liabilities	-	1,21,151	-	-	-	1,21,151
March 31, 2016						
Borrowings						
From related party	25,62,977	-	-	-	-	25,62,977
Trade payables	-	52,644	-	-	-	52,644
Other financial liabilities	-	5,78,501	-	-	-	5,78,501



Emul Tek Private Limited**Notes to Financial Statements for the year ended March 31, 2017****(All amounts in Rupees , unless otherwise stated)****Note 22: 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	15,71,041.69	-12,04,471.00	-1,34,81,225.00
Equity	61,25,329.00	76,88,245.00	85,68,469.00
Capital and net debt	76,96,370.69	64,83,774.00	-49,12,756.00
Gearing ratio	20.41%	-18.58%	274.41%

Calculation of Net Debt is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings			
Current	23,83,101	25,62,977	-
	23,83,101	25,62,977	-
Cash and cash equivalents	1,52,404	31,58,348	2,57,068
Bank balances other than cash and cash equivalents	6,59,655	6,09,100	1,32,24,157
	8,12,059	37,67,448	1,34,81,225
Net Debt	15,71,042	(12,04,471)	(1,34,81,225)



Note 23: 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.



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

Particulars	Notes to first-time adoption	March 31, 2016	April 1, 2015
Total equity (shareholder's funds) as per Indian GAAP		(4,26,96,993)	(4,18,16,769)
Adjustments:			
Deferred tax adjustment on account of adopting balance sheet approach	1	6,08,238	6,08,238
Total adjustments		6,08,238	6,08,238
Total equity as per Ind AS		(4,20,88,755)	(4,12,08,531)

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

Particulars	Notes to first-time adoption	March 31, 2016
Profit after tax as per Indian GAAP		(8,80,224)
Adjustments:		
Nil		-
Total adjustments		-
Profit after tax as per Ind AS		(8,80,224)
Other comprehensive income		-
Total comprehensive income as per Ind AS		(8,80,224)

Notes to first-time adoption:

Note 1 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 2 Retained earnings

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

Note 3 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 4 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.



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

Note 24: 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	-	9,124	9,124
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	-	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

Specified Bank Notes (SBNs) is defined as Bank Notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees. The Company did not have any SBN's as on Nov 08, 2016

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.

