



SOLAR

SOLAR INDUSTRIES INDIA LTD

STANDALONE

BALANCE SHEET

2017-2018

Akshay Rathi & Associates
Chartered Accountants
119, Lendra Park, Near Dr. Golhor
Hospital, Ramdaspath
Nagpur- 440 010

S R B C & CO LLP
Chartered Accountants
5th Floor, Block B 2, Nirlon Knowledge Park,
Off Western Express Highway, Goregaon (E),
Mumbai- 400 063

INDEPENDENT AUDITOR'S REPORT

To the Members of Solar Industries India Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 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 standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2018, its profit/loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Ind AS financial statements of the Company for the year ended March 31, 2017, included in these standalone Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 29, 2017.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28 to the standalone Ind AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm registration number: 139703W

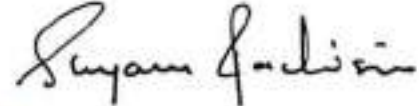


per Akshay Rathi
Proprietor
Membership No.: 161910



Place: Nagpur
Date: May 11, 2018

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 49237



Place: Nagpur
Date: May 11, 2018

**ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF SOLAR INDUSTRIES INDIA LIMITED**

**Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's report) Order, 2016
("the Order") in terms of Sub-section 11 of Section 143 of the Companies Act, 2013 ("the Act")**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations 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 management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted loans to four companies covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- (b) The Company has granted loans that are re-payable on demand, to companies covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has not demanded repayment of any such loan during the year, and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning 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.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of industrial explosives and explosive initiating devices, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax



and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Nature of statute	Nature of the dues	Amount under dispute not deposited (Rs in crore)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.01	2044-2005	Supreme Court
Central Excise Act, 1944	Demand of excise duty (including penalty)	3.31	2000-2015	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.15	2005-2017	Commissionerate
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of sales tax and VAT	0.38	2008-2009	Tribunal
State Sales Tax Act	Demand of VAT	0.36	2013-2016	High Court

(viii)

In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to 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 and term loans were applied for the purposes for which they were raised.
- (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 no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, 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 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 any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm registration number: 139703W

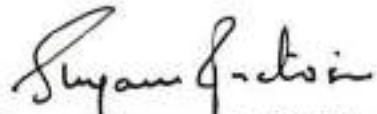


per Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 11, 2018



For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 49237

Place: Nagpur
Date: May 11, 2018



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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SOLAR INDUSTRIES INDIA LIMITED

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

We have audited the internal financial controls over financial reporting of Solar Industries India Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

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 specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, 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.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the 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 Akshay Rathi & Associates
Chartered Accountants
ICAI Firm registration number: 139703W

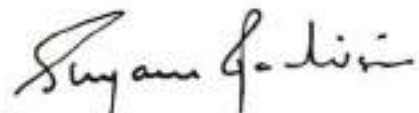


per Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 11, 2018



For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 49237

Place: Nagpur
Date: May 11, 2018




Solar Industries India Limited
Balance Sheet as at March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

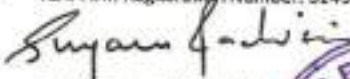
	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	419.71	402.39
Capital work-in-progress	3A	34.56	15.97
Intangible assets	3B	0.47	0.36
Financial assets			
Investments	4	57.67	58.24
Loans	5	166.03	103.53
Other financial assets	6	22.89	21.16
Current tax assets (net)		3.95	2.16
Other non-current assets	9	8.94	7.36
Total non-current assets		714.22	611.17
Current assets			
Inventories	10	90.66	77.83
Financial assets			
Investments	4	7.85	44.26
Trade receivables	7	150.44	177.81
Cash and cash equivalents	8	4.04	8.19
Bank balances other than cash and cash equivalents	8	5.91	1.52
Loans	5	52.22	56.35
Other financial assets	6	41.28	40.71
Other current assets	9	25.41	31.73
Total current assets		377.81	438.40
Non-current assets classified as held for sale		1.60	-
Total assets		1,093.63	1,049.57
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	741.11	640.54
Total equity		759.21	658.64
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	12	75.22	80.30
Deferred tax liabilities (net)	14	81.74	68.12
Total non-current liabilities		156.96	148.42
Current liabilities			
Financial liabilities			
Borrowings	13	21.26	96.72
Trade payables	15	52.07	36.99
Other financial liabilities	16	81.09	89.28
Other current liabilities	17	20.48	18.13
Provisions	17a	2.56	1.39
Total current liabilities		177.46	242.51
Total liabilities		334.42	390.93
Total equity and liabilities		1,093.63	1,049.57
Summary of significant accounting policies	2.2		

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

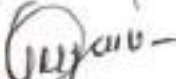
As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number: 139703W


per Akshay Rathi
Proprietor
Membership No.- 161910

For SRBC & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.- 49237

For and on behalf of the Board of Directors of
Solar Industries India Limited


S.N. Nuwal
Chairman &
Executive Director


Manish Nuwal
Managing Director &
CEO


Khushboo Pasari
Company Secretary


Nilesh Panpaliya
Chief Financial Officer

Place: Nagpur
Date: May 11, 2018



11 MAY 2018



11 MAY 2018



Solar Industries India Limited
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	18	1,305.35	1,253.22
Other income	19	18.23	13.38
Total income		1,323.58	1,266.60
Expenses			
Cost of materials consumed	20	750.02	678.57
Purchases of Stock-in-trade		91.39	76.07
Changes in inventories of work-in-progress, stock-in-trade and finished goods	21	(19.46)	(1.79)
Excise duty on sale of goods		32.08	115.91
Employee benefit expense	22	69.00	54.35
Depreciation and amortization expense	25	26.09	19.28
Other expenses	23	154.81	113.27
Finance costs	24	14.23	13.79
Total expenses		1,118.16	1,069.45
Profit before tax		205.42	197.15
Tax expense :			
- Current tax	14	57.01	54.68
- Deferred tax	14	14.15	9.88
Total tax expense		71.16	64.57
Profit for the year		134.26	132.58
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss on defined benefit plans		(1.59)	(0.71)
Income tax relating to these items		0.55	0.25
		(1.04)	(0.46)
Items that will be reclassified to profit or loss			
Net movement on Cash Flow Hedges		0.04	-
Income tax relating to these items		(0.02)	-
		0.02	-
Total Other comprehensive income for the year, net of tax		(1.02)	(0.46)
Total comprehensive income for the year		133.24	132.12
Earnings per equity share			
Basic and Diluted earnings per share	26	14.84	14.60
Summary of significant accounting policies	2.2		

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

As per our report of even date attached

For Akshay Rathi & Associates

Chartered Accountants

ICAI Firm Registration Number:139703W



per Akshay Rathi

Proprietor

Membership No.- 161910



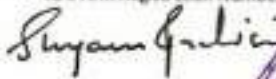
Place: Nagpur

Date: May 11, 2018

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Shyamsundar Pachisia

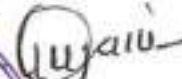
Partner

Membership No.- 49237

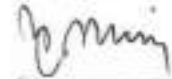


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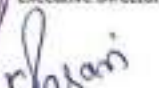
For and on behalf of the Board of Directors of
Solar Industries India Limited



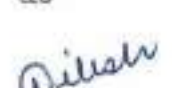
S.N. Nowal
Chairman &
Executive Director



Manish Nuwal
Managing Director &
CEO



Nushboo Pasari
Company Secretary



Nilesh Panpalhya
Chief Financial Officer

11 MAY 2018



Solar Industries India Limited
Statement of cash flows for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities		
Profit before tax	205.42	197.15
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	28.09	15.28
Net gain on disposal of property, plant and equipment	(0.09)	(0.01)
Net gain on financial assets mandatorily measured at fair value through profit or loss	(0.27)	(1.38)
Profit on sale of financial assets carried at fair value through profit or loss	(1.78)	(1.91)
Dividend and interest income	(11.65)	(9.55)
Finance costs	14.23	13.79
Impairment on property, plant and equipment	-	0.65
Impairment loss on investment	-	0.98
Impairment loss on trade receivable	(0.29)	2.24
Bad debts written off	6.47	-
Loans and advances written off	2.67	0.19
Fair value changes on derivatives not designated as hedges	(0.12)	(0.46)
Net foreign exchange differences	(3.71)	2.10
Operating profit before working capital changes	236.97	223.07
Working capital adjustments :		
Decrease/ (Increase) in trade receivables	23.18	(47.47)
(Increase) in inventories	(12.83)	(8.37)
Increase/ (Decrease) in trade payables	15.08	(41.09)
(Increase) in other financial assets (excluding derivatives)	(5.69)	(9.65)
Decrease/ (Increase) in other assets (current and non-current)	5.13	(2.82)
Increase/ (Decrease) in other current liabilities	2.35	(4.41)
(Decrease)/ increase in provisions	(0.42)	0.68
Increase in other financial liabilities (excluding derivatives)	7.65	7.75
Cash generated from operations	271.42	117.69
Less : Income taxes paid	58.80	47.53
Net cash flows from operating activities	212.62	70.16
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(66.90)	(79.17)
Proceeds from sale of property, plant and equipment	1.55	0.24
Other loans (given)/ repaid to/ by related party	(6.59)	0.44
Non-current loans (given) to related parties	(65.62)	(8.43)
Loans repaid/ (given) by/ to others	13.48	8.64
Proceeds from sale/ (Purchase) of investments	39.03	(33.84)
(Investment in)/ Proceeds from fixed deposits	(4.39)	2.59
Dividend and interest income received	11.41	9.51
Net cash flows from investing activities	(78.13)	(100.02)



Solar Industries India Limited
 Statement of cash flows for the year ended March 31, 2018
 (All amounts in Rs. Crores, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities		
Proceeds from non-current borrowings	50.04	49.95
Repayment of non-current borrowings	(66.30)	(22.30)
(Repayment of)/ Proceeds from current borrowings	(75.91)	40.66
Interest paid	(13.80)	(10.69)
Dividends paid to company's shareholders	(27.15)	(18.10)
Dividend distribution tax	(5.52)	(3.68)
Net cash flows from/ (used in) financing activities	(138.64)	35.84
Net increase / (decrease) in cash and cash equivalents	(4.15)	5.98
Add: Cash and cash equivalents at the beginning of the year	8.19	2.21
Cash and cash equivalents at end of the year (refer note 8)	4.04	8.19

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

As per our report of even date attached

For Akshay Rathi & Associates

Chartered Accountants

ICAI Firm Registration Number: 199703W



per Akshay Rathi

Proprietor

Membership No.- 161910



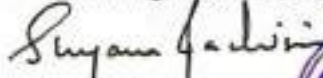
Place : Nagpur

Date: May 11, 2018

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Shyamsunder Pachista

Partner

Membership No.- 49237



11 MAY 2018

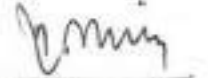
For and on behalf of the Board of Directors of
 Solar Industries India Limited



S.N. Nuwal
 Chairman &
 Executive Director



Khushboo Pasari
 Company Secretary



Manish Nuwal
 Managing Director &
 CEO



Nilesh Pimpaliya
 Chief Financial Officer

11 MAY 2018



Solar Industries India Limited
Statement of changes in equity for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

A. Equity share capital

	No of Shares	Amount
At April 1, 2016 (Equity Shares of Rs. 10 each issued, subscribed and fully paid)	1,80,98,011	18.10
Add- Share split during the year	7,23,92,044	
At March 31, 2017 (Equity Shares of Rs. 1 each issued, subscribed and fully paid)	9,04,90,055	18.10
At April 1, 2017 (Equity Shares of Rs. 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2018 (Equity Shares of Rs. 2 each issued, subscribed and fully paid)	9,04,90,055	18.10

B. Other equity

	Reserves and surplus				Cash flow hedge reserve (Note 11A)	Total other equity
	Securities premium reserve (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)		
Balance at April 1, 2016	149.13	175.17	4.29	201.61	-	530.20
Total profit for the year	-	132.58	-	-	-	132.58
Transfer from retained earnings	-	-	-	45.00	-	45.00
Transfer to General reserve	-	(45.00)	-	-	-	(45.00)
Other comprehensive income :						
Remeasurement loss on defined benefit plans	-	(0.46)	-	-	-	(0.46)
Transactions with owners :						
Interim Dividend of FY 2016-17	-	(18.50)	-	-	-	(18.50)
Tax on Interim Dividend of FY 2016-17	-	(3.68)	-	-	-	(3.68)
Balance at March 31, 2017	149.13	249.51	4.29	246.61	-	649.54
Balance at April 1, 2017	149.13	249.51	4.29	246.61	-	649.54
Total profit for the year	-	134.26	-	-	-	134.26
Transfer from retained earnings	-	-	-	45.00	-	45.00
Transfer to General reserve	-	(45.00)	-	-	-	(45.00)
Other comprehensive income :						
Net movement in Cash Flow Hedges	-	-	-	-	0.02	0.02
Remeasurement loss on defined benefit plans	-	(1.04)	-	-	-	(1.04)
Transactions with owners :						
Final Dividend of FY 2016-17	-	(27.15)	-	-	-	(27.15)
Tax on Final Dividend of FY 2016-17	-	(5.52)	-	-	-	(5.52)
Balance at March 31, 2018	149.13	296.06	4.29	291.61	0.02	741.11

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

As per our report of even date attached
For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm Registration Number: 139709W

Akshay Rathi
per Akshay Rathi
Proprietor
Membership No. 161910



Place: Nagpur
Date: May 11, 2018

For S R & C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324882E/E300003

Shyamsundar Pachhola
per Shyamsundar Pachhola
Partner
Membership No. - 49237

11 MAY 2018



For and on behalf of the Board of Directors of
Solar Industries India Limited

Manish Nwral
Manish Nwral
Chairman &
Executive Director
Krushboo Pasari
Krushboo Pasari
Company Secretary

Manish Nwral
Manish Nwral
Managing Director &
CEO

Mish Panpaliya
Mish Panpaliya
Chief Financial Officer

11 MAY 2018



Note 1: Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India, with its registered office situated in 11, Zade Layout, Bharat Nagar, Nagpur – 440033 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Basis of preparation and 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.

These standalone financial statements have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



2.2 Summary of significant accounting policies

a. Use of estimates

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

b. Property, Plant and Equipment

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

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

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

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

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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of



each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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)
Property , Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery including KP Machinery	15 to 25	15 to 20
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	8 to 10	10
Vehicles (including Pump Trucks)	8 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6
Leasehold land	Over lease period	Over lease period
Intangible Assets		
Software and Licenses	6	6
Others (Transfer of Technology)	10	10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.



In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount



equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate

Where the Company is a lessee

Leases that transfer substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases. Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.

A leased asset is depreciated/amortised over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost as per Ind AS 27, except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

i. 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 amortized 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. Amortized 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 amortized 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 amortized 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.



C. De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments, such as forward currency contracts, foreign currency option contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on



which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

iv) Impairment of financial assets

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

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

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

j. 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.

However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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) Sale of projects

Revenue from the sale of projects is recognised when the significant risks and rewards of ownership of the project have passed to the buyer which generally will be at the time of sale. Revenue from sale of projects is measured at the fair value of the consideration received or receivable.

iii) 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.

iv) Dividends

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

k. Government grants

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

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

l. Foreign currency translation

i) Functional and presentation currency

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

ii) Transactions and balances

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

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



m. 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.

n. 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 Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

(iii) Leave encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since employee is entitled to avail leave anytime and hence the company does not have an unconditional right to defer its settlement for twelve months after the reporting date.

o. 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 correlation 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.

p. 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 (CODM) of the Company.

(ii) Segment accounting policies

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

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. In accordance with paragraph 4 of Ind AS 108- "Operating Segments" the Company has disclosed segment information only on basis of the consolidated financial statements which are presented together along with the standalone financial statements.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the 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.

r. 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.

s. 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.

t. 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.

u. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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



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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v. Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset ,
- An active programme to locate a buyer and complete the plan has been initiated (If applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these



assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in



response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

x. Recent accounting pronouncements Standards issued but not effective

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Ind AS 115 is effective for the Company in the first quarter of financial year 2018-19 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed. This standard will come into force from accounting period commencing on or after 1 April 2018, hence do not impact the standalone financial statements for the year ended March 31, 2018

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its



interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

The amendments are effective retrospectively for annual periods beginning on or after 1 April 2018, the Company will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018, the Company will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018, the Company will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity



associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Company.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018, the Company will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.



Solar Industries India Limited
Notes to Financial Statements for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

3A. Property, Plant and Equipment

	Year ended March 31, 2017	Year ended March 31, 2018	Freehold Land	Leasehold Land*	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipment and Computers	Total	Capital Work-in-progress
Gross carrying amount as at April 1, 2016 ¹											
Opening gross carrying amount	34.37	0.35	34.37	0.35	137.59	2.64	181.67	8.26	2.27	367.06	32.13
Additions	6.20	0.38	6.20	0.38	21.92	0.15	45.08	1.48	0.82	72.03	3.84
Disposals	-	-	-	-	-	-	(0.13)	(0.71)	(0.02)	(0.89)	-
Impairment	-	-	-	-	-	-	(5.07)	-	-	(5.07)	-
Closing gross carrying amount as at March 31, 2017	40.57	0.63	40.57	0.63	155.51	2.79	221.55	9.03	3.08	433.16	35.97
Accumulated depreciation											
Opening accumulated depreciation as at April 1, 2016 ¹	-	-	-	-	3.55	0.43	11.26	0.71	0.71	16.66	-
Depreciation charge for the year	-	-	-	-	4.05	0.44	12.50	1.54	0.62	19.15	-
Disposals	-	-	-	-	-	-	(0.09)	(0.52)	(0.04)	(0.65)	-
Impairment	-	-	-	-	-	-	(4.42)	-	-	(4.42)	-
Closing accumulated depreciation as at March 31, 2017	-	-	-	-	7.60	0.87	19.25	1.73	1.32	30.77	-
Net carrying amount March 31, 2017	40.57	0.63	40.57	0.63	147.91	1.92	202.30	7.30	1.76	602.39	35.97
Year ended March 31, 2018											
Gross carrying amount as at April 1, 2017											
Opening gross carrying amount	40.57	0.63	40.57	0.63	155.51	2.79	221.55	9.03	3.08	433.16	35.97
Additions	4.49	-	4.49	-	36.37	1.27	15.87	7.35	1.12	46.27	18.59
Other adjustments	(1.60)	-	(1.60)	-	-	-	-	(0.37)	-	(1.97)	-
Disposals	-	-	-	-	(8.43)	-	(1.18)	-	(0.12)	(2.30)	-
Closing gross carrying amount as at March 31, 2018	43.46	0.63	43.46	0.63	171.45	4.06	236.04	16.01	4.08	475.73	34.56
Accumulated depreciation											
Opening accumulated depreciation as at April 1, 2017	-	-	-	-	7.60	0.87	19.25	1.73	1.32	30.77	-
Depreciation charge for the year	-	-	-	-	8.18	0.48	16.51	1.62	0.67	25.89	-
Disposals	-	-	-	-	(8.06)	-	(0.13)	(0.30)	(0.12)	(8.61)	-
Closing accumulated depreciation as at March 31, 2018	-	-	-	-	8.12	1.35	36.89	3.02	1.87	56.02	-
Net carrying amount March 31, 2018	43.46	0.63	43.46	0.63	163.33	2.71	199.15	12.99	2.21	419.71	34.56

*Gross carrying amount and accumulated depreciation have been regrouped and noted in line with IND AS requirement, with effect from April 1, 2015 i.e., date of transition to IND AS for the Company. Leasehold Land is amortised over useful life for the period of 99 years (amounting to Rs 0.07 crores), 95 years (amounting to Rs 0.08 crores) & 89 years (amounting to Rs 0.48 crores) as per agreement. Above tangible movable and immovable fixed assets are subject to first pari passu charge on the most current loans from banks and second pari passu charge on the working capital loans both present and future.



3B. Intangible assets

	Software & License	Others ²	Total
Year ended March 31, 2017			
Gross carrying amount as at April 1, 2016¹			
Opening gross carrying amount	0.64	-	0.64
Additions	0.01	-	0.01
Disposals	-	-	-
Closing gross carrying amount as at March 31, 2017	0.65	-	0.65
Accumulated amortization			
Opening amortisation of intangible assets as at April 1, 2016¹			
Opening amortisation of intangible assets as at April 1, 2016 ¹	0.16	-	0.16
Amortisation for the year	0.13	-	0.13
Closing accumulated amortization as at March 31, 2017	0.29	-	0.29
Net carrying amount March 31, 2017	0.36	-	0.36
Year ended March 31, 2018			
Gross carrying amount as at April 1, 2017			
Opening gross carrying amount	0.65	-	0.65
Addition	0.01	0.29	0.30
Closing gross carrying amount as at March 31, 2018	0.66	0.29	0.95
Accumulated amortization			
Opening amortisation of intangible assets as at April 1, 2017			
Opening amortisation of intangible assets as at April 1, 2017	0.28	-	0.28
Amortisation for the year	0.18	0.02	0.20
Closing accumulated amortization as at March 31, 2018	0.46	0.02	0.48
Net carrying amount March 31, 2018	0.20	0.27	0.47

¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with IND AS requirement, with effect from April 1, 2015 i.e., date of transition to IND AS for the Company.

² Others represents Transfer of Technology (TOT) by Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for India Armed Forces for limited period of 10 years.



4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in : Wholly owned subsidiaries (fully paid up)					
Economic Explosives Limited	Rs. 10	48,00,000	48,00,000	14.50	14.50
Solar Mines & Minerals Limited ¹	Rs. 10	-	50,000	-	0.05
Solar Mining Resources Limited ¹	Rs. 10	-	50,000	-	0.05
Blastec India Private Limited	Rs. 100	4,98,766	4,98,766	0.50	0.50
Emul Tek Private Limited	Rs. 10	49,77,700	49,77,700	0.80	0.80
Solar Defence Limited	Rs. 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	Rs. 10	50,000	50,000	0.05	0.05
Solar Overseas Mauritius Limited	USD 100	85,000	85,000	38.82	38.82
				54.72	54.82
Investment carried at Cost					
Investment in Equity instruments of Associates :					
SMS Bhatgaon Mines Extension Private Limited	Rs. 10	4,90,000	4,90,000	0.49	0.49
Solar Bhatgaon Extension Mines Private Limited	Rs. 10	4,90,000	4,90,000	0.49	0.49
Provision for impairment				(0.98)	(0.98)
				-	-
Investment carried at Fair Value through Profit or Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	Rs. 10	1,10,000	1,10,000	0.11	0.11
				0.11	0.11
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	Rs.100,000	500	500	2.84	3.31
				2.84	3.31
Aggregate amount of unquoted investments				57.67	58.24
Aggregate amount of impairment in value of investments				(0.98)	(0.98)

¹ The National Company Law Tribunal (NCLT) has approved merger of Solar Mines & Minerals Limited and Solar Mining Resources Limited (Transferor companies) with Economic Explosives Limited (Transferee company) effective from April 1, 2017. Considering both Transferor and Transferee company are wholly owned subsidiaries of the Company and as part of the Scheme, upon Scheme coming into effect, all the shares of two transferor Companies held by the Company, on the effective date shall stand cancelled and extinguished. Accordingly, investment in transferee companies have been charged to Income statement.



Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Quoted					
Investment in equity instruments of (fully paid-up) :					
Reliance Industrial Infrastructure Limited	Rs. 10	-	967	-	0.05
MurlI Industries Limited	Rs. 2	-	5,331	-	-
IDFC Limited	Rs. 10	10,900	10,900	0.05	0.06
IDFC Bank Limited	Rs. 10	-	9,480	-	0.06
Mukand Limited	Rs. 10	-	30,930	-	0.26
Sunil Hitech Engineers Limited	Rs. 1	1,16,000	1,16,000	0.10	0.14
Quoted					
Investment in Mutual Funds (fully paid-up)					
HDFC Prudence Fund-Direct Plan-Growth Option	Rs. 10	1,06,466	1,06,466	5.38	5.02
Reliance Regular Saving Fund-Balanced Plan-Direct Growth Option	Rs. 10	-	12,49,774	-	6.20
Reliance Regular Saving Fund-Debt Plan-Direct Growth Plan	Rs. 10	-	28,08,325	-	6.60
ICICI Prudential Liquid - Direct Plan - Growth	Rs. 10	-	1,24,689	-	3.00
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	Rs. 10	7,356	29,970	0.57	2.13
Birla Sun Life Balanced '95 Fund-Growth Regular Plan	Rs. 10	-	33,837	-	2.31
Birla Sun Life Cash Manager-Growth Direct Plan	Rs. 10	-	1,23,280	-	5.01
SBI Magnum Balanced Fund-Regular Growth	Rs. 10	91,992	2,01,217	1.19	2.20
SBI Magnum Balanced Fund-Direct Growth	Rs. 10	-	1,85,571	-	2.10
Kotak Balance Direct Plan Growth	Rs. 10	2,19,861	8,98,773	0.56	2.12
Kotak Liquid Direct Plan Growth	Rs. 10	-	6,069	-	2.00
Franklin India Treasury Management Account-Super Institutional Plan-Direct-Growth	Rs. 10	-	20,568	-	5.00
				7.85	44.26
Aggregate amount of quoted investments and market value thereof (Refer Note 32)				7.85	44.26



5. Loans

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to subsidiaries/ step down subsidiaries (refer note 30A)	40.99	55.60	32.49	31.61
Loan to Others	11.23	56.05	23.86	56.05
Secured, considered good				
Loan to others	-	14.38	-	15.87
	52.22	166.03	56.35	103.53

Notes:

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

2. Non-current unsecured loans to other includes amounts which are outstanding for more than 12 months and as approved by board, no interest is charged on the same. The Company has filed a litigation against the counterparty for recovery of the said amount. Subsequent to the balance sheet date, the Company has received the award of the arbitration in its favour. Accordingly, the management believes that this amount would be recovered in full, however, since the counterparty carries the right to appeal against the outcome of the arbitration with higher authorities, the timing of such recovery is uncertain and hence the same is continued to be classified as non-current.

3. No Loans receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

Loans to private companies in which the company's director is a director

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Loan to subsidiaries				
Blastec (India) Private Limited	15.13	-	15.24	-
Emul Tek Private Limited	2.19	-	-	-
	17.32	-	15.24	-

4. Loans to subsidiaries / step-down subsidiaries pertain to funds advanced to the said related parties for regular working capital requirements. The said loans are repayable on demand and carry an interest rate at the rate of 9% per annum.

5. Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party. The said loans carry an interest rate @ 12% per annum.

6. Other financial assets

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts	1.99	-	5.62	-
	1.99	-	5.62	-
Others				
Sales tax receivable	37.17	21.05	33.87	18.72
Other receivables from associates (refer note 30C)	1.14	-	1.02	-
Claims receivable	0.01	-	0.16	-
Security deposits	0.73	1.84	-	2.44
Interest accrued but not due	0.24	-	0.04	-
	39.29	22.89	35.09	21.16
	41.28	22.89	40.71	21.16

Notes:

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



7. Trade receivables

	March 31, 2018	March 31, 2017
Trade receivables	120.03	129.60
Receivables from related parties (refer note 30B)	46.70	64.79
Less: Allowance for doubtful debts	(16.29)	(16.58)
	150.44	177.81

Break-up of security details

	March 31, 2018	March 31, 2017
Secured, considered good	6.16	5.41
Unsecured, considered good	144.28	172.40
Doubtful	16.29	16.58
	166.73	194.39
Allowance for doubtful debts (refer note 33)	(16.29)	(16.58)
	150.44	177.81

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Receivables from private companies in which the Company's directors is a director

	March 31, 2018	March 31, 2017
Receivables from related parties (refer note 30)		
Blastec India Private Limited	-	0.39
Emul Tek Private Limited	0.29	-
	0.29	0.39

8. Cash and cash equivalents

	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Balances with banks		
In current accounts	3.22	0.71
Cheques in hand	0.71	7.14
Cash on hand	0.11	0.34
	4.04	8.19
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	0.40	0.14
Balances with Bank held as margin money or security against guarantee or other commitments	5.47	1.31
Farmarked balances with banks (on unclaimed dividend accounts)	0.04	0.07
	5.91	1.52

Changes in liabilities arising from financing activities

Particulars	March 31, 2017	Cash flows	Foreign exchange	Changes in fair value	March 31, 2018
Current borrowings	96.72	(75.91)	0.45	-	21.26
Non-current borrowings	149.09	(16.27)	(1.99)	-	130.84
Total liabilities from financing activities	245.81	(92.18)	(1.54)	-	152.10



9. Other assets

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
Capital advances	-	7.99	-	5.57
Advances other than capital advances :				
Prepayments	1.16	-	-	0.72
Prepaid of leasehold property	-	0.95	-	1.07
Advances to suppliers for goods and services	7.74	-	10.81	-
Advances to staff	0.10	-	0.37	-
Balances with revenue authorities	16.41	-	20.55	-
	25.41	8.94	31.73	7.36

10. Inventories

	March 31, 2018	March 31, 2017
Raw materials and packing materials (Includes stock in transit of Rs. 6.61 (March 31, 2017 : Nil))	45.05	54.12
Work-in-progress	23.38	9.89
Finished goods	5.05	4.45
Stock-in-trade (Includes stock in transit of Rs. 5.48 (March 31, 2017 : Rs. 0.12)	5.49	0.13
Stores and spares	10.08	8.35
Project inventory held for sale	1.61	0.89
	90.66	77.83



11. Equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Authorised equity share capital (face value Rs.2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value Rs.2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Number of Shares at the beginning of the year	9,04,90,055	1,80,98,011	18.10	18.10
Add: Shares split during the year	-	7,23,92,044	-	-
Number of Shares at the end of the year	9,04,90,055	9,04,90,055	18.10	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Shri Satyanarayan Nuwal	22.48%	22.48%	2,03,43,695	2,03,43,695
Shri Kailashchandra Nuwal	19.60%	19.60%	1,77,39,095	1,77,39,095
Smt Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Smt Leela Devi Nuwal	5.61%	5.61%	50,75,940	50,75,940
Smt Sohan Devi Nuwal	5.14%	5.14%	46,49,690	46,49,690

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.



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11A. Other equity

Securities premium reserve

At April 1, 2016	149.13
At March 31, 2017	149.13
At March 31, 2018	149.13

Retained earnings

At April 1, 2016	175.17
Add : Profit for the year	132.58
Less : Transfer to General Reserve	(45.00)
Less : Interim Dividends	(18.10)
Less : Tax on Interim Dividend	(3.68)
Less : Remeasurement loss on defined benefit plans	(0.46)
At March 31, 2017	240.51
Add : Profit for the year	134.26
Less : Transfer to General Reserve	(45.00)
Less : Remeasurement loss on defined benefit plans	(1.04)
Less : Final Dividend of FY 2016-17	(27.15)
Less : Dividend Distribution Tax (DDT) on Final Dividend of FY 2016-17	(5.52)
At March 31, 2018	296.06

Capital reserve

At April 1, 2016	4.29
At March 31, 2017	4.29
At March 31, 2018	4.29

General reserve

At April 1, 2016	201.61
Add : Transfer from retained earnings	45.00
At March 31, 2017	246.61
Add : Transfer from retained earnings	45.00
At March 31, 2018	291.61



Cash flow hedge reserve

At April 1, 2016	-
At March 31, 2017	-
Add : Net movement on Cash Flow Hedges	0.02
At March 31, 2018	0.02

11B. Distribution made and proposed

	March 31, 2018	March 31, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: Rs. 3 per share (March 31, 2016 Rs. NIL per share)	27.15	-
DDT on final dividend	5.52	-
Interim dividend for the year ended on March 31, 2018: Rs. NIL per share (March 31, 2017 Rs. 2 per share)	-	18.10
DDT on interim dividend	-	3.68
	32.67	21.78
Proposed dividends on Equity shares *		
Final cash dividend for the year ended on March 31, 2018: Rs. 6 per share (March 31, 2017: Rs. 3 per share)	54.29	27.15
DDT on proposed dividend	11.16	5.52
	65.45	32.67

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2018 and March 31, 2017.



Financial liabilities

12. Non-current Borrowings

	March 31, 2018	March 31, 2017
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks (USD)	124.58	149.09
Indian Rupee term loan	6.26	0.00
Interest accrued but not due	0.38	0.72
	131.22	149.81
Less: Amount clubbed under "Other current financial liabilities" (refer note 16)		
Current maturities of long-term debt	(55.62)	(68.79)
Interest accrued but not due on non-current borrowings	(0.38)	(0.72)
	75.22	80.30

13. Current Borrowings

	March 31, 2018	March 31, 2017
Secured		
From banks		
Foreign currency working capital loan	14.99	14.50
Indian Rupee working capital loan	-	0.18
Buyer's credit	6.27	18.16
Interest accrued but not due	0.05	0.10
Unsecured		
From banks		
Indian Rupee working capital loan	-	45.00
Loan from related parties	-	18.88
Interest accrued but not due	-	2.28
	21.31	99.10
Less: Amount clubbed under "Other current financial liabilities" (refer note 16)		
Interest accrued but not due on current borrowings	(0.05)	(2.38)
	21.26	96.72



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	Maturity date	Terms of repayment	Mar 31, 2018	March 31, 2017
Non current Borrowing Secured				
Foreign currency term loan from Bank	Sep 11, 2017	Single repayment at the end of the term	-	19.45
Foreign currency term loan from Bank	Jan 12, 2018	Single repayment at the end of the term	-	20.75
Foreign currency term loan from Bank	July 9, 2018	Single repayment at the end of the term	16.19	16.11
Foreign currency term loan from Bank	Sep 28, 2018	Repayable in Four equal half yearly instalment	6.22	18.56
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	44.33	50.62
Rupee Term Loan from Bank	March 31, 2020	Repayable in eight equal quarterly instalment starting after moratorium period of 12 months	6.25	-
Foreign currency term loan from Bank	Aug 31, 2018	Repayable in eight equal half yearly instalment	8.15	24.32
Foreign currency term loan from Bank	Sep 19, 2019	Single repayment at the end of the term	50.07	-
			131.22	149.81

The above foreign currency from Banks carries an interest rate of LIBOR + 100 to 300 bps
The Indian rupee long term loan from Bank carries an interest rate of 3% + 1 year MCLR

	Maturity date	Terms of repayment	Mar 31, 2018	March 31, 2017
Current Borrowings Secured				
Foreign currency working capital loan from Bank	Oct 24, 2018	Single repayment at the end of the term	15.04	14.50
Buyer's credit	June 7, 2017	Single repayment at the end of the term	-	8.73
Buyer's credit	April 27, 2017	Single repayment at the end of the term	-	9.53
Buyer's credit	May 23, 2018	Single repayment at the end of the term	6.27	-
Indian rupee working capital loan from Banks	On Demand	On Demand	-	0.18
Foreign currency working capital loan from Bank	July 04, 2015	Single repayment at the end of the term	-	-
Foreign currency working capital loan from Bank	July 08, 2015	Single repayment at the end of the term	-	-
Buyer's credit	May 30, 2015	Single repayment at the end of the term	-	-
Unsecured				
Indian rupee working capital loan from Bank	April 24, 2017	Single repayment at the end of the term	-	20.00
Indian rupee working capital loan from Bank	June 21, 2017	Single repayment at the end of the term	-	25.00
Loan from related party	On Demand	On Demand	-	21.18
Buyer's credit	May 20, 2016	Single repayment at the end of the term	-	-
Buyer's credit	Sep 08, 2016	Single repayment at the end of the term	-	-
Buyer's credit	April 07, 2016	Single repayment at the end of the term	-	-
			21.31	99.10

The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 30 bps to LIBOR + 300 bps

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable fixed assets and second pari passu charge on the Company's current asset. Working capital loans have first Pari Passu charge on Company's entire current asset, both present and future and second Pari Passu charge on Company's entire fixed assets, both present and future.

Loan covenants

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

The other loans do not carry any debt covenants.

The Company has not defaulted on any loans payable.



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Note 14: Tax expenses

The major components of tax expense for the years ended March 31, 2018 and March 31, 2017 are :

Statement of profit and loss:

Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	57.01	54.69
Deferred tax:		
Relating to origination and reversal of temporary differences	14.15	9.88
Tax expense reported in the statement of profit or loss	71.16	64.57

OCI section

Deferred tax related to items recognised in OCI during in the year :

	March 31, 2018	March 31, 2017
Net gain/(loss) on revaluation of cash flow hedges	0.02	-
Net (loss)/gain on remeasurements of defined benefit plans	(0.55)	(0.25)
Income tax charged to OCI	(0.53)	(0.25)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017 :

	March 31, 2018	March 31, 2017
Accounting profit before tax	205.42	197.15
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	71.09	68.23
Effect of :		
Donation	0.25	0.52
CSR Expense	1.21	0.98
Investment allowance reserve	-	(2.27)
Income taxed at lower rates	-	(0.04)
Long term loss on shares	0.02	-
Capital Income	(0.76)	(0.82)
Dividend	(0.10)	-
LTCG on bond	(0.20)	(0.10)
R&D expense	(1.20)	(1.99)
Impairment of assets	-	0.23
Derivative	0.17	(0.47)
Others	0.15	0.05
Total income tax expense	70.63	64.32

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2018	March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	87.87	73.82
Financial assets at fair value through profit or loss	0.08	0.14
Derivative Instruments at fair value through profit or loss	0.62	0.47
Gratuity	-	0.25
Provision for investments in associates	(0.34)	(0.34)
Provision towards trade receivables	(5.63)	(5.74)
Employee benefits	(0.86)	(0.48)
Net deferred tax (assets)/ liabilities	81.74	68.12



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Statement of profit or loss

	March 31, 2018	March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	14.05	11.43
Provision towards trade receivables	0.10	(0.78)
Provision for investments in associates	-	(0.34)
Employee benefits	(0.38)	(0.48)
Financial assets at fair value through profit or loss	(0.06)	(0.21)
Derivative instruments at fair value through profit or loss	0.15	0.16
Gratuity	(0.24)	(0.02)
Remeasurement of defined benefit plans	0.55	0.25
Revaluation of cash flow hedges	(0.02)	-
Other	-	(0.13)
Deferred tax expense/(income)	14.15	9.88

Reconciliation of deferred tax liabilities (net):

	March 31, 2018	March 31, 2017
Opening balance as of April 1	68.12	58.49
Tax (income)/expense during the period recognised in profit or loss	14.15	9.88
Tax (income)/expense during the period recognised in OCI	(0.53)	(0.25)
Closing balance as at March 31	81.74	68.12

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2018 and March 31, 2017, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.



15. Trade payables

	March 31, 2018	March 31, 2017
Current		
Trade payables	48.75	36.97
Trade payables to related parties (refer note 30C)	3.32	0.02
	52.07	36.99

Trade payables are non-interest bearing and are normally settled on 60-day terms
 For trade payables due to MSMED, refer to Note 36
 For terms and conditions with related parties, refer to Note 30B
 For explanations on the Group's credit risk management processes, refer to Note 33

16. Other current financial liabilities

	March 31, 2018	March 31, 2017
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts	0.48	4.27
	0.48	4.27
Other financial liabilities at amortised cost		
Current maturities of long term debt (refer note 12)	55.62	68.79
Interest accrued on non-current borrowings (refer note 12)	0.38	0.72
Interest accrued on current borrowings (refer note 13)	0.05	2.38
	56.05	71.89
Others		
Capital creditors	1.29	0.60
Employee related payables	9.70	7.27
Liabilities towards trade discounts	12.87	5.20
Unpaid dividend	0.04	0.05
Other payables	0.66	-
	24.56	13.12
	81.09	89.28

17. Other current liabilities

	March 31, 2018	March 31, 2017
Statutory dues payables	6.67	6.71
Advances from customers	13.30	11.42
Other advances	0.51	-
	20.48	18.13



17a. Provisions

	Provision for gratuity	Provision for leave encashment	Total
At April 01, 2017	-	1.39	1.39
Arising during the year	2.41	1.15	3.56
Utilised during the year	(1.61)	(0.06)	(1.67)
Other adjustments	(0.72)	-	(0.72)
At March 31, 2018	0.08	2.48	2.56
Current	0.08	2.48	2.56
Non-current	-	-	-

	Provision for leave encashment	Total
At April 01, 2016	-	-
Arising during the year	1.39	1.39
At March 31, 2017	1.39	1.39
Current	1.39	1.39
Non-current	-	-



18. Revenue from operations

The Company derives the following types of revenue:

	March 31, 2018	March 31, 2017
Sale of products (including excise duty)	1,262.62	1,210.20
Other operating revenues	42.73	43.02
	1,305.35	1,253.22

Sale of products includes excise duty collected from customers of Rs. 32.08 (March 31, 2017 : Rs. 115.91). Sale of products net of excise duty is Rs. 1,230.54 (March 31, 2017 : Rs. 1,094.29). Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable to the year ended March 31, 2017.

19. Other income

	March 31, 2018	March 31, 2017
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	9.29	5.73
from others	1.76	3.73
on deposits with bank	0.30	0.09
Profit on sale of investments carried at fair value through profit or loss	1.78	1.91
Interest received on income tax refund	1.07	0.07
Dividend income from equity investments designated at fair value through profit or loss	0.30	-
Net gain on disposal of property, plant and equipment	0.09	0.01
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.27	1.38
Net gain on foreign currency transaction and translation	3.24	-
Fair value gain on derivatives not designated as hedges	0.13	0.46
	18.23	13.38

20. Cost of materials consumed

	March 31, 2018	March 31, 2017
Raw materials and packing materials at the beginning of the year	54.12	46.89
Add: Purchases during the year	740.95	685.80
Less: Raw materials and packing materials at the end of the year	45.05	54.12
	750.02	678.57

21. Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2018	March 31, 2017
Opening balance		
Work-in progress	9.88	9.00
Finished goods	4.45	3.55
Stock-in-trade	0.13	-
	14.46	12.55



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Closing balance		
Work-in progress	23.38	9.89
Finished goods	5.05	4.45
Stock-in-trade	5.49	-
	33.92	14.34
	(19.46)	(1.79)

22. Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	65.23	51.56
Contribution to provident and other funds	2.72	2.07
Staff welfare expenses	1.05	0.72
	69.00	54.35

23. Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spares	7.65	7.35
Excise duty on inventory	-	0.44
Repairs and maintenance :		
Plant and machinery	5.31	4.31
Buildings	2.43	1.18
Others	4.74	4.20
Water and electricity charges	16.46	14.02
Rates and taxes	2.52	2.18
Legal and professional fees	7.01	5.72
Travel and conveyance	5.06	4.77
Sales commission expenses	6.92	0.44
Freight and forwarding charges	26.11	15.72
Transportation charges	12.64	10.54
Remuneration to directors	8.70	8.64
Pump truck expenses	7.36	5.65
Security service charges	6.66	5.53
Sales promotion expenses	1.84	1.78
Donations	1.69	2.45
Advertisement expenses	0.83	0.50
Advances written off	2.17	0.19
Directors' sitting fees	0.11	0.09
Impairment loss on property, plant and equipment	-	0.65
Impairment loss on investment (refer note 4)	-	0.98
Bad debts written off	6.47	-
Loan to others written off	0.50	-
Impairment loss on trade receivables	(0.29)	2.24
CSR expenditure (refer note 23(b))	3.51	2.88
Payments to auditors (refer note 23(a))	0.60	0.54
Miscellaneous expenses (includes printing , communication , postage , office expenses etc)	17.81	10.33
	154.81	113.27



23(a). Details of payments to auditors

	March 31, 2018	March 31, 2017
Payment to auditors		
As auditor:		
Audit fee	0.60	0.30
Tax audit fee	-	0.05
In other capacities		
Taxation matters	-	0.11
Certification fees	-	0.04
Vat audit fees	-	0.05
	0.60	0.55

23(b). CSR expenditure

	March 31, 2018	March 31, 2017
Gross amount required to be spent by the Company during the year	3.37	2.74
Amount spent in cash during the year ending March 31, 2018		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	3.51	-
Amount spent in cash during the year ending March 31, 2017		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	-	2.83

24. Finance costs

	March 31, 2018	March 31, 2017
Interest on borrowings		
To banks	13.84	11.51
To related parties	0.39	2.28
	14.23	13.79

25. Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (note 3A)	25.89	19.15
Amortization of intangible assets (note 3B)	0.20	0.13
	26.09	19.28



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Note 26 : Earnings per share (EPS)

	March 31, 2018	March 31, 2017
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	134.26	132.12
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	14.84	14.60
Nominal value of shares (Rs.)	2.00	2.00



Note 27. Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The Company has a defined benefit gratuity plan (funded). The Company's defined benefit gratuity plan is a final salary plan for the employees, which requires contributions to be made to a separately administered fund.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 30). The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

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

Expense recognized in statement of Profit and Loss

	March 31, 2018	March 31, 2017
Service cost	0.87	0.35
Net interest cost	(0.05)	(0.06)
Expenses recognized in the statement of Profit and Loss	0.82	0.29

Other Comprehensive Income

	March 31, 2018	March 31, 2017
Opening amount recognized in OCI outside of statement of profit and	-	-
Actuarial gain / (loss) on liabilities	(1.62)	(0.69)
Actuarial gain / (loss) on assets	0.03	(0.02)
Closing of amount recognized in OCI outside of statement of profit and loss	(1.59)	(0.71)

The amount to be recognized in Balance Sheet

	March 31, 2018	March 31, 2017
Present value of funded obligations	8.12	5.32
Fair value of plan assets	8.03	6.04
Net defined benefit liability / (assets) recognized in balance sheet	0.09	(0.72)



Change in Present Value of Obligations

	March 31, 2018	March 31, 2017
Opening of defined benefit obligations	5.32	4.19
Service cost	0.87	0.35
Interest Cost	0.36	0.33
Benefit Paid	(0.05)	(0.25)
Actuarial (Gain)/Loss on total liabilities:	1.62	0.69
Closing of defined benefit obligation	8.12	5.31

Change in Fair Value of Plan Assets

	March 31, 2018	March 31, 2017
Opening fair value of plan assets	6.04	4.95
Actual Return on Plan Assets	0.44	0.38
Employer Contribution	1.60	0.96
Benefit Paid	(0.05)	(0.25)
Closing fair value of plan assets	8.03	6.04

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

	March 31, 2018	March 31, 2017
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2018	March 31, 2017
Discount Rate	7.69% per annum	6.8% per annum
Rate of Increase in Compensation levels	5% per annum	7.5% per annum
Rate of Return on Plan Assets	6.80% per annum	8% per annum

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

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

Sensitivity Analysis

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

	March 31, 2018	Impact (Absolute)	Impact (%)
Base Liability	8.12		
Increase Discount Rate by 0.50%	7.94	(0.18)	-2.22%
Decrease Discount Rate by 0.50%	8.31	0.19	2.36%
Increase Salary Inflation by 1%	8.49	0.37	4.65%
Decrease Salary Inflation by 1%	7.77	(0.35)	-4.28%
Increase in Withdrawal Assumption by 5%	8.38	0.26	3.18%
Decrease in Withdrawal Assumption by 5%	7.66	(0.46)	-5.65%

Notes :

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



Note 28. Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	42.37	2.97

Contingent liabilities

Particulars	March 31, 2018	March 31, 2017
Guarantees excluding financial guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	277.95	102.13
Financial Guarantee given by the Company	32.15	29.80
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	33.95	106.99
Claims against the Company not acknowledged as debts *		
Excise related matters	5.22	5.13
Sales tax deferment	-	9.47
Sales tax / VAT related matters	13.22	12.06
Income tax related matter	0.51	2.83

* The Company is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.



Note 29. Group Information

	Name	Principal activities	Country	% Equity Interest	
				March 31, 2018	March 31, 2017
A	Indian subsidiaries				
1	Economic Explosives Limited	Manufacturing of explosives	India	100.00%	100.00%
2	Blastec (India) Private Limited	Manufacturing of explosives	India	100.00%	100.00%
3	Emul Tek Private Limited	Manufacturing of explosives	India	100.00%	100.00%
4	Solar Mines & Minerals Limited	Note 4	India	0.00%	100.00%
5	Solar Mining Resources Limited	Note 4	India	0.00%	100.00%
6	Solar Defence Limited	Note 1	India	100.00%	100.00%
7	Solar Defence Systems Limited	Note 1	India	100.00%	100.00%
B	Overseas subsidiary				
1	Solar Overseas Mauritius Limited	Investment entity	Mauritius	100.00%	100.00%
	Overseas step down subsidiaries				
1	Solar Mining Services Pty Limited (a)	Manufacturing of explosives	South Africa	74.00%	74.00%
2	Nigachem Nigeria Limited (a)	Manufacturing of explosives	Nigeria	55.00%	55.00%
3	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (b)	Manufacturing of explosives	Turkey	100.00%	74.50%
4	Solar Explochem Zambia Limited (a)	Manufacturing of explosives	Zambia	65.00%	65.00%
5	Solar Overseas Netherlands Cooperative U.A (c)	Investment entity	Netherlands	99.99%	99.99%
6	Solar Overseas Singapore Pte Limited (c)	Investment entity	Singapore	100.00%	100.00%
7	Solar Industries Africa Limited (c)	Investment entity	Mauritius	100.00%	100.00%
8	Solar Mining Services Pty Ltd (formerly known as Australian Explosive Technologies Group Pty Limited) (e)	Trading of explosives	Australia	76.00%	76.00%
9	Solar Overseas Netherlands B.V. (a)	Investment entity	Netherlands	100.00%	100.00%
10	Solar Nitro chemicals Limited (d)	Note 1	Tanzania	65.00%	65.00%
11	P.T. Solar Mining Services (b)	Note 1	Indonesia	100.00%	100.00%
12	Solar Mining Services Australia Pty Limited (e)*		Australia	80.00%	80.00%
13	Solar Explochem (Ghana) Limited (b)	Note 2	Ghana	80.00%	80.00%
14	Solar Industrias Mozambique LDA (d)	Note 2	Mozambique	100.00%	100.00%
15	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (b)	Note 3	Turkey	53.00%	53.00%
16	Solar Nitro Ghana Limited (b)^	Manufacturing of explosives	Ghana	90.00%	-
17	Solar Madencilik Hizmetleri A.S (b) #	Manufacturing, Trading of Explosives and Blasting Services	Turkey	100.00%	-
C	Associates				
1	Solar Bhatgaon Extension Mines Pvt. Limited	Note 1	India	49.00%	49.00%
2	SMS Bhatgaon Mines Extension Pvt. Limited	Note 1	India	49.00%	49.00%

Note 1: The entity has not commenced its business operations

Note 2: In continuation of the efforts to realign the group structure and consolidate the multi layered structure, the board has decided to dissolve these companies.

Note 3: The entity is under liquidation.

Note 4: The entities have been merged with Economic Explosives Limited with effect from April 1, 2017 pursuant to NCLT order dated March 16, 2018

(a) Majority owned and controlled subsidiaries of Solar Overseas Netherlands Cooperative 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 subsidiary of Solar Industries Africa Limited

(e) Majority owned and controlled subsidiary of Solar Overseas Singapore PTE Limited

*Liquidated on December 06, 2017

^ Incorporated on December 22, 2017

Incorporated on January 25, 2018



Note 30: Related Party Disclosures

A Names of related parties and related party relationship :

I Subsidiaries and associates

Note no. 29 provides the information about the group's structure including the details of the subsidiaries, step down subsidiaries and associate companies

II Key Management Personnel (KMP)

Shri Satyanarayan Nuwal (Chairman and Executive Director)

Shri Kailashchandra Nuwal (Executive Director)

Shri Manish Nuwal (Managing Director and CEO)

Shri Roomie Dara Vakil (Executive Director)

Shri Anil Kumar Jain (Executive Director)

Shri Nilesh Panpaliya (Chief Financial Officer)

Smt Khushboo Pasari (Company Secretary)

III Non Executive Directors*

Shri Anant Sagar Awasthi

Shri Dilip Patel

Shri Ajai Nigam

Shri Amrendra Verma

Smt Madhu Vij

*Non executive independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2017-18.

Company has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

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

Solar Synthetics Private Limited

Commercial Sales Corporation

V Other related party

Solar Industries India Limited employee group gratuity assurance scheme

(Post employment benefit plan of the Company)

Refer to Note 27 for information on transactions with post employment benefit plan mentioned above



B. Transactions with related parties during the year

Nature of Transaction	March 31, 2018	March 31, 2017
Sales of products and services		
Economic Explosives Limited	76.88	66.50
Blastec (India) Private Limited	1.90	3.25
Nigachem Nigeria Limited	10.63	16.71
Solar Explochem Zambia Limited	9.45	5.93
Solar Patlayıcı Maddeler Sanayi Ve Ticaret Anonim Sirketi	34.11	28.46
Solar Mining Services (Pty) Ltd, South Africa	17.46	8.37
Solar Mining Services Pty Ltd (formerly known as Australian Explosive Technologies Group Pty Limited)	1.45	-
Total	151.88	130.22
Other operating income		
Economic Explosives Limited- Licence	0.25	0.21
Nigachem Nigeria Limited (Technical consultancy)	0.70	0.28
Solar Overseas Mauritius Ltd. (Loan fund arrangement charges)	0.37	-
Total	1.32	0.49
Sale of fixed assets		
Blastec (India) Private Limited	-	0.04
Emul Tek Private Limited	0.16	-
Total	0.16	0.04
Project Sales		
Solar Mining Services (Pty) Ltd	-	5.36
Total	-	5.36
Purchase of raw material and components		
Economic Explosives Limited	83.53	71.63
Solar Mining Services (Pty) Ltd	0.58	-
Total	84.11	71.63
Purchase of License		
Economic Explosives Limited	0.43	0.96
Total	0.43	0.96
Other Expenditure		
Solar Synthetics Private Limited (Consumables)	0.20	0.15
Solar Synthetics Private Limited (Rent)	0.06	0.05
Total	0.26	0.20



Solar Industries India Limited
Notes to Financial Statements for the year ended March 31, 2018
(All amounts in Rs. in Crores, unless otherwise stated)

Loans given/ (repaid) during the year (net)		
Economic Explosives Limited	45.54	(1.44)
Blastec (India) Private Limited	(0.10)	(1.74)
Solar Mines & Minerals Ltd	-	0.08
Solar Overseas Singapore Pte Ltd.	(0.03)	-
Solar Overseas Mauritius Ltd.	22.74	10.87
Emul Tek Private Limited	2.16	(0.22)
Total	70.31	7.55
Loans taken/ (repaid) during the year (net)		
Commercial Sales Corporation	(21.16)	13.44
Total	(21.16)	13.44
Interest received		
Economic Explosives Limited	4.33	1.09
Blastec (India) Private Limited	1.20	1.87
Solar Mines & Minerals Ltd	-	0.08
Emul Tek Private Limited	0.06	0.02
Solar Overseas Mauritius Ltd	3.70	2.66
SMS Bhatgaon Mines Extension Private Limited	0.11	0.11
Solar Bhatgaon Extension Mines Private Limited	0.01	0.02
Total	9.41	5.85
Interest paid		
Commercial Sales Corporation	0.39	2.28
Total	0.39	2.28
Remuneration to KMP*		
Short-term employee benefits		
Shri S.N. Nuwal	2.70	2.70
Shri K.C. Nuwal	2.70	2.70
Shri Manish Nuwal	2.70	2.70
Shri R D Vakil	0.27	0.26
Shri Anil Kumar Jain	0.33	0.28
Shri Nilesh Panpaliya	0.29	0.27
Mrs. Khushboo Pasari	0.09	0.08
Total	9.08	8.99
Sitting fees		
Shri Anant Sagar Awasthi	0.02	0.02
Shri Dilip Patel	0.03	0.03
Shri Ajai Nigam	0.02	0.02
Shri Amrendra Verma	0.02	0.01
Smt Madhu Vij	0.02	0.01
Total	0.11	0.09
Guarantee given on behalf of subsidiary		
Solar Overseas Mauritius Limited	198.51	19.45
Solar Mining Services (Pty) Limited	41.71	-
Solar Patlayici Maddeleler	30.96	-
Total	271.18	19.45



Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has recorded an impairment of receivables relating to amounts owed by related parties of Rs. 4.30 (March 31, 2017: Rs. 2.80). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

C. Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2018	March 31, 2017
Loans given		
Economic Explosives Limited	63.66	17.26
Blastec (India) Private Limited	15.13	15.24
Solar Mines & Minerals Ltd	-	0.80
Solar Overseas Singapore Pte Ltd.	-	0.03
Solar Overseas Mauritius Ltd.	55.60	30.79
Emul Tek Private Limited	2.19	-
Total	136.58	64.12
Loans taken		
Commercial Sales Corporation	-	21.16
Total	-	21.16

Trade receivables/Other Receivables		
Nigachem Nigeria Limited	5.00	18.71
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	26.08	27.66
PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	4.30	4.30
Blastec (India) Private Limited	-	0.39
Solar Mining Services (Pty) Limited, South Africa	11.04	13.73
SMS Bhatgaon Mines Extension Private Limited	1.00	0.90
Solar Bhatgaon Extension Mines Private Limited	0.14	0.12
Emul Tek Private Limited	0.29	-
Total	47.85	65.81
Trade payables/ Other payables		
Economic Explosives Limited	2.74	-
Emul Tek Private Limited	-	0.02
Solar Mining Services (Pty) Limited, South Africa	0.58	-
Shri S.N.Nuwal	0.20	-
Shri Manish Nuwal	0.22	-
Shri K.C. Nuwal	0.24	-
Total	3.98	0.02
Guarantees (including SBLC's) given on behalf of subsidiary		
Solar Overseas Mauritius Limited	205.02	209.12
Solar Mining Services (Pty) Limited	41.71	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	65.17	-
Total	311.90	209.12

Loans to subsidiaries

Loans to subsidiaries / step-down subsidiaries pertain to funds advanced to the said related parties for regular working capital requirements. The said loans are repayable on demand and carry an interest rate at the rate of 9% per annum.



Note 31: Segment Information

The Company has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

In accordance with paragraph 4 of Ind AS 108 "Operating Segments", the Company has presented segment information only in the Consolidated financial statements.

Note 32. 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 Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

- The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) 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.
- The fair values of the quoted investments/ units of mutual fund schemes are based on market price/ net asset value at the reporting date.
- The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- The fair values for loans given are calculated based on discounted cash flows using 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 2 fair values in the fair value hierarchy.
- Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

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					
Loans	218.25	5	-	218.25	-
Other financial assets (except derivatives)	62.18	6	-	-	-
Trade receivables	150.44	7	-	-	-
Cash and cash equivalents	4.04	8	-	-	-
Bank balances other than cash and cash equivalents	5.91	8	-	-	-
Fair value					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	2.84	4	-	2.84	-
Investment in equity instruments (quoted)	0.15	4	0.15	-	-
Investment in mutual funds (quoted)	7.70	4	7.70	-	-
Derivative instruments	1.99	6	-	1.99	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	75.22	12	-	75.22	-
Current	21.26	13	-	21.26	-
Trade payables	52.07	15	-	-	-
Other financial liabilities (except derivatives)	80.61	16	-	-	-
Fair Value					
Derivative instruments	0.48	16	-	0.48	-

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



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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	159.88	5	-	159.88	-
Other financial assets (except derivatives)	56.25	6	-	-	-
Trade receivables	177.81	7	-	-	-
Cash and cash equivalents	8.19	8	-	-	-
Bank balances other than cash and cash equivalents	1.52	8	-	-	-
Fair Value					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	3.31	4	-	3.31	-
Investment in equity instruments (quoted)	0.56	4	0.56	-	-
Investment in mutual funds (quoted)	43.70	4	43.70	-	-
Derivative Instruments	5.62	6	-	5.62	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	80.30	12	-	80.30	-
Current	96.72	13	-	96.72	-
Trade payables	36.99	15	-	-	-
Other financial liabilities (except derivatives)	85.01	16	-	-	-
Fair Value through profit or loss					
Derivative Instruments	4.27	16	-	4.27	-

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



Note 33. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions.

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 derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis	Foreign-exchange options contracts
		Sensitivity Analysis	
Market Risk- Equity price risk	Investment in Equity Securities mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Aging Analysis	Diversification of credit limits and letters of credit and Bank guarantee
		Credit Analysis	
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

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 fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

0.5% changes in LIBOR will increase/ decrease the borrowing cost by Rs 0.76 Crores (Pre-tax)

The Company does not have significant investment in Bank Deposits and hence not significantly exposed to interest rate sensitivity.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.



Unhedged foreign currency exposure as at the reporting date:

	March 31, 2018				March 31, 2017	
	USD	EURO	SEK	ZAR	USD	EURO
Trade Receivable	0.95	0.02	-	-	1.13	0.02
Loans	0.85	-	-	-	0.68	-
Borrowings	0.10	-	-	-	0.77	-
Trade Payables *	-	-	0.01	0.11	-	-

* Amount is less than ₹ 0.01 Crore in March 31, 2017

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

	March 31, 2018	March 31, 2017
USD	1.11	0.56
EURO	0.02	0.01
SEK*	-	-
ZAR	(0.01)	-

* Amount is less than ₹ 0.01 Crore in March 31, 2018

Equity price risk

The Company's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

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

	March 31, 2018	March 31, 2017
Investment in equity shares (quoted)	0.15	0.56
Investment in mutual funds	7.70	43.70

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and mutual funds and gain/ loss for the year would be ₹. 0.08 Crore (March 31, 2017: ₹. 0.44 Crore) (Pre-tax). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Company's internal assessment.

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 Company 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 subsidiaries and certain unrelated parties. However there is no counter party risk. Except in case of some non-current loans which were under arbitration proceeding wherein the company has received favourable order. Management believes that this amount would be recovered in full however the timing of recovery is uncertain. (refer Note 5 for details)



Trade and other receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2018	104.19	15.90	46.64	166.73
As at March 31, 2017	114.68	18.40	61.31	194.39

The following table summarises the changes in the provisions made for the receivables:

	March 31, 2018	March 31, 2017
Opening balance	16.58	14.33
Provided (reversal) during the year	(0.29)	3.44
Reversals of provisions	-	(1.19)
Closing balance	16.29	16.58

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

Liquidity risk

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

Maturity profile of financial liabilities

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2018						
Borrowings						
From Banks (net of interest accrued but not due)	-	12.53	64.35	75.22	-	152.10
Trade payables	-	52.07	-	-	-	52.07
Other financial liabilities	0.04	5.37	19.15	-	-	24.56
Derivative Instruments	-	-	0.15	0.33	-	0.48
March 31, 2017						
Borrowings						
From related party (net of interest accrued but not due)	18.88	-	-	-	-	18.88
From Banks (net of interest accrued but not due)	0.18	62.44	84.01	80.80	-	226.93
Trade payables	-	36.99	-	-	-	36.99
Other financial liabilities	0.05	3.70	9.37	-	-	13.12
Derivative Instruments	-	0.81	1.02	2.44	-	4.27



Note 34. Capital management

For the purpose of Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	March 31, 2018	March 31, 2017
Net Debt	86.53	167.31
Equity	759.21	658.64
Capital and net debt	845.74	825.95
Gearing ratio	10.23%	20.26%

Calculation of net debt is as follows :

	March 31, 2018	March 31, 2017
Borrowings		
Non-Current	75.22	80.30
Current	21.26	96.72
	96.48	177.02
Cash and cash equivalents	4.04	8.19
Bank balances other than cash and cash equivalents	5.91	1.52
	9.95	9.71
Net Debt	86.53	167.31

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2018.

Note 35: Research & Development Expenditure:

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

	March 31, 2018	March 31, 2017
In the nature of Revenue Expenditure	5.28	2.89
In the nature of Capital Expenditure	0.65	1.43
Total	5.93	4.32



Note 36: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2018	March 31, 2017
Principal amount outstanding (whether due or not) to micro and small enterprises	3.98	3.75
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note 37: Previous year figures have been reclassified, as considered necessary, to confirm with current year presentation, wherever applicable.

As per our report of even date attached
 For Akshay Rathi & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 139703W


 per Akshay Rathi
 Proprietor
 Membership No.- 161916

 Place: Nagpur
 Date: May 11, 2018

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003


 per Shyamsundar Pachisia
 Partner
 Membership No.- 49237
 11 MAY 2018


For and on behalf of the Board of Directors of
 Solar Industries India Limited


 S.N. Nuwal
 Chairman &
 Executive Director

 Manish Nuwal
 Managing Director &
 CEO

 Khashboo Pesari
 Company Secretary

 Nilesh Parpaliya
 Chief Financial Officer

11 MAY 2018




SOLAR

SOLAR INDUSTRIES INDIA LTD
CONSOLIDATED
BALANCE SHEET
2017-2018

Akshay Rathi & Associates
Chartered Accountants
119, Lendra Park, Near Dr. Golhor
Hospital, Ramdaspath
Nagpur- 440 010

S R B C & CO LLP
Chartered Accountants
5th Floor, Block B 2, Nirlon Knowledge Park,
Off Western Express Highway, Goregaon (E),
Mumbai- 400 063

INDEPENDENT AUDITOR'S REPORT

To the Members of Solar Industries India Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial



statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 consolidated state of affairs of the Group, as at March 31, 2018, their consolidated profit/loss (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

- (a) Financial statements and other financial information, in respect of 1 subsidiaries, whose Ind AS financial statements include total assets of Rs 503.52 crore and net assets of Rs 332.32 crore as at March 31, 2018, and total revenues of Rs 282.91 crore and net cash outflows of Rs 0.64 crore for the year ended on that date. These financial statement and other financial information have been audited by one of the joint auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report(s) of such joint auditor.
- (b) We did not audit the financial statements and other financial information, in respect of 9 subsidiaries, whose Ind AS financial statements include total assets of Rs 616.69 crore and net assets of Rs 209.76 crore as at March 31, 2018, and total revenues of Rs 640.85 crore and net cash inflows of Rs 23.08 crore for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.
- (c) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 29, 2017.



Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;
- (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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 30 to the consolidated Ind AS financial statements;



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Mumbai- 400 063

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm registration number: 139703W



per Akshay Rathi
Proprietor
Membership No.: 161910

Place: Nagpur
Date: May 11, 2018



For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 49237

Place: Nagpur
Date: May 11, 2018



**ANNEXURE I TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF SOLAR INDUSTRIES INDIA LIMITED**

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

In conjunction with our audit of the consolidated financial statements of Solar Industries India Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Solar Industries India Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of



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Mumbai- 400 063

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary companies incorporated in India.

For Akshay Rathi & Associates
Chartered Accountants
ICAI Firm registration number: 139703W

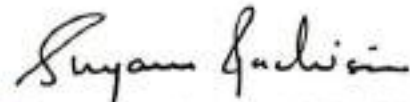


per Akshay Rathi
Proprietor
Membership No.: 161910



Place: Nagpur
Date: May 11, 2018

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003



per Shyamsundar Pachisia
Partner
Membership No.: 49237




Place: Nagpur
Date: May 11, 2018

Solar Industries India Limited
 Consolidated Balance Sheet - as at March 31, 2018
 (All amounts in Rs. Crores, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	3A	898.67	761.73
Capital work-in-progress	3A	96.88	90.99
Intangible assets	3B	21.47	6.90
Intangible assets under development	3B	10.56	-
Goodwill		8.14	8.14
Financial assets			
Investments	4	3.04	3.50
Loans	5	79.80	76.30
Other financial assets	6	30.51	25.95
Deferred tax assets (net)	9C	7.14	5.57
Current tax assets (net)		3.97	2.20
Other non-current assets	11	21.10	14.17
Total non-current assets		1,176.24	995.39
Current assets			
Inventories	10	232.42	181.07
Financial assets			
Investments	4	14.01	49.75
Trade receivables	7	363.58	319.06
Cash and cash equivalents	8	52.49	25.83
Bank balances other than cash and cash equivalents	8	16.97	13.46
Loans	5	11.70	25.76
Other financial assets	6	53.44	58.50
Other current assets	11	72.66	58.40
Total current assets		817.27	731.93
Non-current assets classified as held for sale		1.60	-
Total assets		1,995.11	1,727.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	1,065.78	910.49
Equity attributable to shareholders		1,083.88	928.59
Non-controlling interests		47.38	40.26
Total equity		1,131.24	968.85
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	13	163.27	147.96
Other financial liabilities	16B	32.83	-
Deferred tax liabilities (net)	29	101.07	84.01
Other non-current liabilities	17B	0.54	-
Provisions	16	0.18	-
Total Non-current liabilities		297.89	231.97
Current liabilities			
Financial liabilities			
Borrowings	14	224.58	360.99
Trade payables	15	127.16	89.12
Other financial liabilities	16A	133.06	123.39
Liability for current tax (net)		1.62	1.40
Other current liabilities	17A	75.24	48.65
Provisions	18	4.52	2.75
Total current liabilities		565.98	526.50
Total liabilities		863.87	758.47
Total equity and liabilities		1,995.11	1,727.32
Summary of significant accounting policies	2.3		

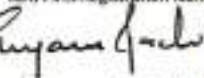
The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached
 For Akshay Rathi & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 1357035W


 per Akshay Rathi
 Proprietor
 Membership No. - 161930



For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 524982E/E300003


 per Shyamsundar Pachisia
 Partner
 Membership No. - 49237




11 MAY 2018

For and on behalf of the Board of Directors of
 Solar Industries India Limited


 Manish Kumar
 Chairman &
 Executive Director


 Anshoo Pasari
 Company Secretary


 Nilesh Pimpale
 Managing Director &
 CEO


 Nilesh Pimpale
 Chief Financial Officer



Place: Nagpur
 Date: May 11, 2018


11 MAY 2018

Solar Industries India Limited
 Consolidated statement of Profit and Loss for The year ended March 31, 2018
 (All amounts in Rs. Crores, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	20	1,951.47	1,711.18
Other income	21	12.10	13.21
Total income		1,963.57	1,724.49
Expenses			
Cost of materials consumed	22A	1,060.59	903.25
Purchases of stock-in-trade		40.39	20.44
Changes in inventories of work-in-progress, stock-in-trade and finished goods	22B	(87.40)	(17.18)
Excise duty on sale of goods		35.35	131.29
Employee benefit expense	23	133.48	104.31
Depreciation and amortization expense	26	51.29	38.74
Other expenses	24	307.51	245.28
Finance costs	25	32.72	25.89
Total expenses		1,623.98	1,453.02
Profit before tax		339.64	271.47
Tax expense	19		
- Current tax		87.90	70.49
- Deferred tax		18.15	6.25
Total tax expense		106.05	76.74
Profit for the year		233.59	194.73
Other comprehensive income			
<i>Items that will not be reclassified to Profit or Loss</i>			
Remeasurements loss on defined benefit plans		(1.77)	(1.69)
Income tax relating to these items		0.61	0.59
		(1.16)	(1.10)
<i>Items that may be reclassified to Profit or Loss</i>			
Net movement on Cash Flow Hedges		0.38	-
Income tax relating to these items		(0.13)	-
Exchange difference on translation of foreign operations		8.89	(52.99)
		9.14	(52.99)
Total other comprehensive income for the year, net of tax		7.98	(54.09)
Total comprehensive income for the year		241.57	140.64
Net profit attributable to			
a) Owners of the company		220.55	186.54
b) Non-controlling interest		13.04	8.19
		233.59	194.73
Other comprehensive income attributable to			
a) owners of the company		7.46	(41.61)
b) Non-controlling interest		0.52	(12.48)
		7.98	(54.09)
Total comprehensive income attributable to			
a) Owners of the company		228.01	144.93
b) Non-controlling interest		13.56	(4.29)
		241.57	140.64
Earnings per equity share			
Basic and Diluted earnings per share	27	25.81	20.49
Summary of significant accounting policies	2.3		

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

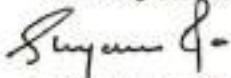
As per our report of even date attached
 For Akshay Rathi & Associates
 Chartered Accountants
 ICAI Firm Registration Number:139703W


 per Akshay Rathi
 Proprietor
 Membership No.- 161910



Place: Nagpur
 Date: May 11, 2018

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E500003


 per Shyamsundar Pachhla
 Partner
 Membership No.- 49237



11 MAY 2018

For and on behalf of the Board of Directors of
 Solar Industries India Limited


 S.N. Nuwal
 Chairman &
 Executive Director


 Khushboo Pasari
 Company Secretary


 Manish Nuwal
 Managing Director &
 CEO


 Nilesh Panpaliya
 Chief Financial Officer



11 MAY 2018

Solar Industries India Limited
 Consolidated Statement of cash flows for the year ended March 31, 2018
 (All amounts in Rupees in Crores, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	339.64	271.47
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expense	51.29	38.74
Finance costs	32.72	26.89
Net gain on financial assets mandatorily measured at fair value through profit or loss	(0.48)	(2.40)
Net gain on disposal of property, plant and equipment	(0.14)	(0.05)
Profit on sale of financial assets carried at fair value through profit or loss	(2.20)	(2.86)
Impairment of property plant & equipment	-	0.65
Bad debts written off	15.77	-
Impairment loss on trade receivable	0.16	7.59
Impairment loss on investment	-	1.29
Loans and advances written off	2.67	0.19
Dividend and interest income	(3.57)	(6.75)
Fair value changes in derivatives not designated as hedges	(0.78)	0.11
Net foreign exchange differences	8.82	(46.46)
Operating profit before working capital changes	443.90	288.41
Working capital adjustments :		
(Increase) in trade receivables	(59.96)	(56.64)
(Increase) in inventories	(51.35)	(21.21)
(Increase) in other assets (current and non-current)	(17.03)	(9.89)
Increase/ (decrease) in trade payables	37.86	(18.49)
Increase/ (decrease) in other financial assets (excluding derivatives)	(5.45)	(15.84)
Increase in other liabilities (current and non-current)	27.13	4.81
(Decrease)/ increase in provisions	(0.02)	1.06
Increase/ (decrease) in other financial liabilities (excluding derivatives)	6.00	4.44
Cash generated from operations	381.08	176.65
Less : Income taxes paid	89.45	59.03
Net cash from operating activities	291.63	117.62
Cash flow from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(224.38)	(174.31)
Proceeds from sale of property, plant and equipment	1.68	0.35
Proceeds from sale/ (purchase of) investments	36.66	(9.19)
Non-current loans (given) to others	(9.14)	-
Loans (given) to others	(0.23)	-
Loans (given) to/ repaid by others	19.30	8.44
Investment in fixed deposit	(3.51)	(2.19)
Dividend and interest income received	3.07	6.50
Net cash from investing activities	(174.33)	(170.40)



Solar Industries India Limited
 Consolidated Statement of cash flows for the year ended March 31, 2018
 (All amounts in Rupees in Crores, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from financing activities		
Proceeds from non-current borrowing	129.04	101.23
Repayment of non-current borrowings	(113.75)	(56.16)
(Repayment of)/ proceeds from current borrowings	(36.86)	52.76
Acquisition of non-controlling interest	(6.11)	-
On account of merger	(0.81)	-
On acquisition of subsidiary	(3.82)	-
Interest paid	(27.53)	(19.53)
Dividends paid to company's shareholders	(27.15)	(18.10)
Dividend distribution tax	(5.53)	(3.68)
Dividend paid to non controlling interest	(3.62)	(3.25)
Proceeds from issue of fresh shares to minority	5.40	-
Net cash from/ (used in) financing activities	(90.74)	53.27
Net increase/ (decrease) in cash and cash equivalents	26.56	0.49
Add:- Cash and cash equivalents at the beginning of the year	25.93	25.44
Cash and cash equivalents at the end of the year (refer note 8)	52.49	25.93

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached
 For Akshay Rathi & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 139703W


 per Akshay Rathi
 Proprietor
 Membership No.- 161910



Place : Nagpur
 Date: May 11, 2018

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003


 per Shyamsunder Pachisia
 Partner
 Membership No.- 49237



11 MAY 2018

For and on behalf of the Board of Directors of
 Solar Industries India Limited


 Manish Nuwal
 Chairman &
 Executive Director

 Kinshoo Pasari
 Company Secretary


 Manish Nuwal
 Managing Director &
 CEO

 Nilesh Panpaliya
 Chief Financial Officer

11 MAY 2018



Solar Industries India Limited
 Consolidated statement of changes in equity for the year ended March 31, 2018
 (All amounts in Rs. Crores, unless otherwise stated)
 Equity share capital

	No of Shares	Amount
At April 1, 2016 (Equity Shares of Rs. 10 each issued, subscribed and fully paid)	1,00,04,011	18.10
Add:- Share split during the year	7,23,92,044	-
At March 31, 2017 (Equity Shares of Rs. 2 each issued, subscribed and fully paid)	9,04,96,055	18.10
At April 1, 2017 (Equity Shares of Rs. 2 each issued, subscribed and fully paid)	9,04,96,055	18.10
At March 31, 2018 (Equity Shares of Rs. 2 each issued, subscribed and fully paid)	9,04,96,055	18.10

Other equity

	Reserves and surplus							Total	Non-controlling interest	Total
	Securities premium reserve (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Foreign currency translation reserve (Note 12A)	Total	Cash flow hedge reserve (Note 12A)			
Balance at April 1, 2016	140.13	283.04	16.39	957.53	(18.74)	787.35	-	47.80	885.15	
Total profit for the year	-	386.54	-	-	-	186.54	-	8.19	194.73	
Other comprehensive income	-	(1.11)	-	-	-	(1.11)	-	-	(1.11)	
Reinsurance loss on defined benefit plans	-	-	-	76.91	-	76.91	-	-	76.91	
Transfer from retained earnings	-	(76.91)	-	-	-	(76.91)	-	-	(76.91)	
Transfer to General reserve	-	-	-	-	(80.51)	(80.51)	-	(12.48)	(52.99)	
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	-	
Transactions with owners:										
Interim Dividends of FY 2016-17	-	(18.10)	-	-	-	(18.10)	-	(1.25)	(21.35)	
Tax on Interim Dividend of FY 2016-17	-	(1.68)	-	-	-	(1.68)	-	-	(3.68)	
Balance at March 31, 2017	140.13	369.78	16.39	414.44	(59.25)	910.49	-	40.26	940.75	



Solar Industries India Limited
Consolidated statement of changes in equity for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

	Reserves and surplus							Total	Cash flow hedge reserve (Note 12A)	Total	Non-controlling interest	Total
	Securities premium reserve (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	General reserve (Note 12A)	Foreign currency translation reserve (Note 12A)	Total						
Balance at April 1, 2017	148.13	369.78	16.39	434.44	(59.25)	910.49	-	910.49	40.26	950.75		
Total profit for the year	-	230.55	-	-	-	230.55	-	230.55	13.04	243.59		
On account of merger (refer note 2B)	-	(0.96)	0.15	-	-	(0.81)	-	(0.81)	-	(0.81)		
Transfer from retained earnings	-	-	-	45.66	-	45.66	-	45.66	-	45.66		
Other comprehensive income	-	(1.16)	-	-	-	(1.16)	-	(1.16)	-	(1.16)		
Remeasurement loss on defined benefit plans	-	-	-	-	-	-	0.25	0.25	-	0.25		
Net movement in Cash Flow Hedges	-	(45.66)	-	-	-	(45.66)	-	(45.66)	-	(45.66)		
Transfer to General reserve	-	(39.25)	-	-	-	(39.25)	-	(39.25)	-	(39.25)		
Due to Turkey acquisition	-	-	-	-	8.37	8.37	-	8.37	-	8.37		
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	0.52	0.52		
Transactions with owners	-	(27.15)	-	-	-	(27.15)	-	(27.15)	(3.62)	(30.77)		
Final Dividend of FY 2016-17	-	(5.53)	-	-	-	(5.53)	-	(5.53)	-	(5.53)		
Tax on Final Dividend of FY 2016-17	-	-	-	-	-	-	-	-	-	-		
Non Controlling interest acquired during the year	-	-	-	-	-	-	-	-	(8.22)	(8.22)		
Non Controlling interest arising on set-up of new subsidiary and issue of fresh shares by existing subsidiary	-	-	-	-	-	-	-	-	3.40	3.40		
Balance at March 31, 2018	148.13	470.62	16.54	480.10	(50.88)	1,065.51	0.25	1,065.76	47.38	1,113.14		

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

As per our report of even date attached

For Akshay Bhatli & Associates

Chartered Accountants

ICAI Firm Registration Number: 139709W

per Akshay Bhatli

Proprietor

Membership No. - 103950

Place: Nagpur

Date: May 11, 2018



For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324987K/1300003

per Shyamamandar Pachole

Partner

Membership No. - 49237

Place: Nagpur

Date: May 11, 2018



For and on behalf of the Board of Directors of

Solar Industries India Limited

S. R. Kulkarni

Chairman &

Executive Director

Manish Nuneal

Managing Director &

CEO

Ritesh Pampalaye

Chief Financial Officer

Ritesh Pampalaye

Chief Financial Officer

11 MAY 2018



Note 1: Corporate Information

Solar Industries India Limited (the 'Company') is a Company domiciled in India, with its registered office situated in 11, Zade Layout, Bharat Nagar, Nagpur-440033 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group 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 Group during the year and are consistent with those used in the previous year.

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.



Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.



(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 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 Group. 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.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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.

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure on research and development eligible for capitalization are carried as Intangible assets under development where such assets are not yet ready for their intended use.



The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

The estimated useful life for Product related intangibles is 4 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

The amortization period and the amortization method for intangible assets with a finite useful life are reviewed at each reporting date.

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	Group's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery including KP Machinery	5 to 25	15 to 20
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles(including Pump Trucks)	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6
Leasehold land	Over lease period	Over lease period
Intangible Assets		
Software and Licenses	6	6
Other (Transfer of Technology)	10	10

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates



the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



g. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Tax* and Ind AS 19 *Employee Benefits* respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 *Share-based Payments* at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain



purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

h. Leases

Determining whether an arrangement contains a lease

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

Where the Group is a lessee

Leases that transfer substantially all the risks and rewards incidental to ownership to the Group are classified as finance leases. Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments. Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.



A leased asset is depreciated / amortised over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

i. Financial Instruments: -

ij) Investments and other financial assets

Classification

The Group 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 amortized cost

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

Measurement

At initial recognition, the Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following categories:

1. Amortized 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 amortized 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 amortized 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 Group measures its equity investment other than in subsidiaries and associates at fair value through profit and loss. However, where the Group'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.

C. De-recognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities

Classification

The Group 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.

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

iii) Derivative financial instruments and hedge accounting

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.



For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

iv) Impairment of financial assets

The Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets. The Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance. The application of simplified approach does not require the Group 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 Group 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.

j. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has assumed that recovery of excise duty flows to the Group 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 Group on its own account, revenue includes excise duty only.

However, sales tax/ value added tax (VAT)/ Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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) Sale of projects

Revenue from the sale of projects is recognised when the significant risks and rewards of ownership of the project have passed to the buyer which generally will be at the time of sale. Revenue from sale of projects is measured at the fair value of the consideration received or receivable.

iii) 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.

iv) Dividends

Revenue is recognised when the Group'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.

k. Government grants

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

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

l. Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.



Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.



m. 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.

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group 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 Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Company and its Indian Subsidiaries for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. The scheme is funded with an insurance company in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Some of the overseas subsidiaries operate Gratuity scheme plan for employees as per laws of the respective countries, liability in respect of the same is provided on the accrual basis, estimated at each reporting date. Overseas subsidiaries do not operate any defined benefit plans for employees.

(iii) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group 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 and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the



reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Overseas subsidiaries provide liability in respect of compensated absences for employees as per respective local entity's policies. The same is measured based on the accrual basis as the payment is required to be made within next twelve months.

The Group 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.

o. 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 Group 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 correlation 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 Group 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 Group does not have convincing evidence that it will pay normal tax during the specified period.



p. 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 Group.

(ii) Segment accounting policies

The Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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 year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the 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.

r. Provisions

A provision is recognized when the Group 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.

s. 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 Group 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.

t. 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 Group's cash management.

u. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

v. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decisions to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:



- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-Current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

w. Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful Lives of Property, Plant & Equipment

The Group uses its technical expertise along with historical trends for determining the useful life of an asset/component of an asset which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortized depreciable amount is charged over the remaining useful life of the assets.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

x. Recent accounting pronouncements**Standards issued but not effective****Ind AS 115 Revenue from Contracts with Customers**

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Ind AS 115 is effective for the Company in the first quarter of financial year 2018-19 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within Ind AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying Ind AS 115 recognized at



the date of initial application (1 April 2018) and providing certain additional disclosures as defined in Ind AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of Ind AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary. A reliable estimate of the quantitative impact of Ind AS 115 on the financial statements will only be possible once the implementation project has been completed. This standard will come into force from accounting period commencing on or after 1 April 2018, hence do not impact the consolidated financial statements for the year ended March 31, 2018

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

The amendment are effective retrospectively for annual periods beginning on or after 1 April 2018, the Group will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018, the Group will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to



reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018, the Group will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 April 2018. These amendments are not applicable to the Group.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018, the Group will assess and apply the amendment effective for annual periods beginning on or after 1 April 2018, as applicable.



Solar Industries India Limited
Notes to consolidated financial statement for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

3A : Property, Plant and Equipment

PARTICULARS	Freehold Land	Leasehold Land	Buildings	Furniture and Fixtures	Plant and Machinery	Vehicles	Office Equipment and Computers	Total	Capital Work-in-progress
Year ended March 31, 2017									
Gross carrying amount as at April 1, 2016 ¹	90.01	0.25	286.66	5.93	326.38	15.10	4.47	728.00	30.45
Exchange differences	(1.39)	-	(7.37)	(0.65)	(13.90)	(0.81)	(0.03)	(24.35)	-
Additions	13.52	0.60	42.06	1.51	55.03	11.01	2.18	125.93	60.72
Disposals	-	-	-	-	(0.18)	(0.76)	(0.01)	(0.95)	-
Impairment	-	-	-	-	(5.07)	-	-	(5.07)	-
Transfer	(0.63)	-	0.63	-	-	-	-	-	(0.24)
Closing gross carrying amount as at March 31, 2017	101.51	0.85	321.78	6.79	352.26	24.54	6.61	824.34	90.93
Accumulated depreciation									
Opening accumulated depreciation as at April 1, 2016 ¹	-	-	7.45	1.12	19.75	2.53	1.12	31.97	-
Depreciation charge for the year	-	-	10.77	1.17	22.00	3.45	1.12	38.51	-
Disposals	-	-	-	-	(0.12)	(0.52)	(0.01)	(0.65)	-
Impairment	-	-	-	-	(4.42)	(0.01)	-	(4.43)	-
Exchange differences	-	-	(0.95)	(0.21)	(1.31)	(0.30)	(0.02)	(2.79)	-
Closing accumulated depreciation as at March 31, 2017	-	-	17.27	2.08	35.90	5.15	2.21	62.61	-
Net carrying amount March 31, 2017	101.51	0.85	304.51	4.71	326.36	19.39	4.40	761.73	90.93
Year ended March 31, 2018									
Gross carrying amount as at April 1, 2017	101.51	0.85	321.78	6.79	362.26	24.54	6.61	824.34	90.93
Opening gross carrying amount	0.39	-	(0.14)	0.69	(1.85)	0.95	(0.64)	(0.60)	-
Exchange differences	5.75	-	127.34	2.69	30.38	17.50	1.92	185.58	5.91
Additions	(1.60)	-	(0.49)	-	-	-	-	(1.60)	-
Other adjustments	-	-	-	-	(1.38)	(0.37)	(0.20)	(2.24)	-
Disposals	-	-	-	-	0.45	-	-	0.45	-
Transfer	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2018	106.05	0.85	448.49	10.17	390.06	42.62	7.69	1005.93	96.84
Accumulated depreciation									
Opening accumulated depreciation as at April 1, 2017	-	-	17.27	2.08	35.90	5.15	2.21	62.61	-
Depreciation charge for the year	-	0.07	15.40	1.30	28.56	4.27	1.19	50.79	-
Disposals	-	-	(0.05)	-	(0.13)	(0.33)	(0.19)	(0.70)	-
Exchange differences	-	-	(0.09)	(0.07)	(0.23)	(0.03)	-	(0.44)	-
Closing accumulated depreciation as at March 31, 2018	-	0.07	32.53	3.31	64.10	9.04	3.21	112.26	-
Net carrying amount March 31, 2018	106.05	0.78	415.96	6.86	325.96	33.58	4.48	893.67	96.84

¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with IND AS requirement, with effect from April 1, 2015 i.e., date of transition to IND AS for the Group.

* Leasehold Land is amortised over useful life for the period of 99 years (Amounting to Rs 0.12 crores), 95 years (Amounting to Rs 0.06 crores), 89 years (Amounting to Rs 0.48 crores) & 98 years (Amounting to Rs 0.17 crores) as per agreement.

The above tangible movable and immovable fixed assets are subject to first pari passu charge on the non current loans from banks and second Pari Passu charge on the working capital loans both present and future.



38 : Intangible asset

	Software and Licenses	Others ²	Total	Intangible asset under development
Year ended March 31, 2017				
Gross carrying amount as at April 1, 2016¹				
Opening gross carrying amount	0.64	-	0.64	-
Addition	0.01	6.64	6.65	-
Closing gross carrying amount as at March 31, 2017	0.65	6.64	7.29	-
Accumulated amortisation				
Opening amortisation of intangible assets as at April 1, 2016 ¹	0.16	-	0.16	-
Amortisation for the year	0.13	0.10	0.23	-
Closing accumulated amortization as at March 31, 2017	0.29	0.10	0.39	-
Net carrying amount March 31, 2017	0.36	6.54	6.90	-
Year ended March 31, 2018				
Gross carrying amount as at April 1, 2017				
Opening gross carrying amount	0.65	6.64	7.29	-
Addition	0.01	16.42	16.43	10.56
Closing gross carrying amount as at March 31, 2018	0.66	23.06	23.72	10.56
Accumulated amortisation				
Opening amortisation of intangible assets as at April 1, 2017	0.28	0.10	0.38	-
Amortisation for the year	0.18	1.69	1.87	-
Closing accumulated amortization as at March 31, 2018	0.46	1.79	2.25	-
Net carrying amount March 31, 2018	0.20	21.27	21.47	10.56

¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with IND AS requirement, with effect from April 1, 2015 i.e., date of transition to IND AS for the Group.

² Others represents Transfer of Technology (TOT) by Defence Research and Development Organisation (DRDO) to the group for manufacturing of products for India Armed Forces for limited period of 10 years.



4 : Investments

Non-current investments

	Face value	Number of Shares/Units	March 31, 2018	March 31, 2017
Unquoted				
Investment carried at Cost				
Investment in Equity Instruments in :				
Wholly owned subsidiaries (fully paid up)				
Solar Mining Services Australia Pty Ltd	USD 1	80	-	0.26
Solar Explochem Ghana Ltd.	GHC 1	15,200	-	0.05
Provision for impairment			-	(0.31)
			-	-
Investment carried at Cost				
Investment in Equity Instruments of Associates :				
Equity shares - 490000 Nos. @ of Rs 10 each held in SMS Bhatgaon Mines Extension Pvt Ltd	Rs. 10	4,90,000	0.49	0.49
Equity shares - 490000 Nos. @ of Rs 10 each held in Solar Bhatgaon Extension Mines Pvt Ltd	Rs. 10	4,90,000	0.49	0.49
Provision for Impairment			(0.98)	(0.98)
			-	-
Investment carried at Fair Value through Profit or Loss				
Investment in Equity Instruments of Others				
Ganga Care Hospital Limited	Rs. 10	1,10,000	0.11	0.11
			0.11	0.11
Investment in Venture Capital Fund (Unquoted)				
Kotak India Growth Fund II	Rs.100,000	500	2.84	3.31
Investment in Mutual Fund (Quoted)				
ICICI Prudential Liquid Direct Plan	Rs. 10	3,377	0.09	0.08
			2.93	3.39
Aggregate amount of investments			3.04	3.50

Current investments

	Face value	Number of Shares/Units	March 31, 2018	March 31, 2017
Quoted				
Investment in equity instruments of (fully paid-up) :				
Reliance Industrial Infrastructure Limited	Rs. 10	-	-	0.05
IDFC Limited	Rs. 10	10,900	0.05	0.06
IDFC Bank Limited	Rs. 10	-	-	0.06
Mukand Limited	Rs. 10	-	-	0.26
Sunil Hitech Engineers Limited	Rs. 1	1,16,000	0.10	0.13
Quoted				
Investment in Mutual Funds (fully paid-up) :				
HDFC Prudence Fund-Direct Plan-Growth Option	Rs. 10	1,06,466	5.39	5.02
Reliance Regular Saving Fund-Balanced Plan-Direct Growth Option	Rs. 10	-	-	6.60
Reliance Regular Saving Fund-Debt Plan-Direct Growth Plan	Rs. 10	-	-	6.21
ICICI Prudential Liquid - Direct Plan - Growth	Rs. 10	-	-	3.00
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	Rs. 10	7,356	0.57	2.13
Birla Sun Life Balanced '95 Fund-Growth Regular Plan	Rs. 10	-	-	2.31
Birla Sun Life Cash Manager-Growth Direct Plan	Rs. 10	-	-	5.01
SBI Magnum Balanced Fund-Regular Growth	Rs. 10	91,992	1.19	2.20
SBI Magnum Balanced Fund-Direct Growth	Rs. 10	-	-	2.10
Kotak Balance Direct Plan Growth	Rs. 10	6,96,211	1.77	2.12
Kotak Liquid Direct Plan Growth	Rs. 1000	658	0.23	2.00
Franklin India Balanced Fund - Direct - Growth	Rs. 10	1,90,982	2.27	5.00
Kotak Balance Direct Plan Growth	Rs. 10	-	-	1.12
Franklin India Treasury Management Account-Super Institutional Plan-Direct-Growth	Rs. 1000	9,401	2.44	4.18
Kotak Liquid Direct Plan Growth	Rs. 10	-	-	0.19
Aggregate amount of quoted investments and market value thereof (refer note 33)			14.01	49.75



5 : Loans

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to employees	0.22	-	0.25	-
Loan to others	11.48	65.42	25.51	60.43
Secured considered good				
Loan to others	-	14.38	-	15.87
Total loans	11.70	79.80	25.76	76.30

Notes:

- Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.
- Non current unsecured loans to other of Rs. 56.05 outstanding for more than 12 months and as approved by board, no interest is charged on the same. The Group has filed a litigation against the counterparty for recovery of the said amount. Subsequent to the balance sheet date, the Group has received the award of the arbitration in its favour. Accordingly, the management believes that this amount would be recovered in full, however, since the counterparty carries the right to appeal against the outcome of the arbitration with higher authorities, the timing of such recovery is uncertain and hence the same is continued to be classified as non-current.
- No Loans receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any Loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party. The said loans carry an interest rate @ 12% per annum.

6 : Other financial assets

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Foreign-exchange forward contracts	4.12	-	9.87	-
Interest rate swaps	0.53	-	1.23	-
	4.65	-	11.10	-
Others				
Sales tax Receivable	46.21	27.95	45.95	22.61
Other receivables from associates (refer note - 31)	1.14	-	1.02	-
Claims receivable	0.01	-	0.16	-
Security deposits	0.93	2.56	0.02	3.34
Interest accrued but not due on fixed deposit	0.50	-	0.25	-
	48.79	30.51	47.40	25.95
	53.44	30.51	58.50	25.95

Notes:

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



7 : Trade receivables

	March 31, 2018	March 31, 2017
Trade receivables	395.21	353.51
Less: Allowance for doubtful debts	(31.63)	(34.45)
	363.58	319.06

Break-up of security details

	March 31, 2018	March 31, 2017
Secured, considered good	8.19	7.51
Unsecured considered good	355.39	311.55
Doubtful	31.63	34.45
	395.21	353.51
Allowance for doubtful debts	(31.63)	(34.45)
	363.58	319.06

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

8. Cash and cash equivalents

	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Balances with banks		
in current accounts	50.70	17.78
Cheque in hand	0.83	7.15
Cash on hand	0.96	1.00
	52.49	25.93
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	4.31	4.05
Balances with Bank held as margin money or security against guarantee or other commitments	12.62	9.34
Earmarked balances (on unclaimed dividend accounts)	0.04	0.07
	16.97	13.46

Changes in liabilities arising from financing activities

Particulars	March 31, 2017	Cash flows	Foreign exchange management	Changes in fair value	March 31, 2018
Current borrowings	260.99	(36.86)	0.45	-	224.58
Non-current borrowings	147.96	15.29	0.02	-	163.27
Total liabilities from financing activities	408.95	(21.57)	0.47	-	387.85



9 : Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2018	March 31, 2017
Other items	3.47	-
Allowance for doubtful debts - trade receivables	1.76	1.45
Others	0.07	5.69
MAT Credit	0.44	-
Property, plant and equipment and investment property	(0.17)	(1.57)
Tax Losses	1.57	-
	7.14	5.57

Reconciliation of deferred tax assets:

	March 31, 2018	March 31, 2017
Opening balance as of April 1	5.57	1.28
Tax income/(expense) during the period recognised in profit or loss	1.50	4.29
Tax income/(expense) during the period recognised in other comprehensive income	0.07	-
Closing balance as at March 31	7.14	5.57

10: Inventories

	March 31, 2018	March 31, 2017
Raw materials and packing materials (Includes stock in transit of Rs. 8.65 (March 31, 2017 : Nil))	144.40	120.95
Work-in-progress	27.72	12.70
Finished goods	27.31	29.65
Stock-in-trade (Includes stock in transit of Rs. 17.23 (March 31, 2017 : Rs. 5.04))	17.23	5.04
Stores and spares	14.15	11.84
Project inventory held for sale	1.61	0.89
	232.42	181.07



11: Other assets

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
Capital advances	-	19.28	-	10.91
Advances other than capital advances :				
Prepayments	4.60	-	1.14	0.72
Prepaid of leasehold property	-	0.95	-	1.07
Security deposits	-	0.87	-	1.17
Advances to suppliers for goods & services	17.02	-	22.25	0.29
Advances to staff	1.09	-	0.94	-
Balances with revenue authorities	43.12	-	29.68	0.01
Other receivables	6.83	-	4.39	-
	72.66	21.10	58.40	14.17



Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Authorised equity share capital (face value Rs.2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value Rs.2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Number of shares at the beginning of the year	9,04,90,055	1,80,98,011	18.10	18.10
Add: Shares split during the year	-	7,23,92,044	-	-
Number of Shares at the end of the year	9,04,90,055	9,04,90,055	18.10	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Shri Satyanarayan Nuwal	22.48%	22.48%	2,03,43,695	2,03,43,695
Shri Kalashchandra Nuwal	19.60%	19.60%	1,77,39,095	1,77,39,095
Smt Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Smt Leela Devi Nuwal	5.61%	5.61%	50,75,940	50,75,940
Smt Sohan Devi Nuwal	5.14%	5.14%	46,49,690	46,49,690

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.



12A. Other equity

Securities premium reserve

At April 1, 2016	149.13
At March 31, 2017	149.13
At March 31, 2018	149.13

Retained earnings

At April 1, 2016	283.04
Add : Profit for the year	186.54
Less : Remeasurement loss on defined benefit plans	(1.11)
Less : Transfer to general reserve	(76.91)
Less : Interim Dividends	(18.10)
Less : Tax on Interim Dividend	(3.68)
At March 31, 2017	369.78
Add : Profit for the year	220.55
Add : On account of merger	(0.96)
Less : Transfer to General Reserve	(45.66)
Less : Remeasurement loss on defined benefit plans	(1.16)
Less : Due to Turkey Acquisition	(39.25)
Less : Final Dividend of FY 2016-17	(27.15)
Less : Dividend Distribution Tax (DDT) on Final Dividend of FY 2016-17	(5.53)
At March 31, 2018	470.62

Capital reserve

At April 1, 2016	16.39
At March 31, 2017	16.39
Add : On account of merger	0.15
At March 31, 2018	16.54

General reserve

At April 1, 2016	357.53
Add : Transfer from retained earnings	76.91
As at March 31, 2017	434.44
Add : Transfer from retained earnings	45.66
At March 31, 2018	480.10



Cash flow hedge reserve

At April 1, 2016	-
Add : Transfer from retained earnings	-
At March 31, 2017	-
Add : Net movement on Cash Flow Hedges	0.25
At March 31, 2018	0.25

Foreign currency translation reserve

At April 1, 2016	(18.74)
Less : Exchange differences on translation of foreign operations	(40.51)
At March 31, 2017	(59.25)
Add : Exchange differences on translation of foreign operations	8.37
At March 31, 2018	(50.88)

12B. Distribution made and proposed

	March 31, 2018	March 31, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: Rs. 3 per share (March 31, 2016 Rs. NIL per share)	27.15	-
DDT on final dividend	5.53	-
Interim dividend for the year ended on March 31, 2018: Rs. NIL per share (March 31, 2017 Rs. 2 per share)	-	18.10
DDT on interim dividend	-	3.68
	32.68	21.78
* Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2018: Rs. 6 per share (March 31, 2017: Rs. 3 per share)	54.29	27.15
DDT on proposed dividend	11.16	5.52
	65.45	32.67

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2018.



Financial liabilities

13. Non-current borrowings

	March 31, 2018	March 31, 2017
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks (USD)	249.18	240.27
Indian Rupee term loan	6.27	-
Sales tax deferral loan	0.56	0.62
	256.01	240.89
Less: Amount clubbed under "Other current financial liabilities" (refer note 16A)		
Current maturities of long-term debt	(92.20)	(92.21)
Interest accrued but not due on non-current borrowings	(0.54)	(0.72)
	163.27	147.96

14: Current borrowings

	March 31, 2018	March 31, 2017
Secured		
From banks		
Foreign currency working capital loan	214.75	170.80
Indian Rupee working capital loan	5.39	10.47
Buyers credit	6.27	18.26
Unsecured		
From banks		
Indian Rupee working capital loan	-	45.00
From related party		
Associates	0.63	21.84
Key managerial personnel	0.79	-
Others	1.40	1.26
	229.23	267.63
Less: Amount clubbed under "Other current financial liabilities" (refer note 16A)		
Interest accrued but not due on current borrowings	(4.65)	(6.64)
	224.58	260.99



	Maturity date	Terms of repayment	March 31, 2018	March 31, 2017
Non current Borrowing				
Secured				
Foreign currency term loan from Bank	Sep 11, 2017	Single repayment at the end of the term	-	19.45
Foreign currency term loan from Bank	Jan 12, 2018	Single repayment at the end of the term	-	20.75
Foreign currency term loan from Bank	Jul 09, 2018	Single repayment at the end of the term	16.19	16.11
Foreign currency term loan from Bank	Sep 28, 2018	Repayable in Four equal half yearly installment	6.22	18.56
Foreign currency term loan from Bank	Mar 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	44.33	50.63
Rupee Term Loan from Bank	Mar 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	6.27	-
Foreign currency term loan from Bank	Aug 31, 2018	Repayable in eight equal half yearly installment	8.15	24.32
Foreign currency term loan from Bank	Sep 19, 2019	Single repayment at the end of the term	50.07	-
Foreign currency term loan from Bank	Sep 27, 2019	Repayable in eight equal half yearly installment	24.44	40.53
Foreign currency term loan from Bank	Jan 30, 2020	Repayables in eight equal quarterly installment	40.70	19.05
	Jun 26, 2022	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	58.49	-
Term Loan	Mar 20, 2019	Repayable in equal monthly installment.	0.10	-
Vehicle Loan	Aug 15, 2019	Term Period - 30 months Repayable in equal monthly installment.	0.49	-
Vehicle Loan	May 02, 2017	Term Period - 24 months Repayable in equal monthly installment.	-	0.05
Vehicle Loan	Apr 03, 2017	Term Period - 24 months Repayable in equal monthly installment.	-	0.01
Vehicle Loan	Nov 02, 2017	Term Period - 24 months Repayable in equal monthly installment.	-	0.19
Term Loan from Bank	March 26, 2021	Repayable in equal quarterly installment after moratorium period of 6 Month	-	30.62
Unsecured				
Sales tax deferral loan	Apr 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.56	0.62
			256.01	240.89

The above foreign currency from Banks carries an interest rate of LIBOR + 100 to 300 bps

The Indian rupee long term loan from Bank carries an interest rate of 1y MCLR to 3% + 1year MCLR

Loans taken by overseas subsidiaries are taken at interest rate of 11% to 17.28%



	Maturity date	Terms of repayment	March 31, 2018	March 31, 2017
Current Borrowings				
Secured				
Foreign currency working capital loan from Bank	Oct 24, 2018	Single repayment at the end of the term	14.99	14.51
Buyer's credit	Jun 07, 2017	Single repayment at the end of the term	-	8.74
Buyer's credit	Apr 27, 2017	Single repayment at the end of the term	-	9.53
Buyer's credit	May 23, 2018	Single repayment at the end of the term	6.27	-
Foreign currency working capital loan from Bank	Apr 18, 2017	Single repayment at the end of the term	-	2.38
Foreign currency working capital loan from Bank	Jun 16, 2017	Single repayment at the end of the term	-	2.26
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	5.39	10.47
Local Currency Loan From Bank	Apr 10, 2018	Single repayment at the end of the term	26.15	-
Local Currency Loan From Bank	May 28, 2018 & Sep 03, 2018	Single repayment at the end of the term	1.63	-
Local Currency Loan From Bank	Jul 19, 2018	Single repayment at the end of the term	29.71	-
Local Currency Loan From Bank	Mar 22, 2019	Repayable in equal monthly installment. Term Period - 18 months	0.17	-
Local Currency Loan From Bank	Apr 16, 2018	Repayable in equal monthly installment. Term Period - 6 months	0.29	-
Local Currency Loan From Bank	Jun 01, 2018	Repayable in equal monthly installment. Term Period - 6 months	1.05	-
Local Currency Loan From Bank	Apr 09, 2018	Single repayment at the end of the term	0.01	-
Local Currency Loan From Bank	Apr 25, 2018	Single repayment at the end of the term	0.01	-
Local Currency Loan From Bank	Jun 14, 2018	Repayable in equal monthly installment. Term Period - 9 months	2.41	-
Local Currency Loan From Bank	Aug 17, 2018	Repayable in equal monthly installment. Term Period - 9 months	0.80	-
USD Loan from Bank (For SOML It is Local Currency)	May 14, 2018	Single repayment at the end of the term	6.52	-
USD Loan from Bank (For SOML It is Local Currency)	Jan 31, 2019	Single repayment at the end of the term	102.70	-
USD Loan from Bank (For SOML It is Local Currency)	Sep 07, 2018	Single repayment at the end of the term	26.06	-
USD Loan from Bank	Aug 25, 2018	Single repayment at the end of the term	2.25	-
Working Capital Loan from Bank	Aug 04, 2017	Single repayment at the end of the term	-	10.38
Working Capital Loan from Bank	May 05, 2017	Single repayment at the end of the term	-	6.48
Working Capital Loan from Bank	Aug 25, 2017	Single repayment at the end of the term	-	64.84
Working Capital Loan from Bank	Oct 17, 2017	Single repayment at the end of the term	-	19.45
Working Capital Loan from Bank	Apr 30, 2017	Single repayment at the end of the term	-	32.42
Working Capital Loan from Bank	On Demand	On Demand	-	18.07
Unsecured				
Loan from associates	On demand	On demand	0.63	21.84
Loan from associates	On demand	On demand	1.40	1.26
Loan from KMP	On demand	On demand	0.79	-
Indian rupee working capital loan from Bank	Apr 24, 2017	Single repayment at the end of the term	-	20.00
Indian rupee working capital loan from Bank	Jun 21, 2017	Single repayment at the end of the term	-	25.00
			229.23	267.68

The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 30 bps to LIBOR + 300bps

The Indian rupee working capital loan from Bank and loan from related party carries rate of 0.35%+ 1year MCLR to 9% p.a.

Loans taken by overseas subsidiaries are taken at interest rate of L+ 135 to L+ 150 and certain loans are from 6% to 23%

Security

The above non current loans from banks are secured by first pari passu charge on the tangible movable and immovable fixed assets and second pari passu charge on the Group's current asset. Working capital loans have first Pari Passu charge on Group's entire current asset, both present and future and second Pari Passu charge on Group's entire fixed assets, both present and future.

Loan covenants

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

The Group has not defaulted on any loans payable.



15 : Trade payables

	March 31, 2018	March 31, 2017
Current		
Trade payables	127.16	89.32
	127.16	89.32

Trade payables are non-interest bearing and are normally settled on 60-day terms. For explanations on the Group's credit risk management processes, refer to Note 34

16A : Other current financial liabilities

	March 31, 2018	March 31, 2017
Current		
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts	0.48	8.09
	0.48	8.09
Other financial liabilities at amortised cost		
Current maturities of long-term debt (refer note 13)	92.20	92.21
Interest accrued on non-current borrowings (refer note 13)	0.54	0.72
Interest accrued on current borrowings (refer note 14)	4.65	6.64
	97.39	99.57
Others		
Capital creditors	2.05	0.65
Deferred purchases consideration	4.70	-
Liabilities towards employee benefits	14.67	9.74
Liabilities towards trade discounts	13.07	5.29
Unpaid dividend	0.04	0.05
Other payable	0.66	-
	35.19	15.73
	133.06	123.39

16B : Other non-current financial liabilities

	March 31, 2018	March 31, 2017
Deferred purchase consideration	32.83	-
	32.83	-



Solar Industries India Limited
Notes to consolidated financial statement for the year ended March 31, 2018
(All amounts in Rs. Crores, unless otherwise stated)

17A : Other current liabilities

	March 31, 2018	March 31, 2017
Statutory dues payables	35.24	23.20
Liabilities for employee benefit	2.57	1.72
Other current liabilities	16.17	-
Advances from customers	20.75	18.01
Other advances	0.51	5.72
	75.24	48.65

17B : Other Non current liabilities

	March 31, 2018	March 31, 2017
Other advances	0.54	-
	0.54	-

18 : Provisions

	Provision for gratuity	Provision for leave encashment	Total
At April 01, 2017	0.65	2.10	2.75
Arising during the year	3.08	1.57	4.65
Utilised during the year	(2.10)	(0.08)	(2.18)
Other adjustments	(0.72)	-	(0.72)
At March 31, 2018	0.91	3.59	4.50
Current	0.73	3.59	4.32
Non-current	0.18	-	0.18

	Provision for gratuity	Provision for leave encashment	Total
At April 01, 2016	-	-	-
Arising during the year	0.65	2.10	2.75
At March 31, 2017	0.65	2.10	2.75
Current	0.65	2.10	2.75
Non-current	-	-	-



Solar Industries India Limited

Notes to consolidated financial statement for the year ended March 31, 2018

(All amounts in Rs. Crores, unless otherwise stated)

19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2018 and March 31, 2017 are :

Consolidated Statement of profit and loss:

Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	87.90	70.49
Deferred tax:		
Relating to origination and reversal of temporary differences	18.15	6.25
Tax expense reported in the statement of profit or loss	106.05	76.74

OCI section

Deferred tax related to items recognised in OCI during in the year:

	March 31, 2018	March 31, 2017
Net gain/(loss) on revaluation of cash flow hedges	0.13	-
Net (loss)/gain on remeasurements of defined benefit plans	(0.61)	(0.59)
Income tax charged to OCI	(0.48)	(0.59)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2018	March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	128.14	106.05
Financial assets at fair value through profit or loss	0.09	0.14
Derivative Instruments at fair value through profit or loss	1.43	1.04
On account of merger	0.04	-
Gratuity	-	0.25
MAT credit	(19.41)	(13.31)
Provision for investments in associates	(0.34)	(0.34)
Provision towards trade receivables	(7.43)	(8.91)
Employee Benefits	(1.45)	(0.91)
Net deferred tax (assets)/liabilities	101.07	84.01

Reconciliation of deferred tax liability:

	March 31, 2018	March 31, 2017
Opening balance as of April 1	84.01	77.64
Tax (income)/expense during the period recognised in profit or loss	17.54	6.96
Tax (income)/expense during the period recognised in other comprehensive income	(0.48)	(0.59)
Closing balance as at March 31	101.07	84.01



20 : Revenue from operations

The Group derives the following types of revenue:

	March 31, 2018	March 31, 2017
Sale of products (including excise duty)	1,894.25	1,652.35
Other operating revenue	57.22	58.93
	1,951.47	1,711.28

Sale of products includes duty collected from customers of Rs. 35.35 (March 31, 2017 : Rs. 131.29). Sale of products net of excise duty is Rs. 1,858.90 (March 31, 2017 : Rs. 1,521.06). Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable to the year ended March 31, 2017.

21 : Other income

Other Income	March 31, 2018	March 31, 2017
Interest income		
On financial assets carried at amortised cost		
from others	1.96	5.83
on deposits with bank	1.31	0.92
Income tax refund	1.07	0.48
Profit on sale of investments carried at fair value through profit or loss	2.20	2.86
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.26	0.39
Dividend income from equity investments designated at fair value through Profit or loss	0.30	-
Net gain on disposal of property, plant and equipment	0.14	0.05
Net gain on sale of financial assets carried at fair value through profit and loss	0.01	2.01
Net gain on foreign currency transaction and translation	3.24	-
Fair value gain on derivatives not designated as hedges	0.78	0.46
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.21	-
Miscellaneous income	0.62	0.21
	12.10	13.21

22A : Cost of materials consumed

	March 31, 2018	March 31, 2017
Raw materials and packing material at the beginning of the year	113.50	86.27
Add: Purchases during the year	1085.69	921.06
Less: Raw material and packing material at the end of the year	(138.60)	(104.08)
	1,060.59	903.25



22B : Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2018	March 31, 2017
Opening balance		
Work-in progress	12.64	11.30
Finished goods	22.21	21.57
Stock in trade	0.51	-
	35.36	32.87
Closing balance		
Work-in progress	27.62	12.71
Finished goods	35.82	37.34
Stock in trade	9.32	-
	72.76	50.05
	(37.40)	(17.18)

23 : Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	124.92	97.45
Contribution to provident and other funds	6.16	5.22
Staff welfare expenses	2.40	1.64
	133.48	104.31



24 : Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spares	11.64	11.34
Excise duty on Inventory	-	0.71
Repairs and maintenance :		
Plant and machinery	10.49	7.54
Buildings	3.91	2.14
Others	6.22	5.37
Water and electricity charges	20.76	18.59
Rates and taxes	4.99	4.69
Legal and professional fees	24.30	14.11
Travel and conveyance	12.60	9.42
Export expenses	18.57	16.71
Sales commission expenses	18.90	7.01
Freight and forwarding charges	26.12	15.72
Transportation charges	58.26	31.24
Remuneration to directors	9.50	9.00
Pump truck expenses	8.82	7.30
Security service charges	9.19	7.21
Sales promotion expenses	5.55	4.51
Donations	2.39	2.78
Advertisement expenses	1.11	0.62
Advance/ Investment written off	2.17	0.19
Directors' sitting fees	0.11	0.47
Exchange differences (net)	(10.73)	27.00
Impairment loss on property plant & equipment	-	0.65
Bad debts written-off	15.77	-
Loan to others written off	0.50	-
Impairment loss on investment (refer note 4)	-	1.29
Impairment loss on trade receivables	0.16	7.59
Corporate social responsibility expenditure (refer note 24a)	4.44	2.91
Payments to auditors	0.82	0.93
Miscellaneous expenses (includes printing , communication , postage , office expenses etc)	40.96	28.24
	307.51	245.28



24(a). CSR expenditure

	March 31, 2018	March 31, 2017
Contribution to revenue expenditure	4.44	2.91
Gross amount required to be spent by the Group during the year	4.35	0.90
Amount spent in cash during the year ending March 31, 2018		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above	4.44	
Amount spent in cash during the year ending March 31, 2017		
(i) Construction/acquisition of an asset	-	1.07
(ii) On purposes other than (i) above	-	2.91

25 : Finance costs

	March 31, 2018	March 31, 2017
Interest on borrowings		
To banks	30.85	21.01
To related party	0.77	3.00
To others	0.18	2.88
Other finance expenses	0.92	-
	32.72	26.89

26 : Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (note 3A)	50.79	38.51
Amortization of intangible assets (note 3B)	1.87	0.23
Less : Transfer to intangible asset under development	(1.37)	-
	51.29	38.74



Solar Industries India Limited

Notes to consolidated financial statement for the year ended March 31, 2018

(All amounts in Rs. Crores, unless otherwise stated)

27 : Earnings per share (EPS)

	March 31, 2018	March 31, 2017
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS;	233.59	185.44
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	25.81	20.49
Nominal value of shares (Rs.)	2.00	2.00



3B : Intangible asset

	Software and Licenses	Others ¹	Total	Intangible asset under development
Year ended March 31, 2017				
Gross carrying amount as at April 1, 2016¹				
Opening gross carrying amount	0.64	-	0.64	-
Addition	0.01	6.64	6.65	-
Closing gross carrying amount as at March 31, 2017	0.65	6.64	7.29	-
Accumulated amortisation				
Opening amortisation of intangible assets as at April 1, 2016 ¹				
Amortisation for the year	0.16	-	0.16	-
	0.13	0.10	0.23	-
Closing accumulated amortization as at March 31, 2017	0.29	0.10	0.39	-
Net carrying amount March 31, 2017	0.36	6.54	6.90	-
Year ended March 31, 2018				
Gross carrying amount as at April 1, 2017				
Opening gross carrying amount	0.65	6.64	7.29	-
Addition	0.01	16.42	16.43	10.56
Closing gross carrying amount as at March 31, 2018	0.66	23.06	23.72	10.56
Accumulated amortisation				
Opening amortisation of intangible assets as at April 1, 2017				
Amortisation for the year	0.28	0.10	0.38	-
	0.18	1.69	1.87	-
Closing accumulated amortization as at March 31, 2018	0.46	1.79	2.25	-
Net carrying amount March 31, 2018	0.20	21.27	21.47	10.56

¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with IND AS requirement, with effect from April 1, 2015 i.e., date of transition to IND AS for the Group.

² Others represents Transfer of Technology (TOT) by Defence Research and Development Organisation (DRDO) to the group for manufacturing of products for India Armed Forces for limited period of 10 years.



4 : Investments

Non-current investments

	Face value	Number of Shares/Units	March 31, 2018	March 31, 2017
Unquoted				
Investment carried at Cost				
Investment in Equity Instruments in :				
Wholly owned subsidiaries (fully paid up)				
Solar Mining Services Australia Pty Ltd	USD 1	80	-	0.26
Solar Explochem Ghana Ltd.	GHC 1	15,200	-	0.05
Provision for impairment			-	(0.31)
			-	-
Investment carried at Cost				
Investment in Equity Instruments of Associates :				
Equity shares - 490000 Nos. @ of Rs 10 each held in SMS Bhatgaon Mines Extension Pvt Ltd	Rs. 10	4,90,000	0.49	0.49
Equity shares - 490000 Nos. @ of Rs 10 each held in Solar Bhatgaon Extension Mines Pvt Ltd	Rs. 10	4,90,000	0.49	0.49
Provision for Impairment			(0.98)	(0.98)
			-	-
Investment carried at Fair Value through Profit or Loss				
Investment in Equity Instruments of Others				
Ganga Care Hospital Limited	Rs. 10	1,10,000	0.11	0.11
			0.11	0.11
Investment in Venture Capital Fund (Unquoted)				
Kotak India Growth Fund II	Rs.100,000	500	2.84	3.31
Investment in Mutual Fund (Quoted)				
ICICI Prudential Liquid Direct Plan	Rs. 10	3,377	0.09	0.08
			2.93	3.39
			-	-
Aggregate amount of investments			3.04	3.50

Current investments

	Face value	Number of Shares/Units	March 31, 2018	March 31, 2017
Quoted				
Investment in equity instruments of (fully paid-up) :				
Reliance Industrial Infrastructure Limited	Rs. 10	-	-	0.05
IDFC Limited	Rs. 10	10,900	0.05	0.06
IDFC Bank Limited	Rs. 10	-	-	0.06
Mukand Limited	Rs. 10	-	-	0.26
Sunil Hitech Engineers Limited	Rs. 1	1,16,000	0.10	0.13
Quoted				
Investment in Mutual Funds (fully paid-up) :				
HDFC Prudence Fund-Direct Plan-Growth Option	Rs. 10	1,06,466	5.39	5.02
Reliance Regular Saving Fund-Balanced Plan-Direct Growth Option	Rs. 10	-	-	6.60
Reliance Regular Saving Fund-Debt Plan-Direct Growth Plan	Rs. 10	-	-	6.21
ICICI Prudential Liquid - Direct Plan - Growth	Rs. 10	-	-	3.00
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	Rs. 10	7,356	0.57	2.13
Birla Sun Life Balanced '95 Fund-Growth Regular Plan	Rs. 10	-	-	2.31
Birla Sun Life Cash Manager-Growth Direct Plan	Rs. 10	-	-	5.01
SBI Magnum Balanced Fund-Regular Growth	Rs. 10	91,992	1.19	2.20
SBI Magnum Balanced Fund-Direct Growth	Rs. 10	-	-	2.10
Kotak Balance Direct Plan Growth	Rs. 10	6,96,211	1.77	2.12
Kotak Liquid Direct Plan Growth	Rs. 1000	658	0.23	2.00
Franklin India Balanced Fund - Direct - Growth	Rs. 10	1,90,982	2.27	5.00
Kotak Balance Direct Plan Growth	Rs. 10	-	-	1.12
Franklin India Treasury Management Account-Super Institutional Plan-Direct-Growth	Rs. 1000	9,401	2.44	4.18
Kotak Liquid Direct Plan Growth	Rs. 10	-	-	0.19
Aggregate amount of quoted investments and market value thereof (refer note 33)			14.01	49.75



5 : Loans

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to employees	0.22	-	0.25	-
Loan to others	11.48	65.42	25.51	60.43
Secured considered good				
Loan to others	-	14.38	-	15.87
Total loans	11.70	79.80	25.76	76.30

Notes:

- Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.
- Non current unsecured loans to other of Rs. 56.05 outstanding for more than 12 months and as approved by board, no interest is charged on the same. The Group has filed a litigation against the counterparty for recovery of the said amount. Subsequent to the balance sheet date, the Group has received the award of the arbitration in its favour. Accordingly, the management believes that this amount would be recovered in full, however, since the counterparty carries the right to appeal against the outcome of the arbitration with higher authorities, the timing of such recovery is uncertain and hence the same is continued to be classified as non-current.
- No Loans receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any Loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Loans to others includes funds advanced to unrelated third parties wherein the said loans are either repayable on demand or as per the repayment schedule agreed within the contractual terms with such third party. The said loans carry an interest rate @ 12% per annum.

6 : Other financial assets

	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Foreign-exchange forward contracts	4.12	-	9.87	-
Interest rate swaps	0.53	-	1.23	-
	4.65	-	11.10	-
Others				
Sales tax Receivable	46.21	27.95	45.95	22.61
Other receivables from associates (refer note - 31)	1.14	-	1.02	-
Claims receivable	0.01	-	0.16	-
Security deposits	0.93	2.56	0.02	3.34
Interest accrued but not due on fixed deposit	0.50	-	0.25	-
	48.79	30.51	47.40	25.95
	53.44	30.51	58.50	25.95

Notes:

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



7 : Trade receivables

	March 31, 2018	March 31, 2017
Trade receivables	395.21	353.51
Less: Allowance for doubtful debts	(31.63)	(34.45)
	363.58	319.06

Break-up of security details

	March 31, 2018	March 31, 2017
Secured, considered good	8.19	7.51
Unsecured considered good	355.39	311.55
Doubtful	31.63	34.45
	395.21	353.51
Allowance for doubtful debts	(31.63)	(34.45)
	363.58	319.06

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

8. Cash and cash equivalents

	March 31, 2018	March 31, 2017
Cash and cash equivalents		
Balances with banks		
in current accounts	50.70	17.78
Cheque in hand	0.83	7.15
Cash on hand	0.96	1.00
	52.49	25.93
Bank balances other than cash and cash equivalents		
Balances with Banks with original maturity of more than three months but less than 12 months	4.31	4.05
Balances with Bank held as margin money or security against guarantee or other commitments	12.62	9.34
Earmarked balances (on unclaimed dividend accounts)	0.04	0.07
	16.97	13.46

Changes in liabilities arising from financing activities

Particulars	March 31, 2017	Cash flows	Foreign exchange management	Changes in fair value	March 31, 2018
Current borrowings	260.99	(36.86)	0.45	-	224.58
Non-current borrowings	147.96	15.29	0.02	-	163.27
Total liabilities from financing activities	408.95	(21.57)	0.47	-	387.85



9A: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2018	March 31, 2017
Other items	3.47	-
Allowance for doubtful debts - trade receivables	1.76	1.45
Others	0.07	5.69
MAT Credit	0.44	-
Property, plant and equipment and investment property	(0.17)	(1.57)
Tax Losses	1.57	-
	7.14	5.57

Reconciliation of deferred tax assets:

	March 31, 2018	March 31, 2017
Opening balance as of April 1	5.57	1.28
Tax income/(expense) during the period recognised in profit or loss	1.50	4.29
Tax income/(expense) during the period recognised in other comprehensive income	0.07	-
Closing balance as at March 31	7.14	5.57

10: Inventories

	March 31, 2018	March 31, 2017
Raw materials and packing materials (Includes stock in transit of Rs. 8.65 (March 31, 2017 : Nil)	144.40	120.95
Work-in-progress	27.72	12.70
Finished goods	27.31	29.65
Stock-in-trade (Includes stock in transit of Rs. 17.23 (March 31, 2017 : Rs. 5.04)	17.23	5.04
Stores and spares	14.15	11.84
Project inventory held for sale	1.61	0.89
	232.42	181.07



11: Other assets

	March 31, 2018		March 31, 2017	
	Current	Non-Current	Current	Non-Current
Capital advances	-	19.28	-	10.91
Advances other than capital advances :				
Prepayments	4.60	-	1.14	0.72
Prepaid of leasehold property	-	0.95	-	1.07
Security deposits	-	0.87	-	1.17
Advances to suppliers for goods & services	17.02	-	22.25	0.29
Advances to staff	1.09	-	0.94	-
Balances with revenue authorities	43.12	-	29.68	0.01
Other receivables	6.83	-	4.39	-
	72.66	21.10	58.40	14.17



Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Authorised equity share capital (face value Rs.2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value Rs.2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Number of shares at the beginning of the year	9,04,90,055	1,80,98,011	18.10	18.10
Add: Shares split during the year	-	7,23,92,044	-	-
Number of Shares at the end of the year	9,04,90,055	9,04,90,055	18.10	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates

Being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

(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, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Shri Satyanarayan Nuwal	22.48%	22.48%	2,03,43,695	2,03,43,695
Shri Kailashchandra Nuwal	19.60%	19.60%	1,77,39,095	1,77,39,095
Smt Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230
Smt Leela Devi Nuwal	5.61%	5.61%	50,75,940	50,75,940
Smt Sohan Devi Nuwal	5.14%	5.14%	46,49,690	46,49,690

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.



12A. Other equity

Securities premium reserve

At April 1, 2016	149.13
At March 31, 2017	149.13
At March 31, 2018	149.13

Retained earnings

At April 1, 2016	283.04
Add : Profit for the year	186.54
Less : Remeasurement loss on defined benefit plans	(1.11)
Less : Transfer to general reserve	(76.91)
Less : Interim Dividends	(18.10)
Less : Tax on Interim Dividend	(3.68)
At March 31, 2017	369.78
Add : Profit for the year	220.55
Add : On account of merger	(0.96)
Less : Transfer to General Reserve	(45.66)
Less : Remeasurement loss on defined benefit plans	(1.16)
Less : Due to Turkey Acquisition	(39.25)
Less : Final Dividend of FY 2016-17	(27.15)
Less : Dividend Distribution Tax (DDT) on Final Dividend of FY 2016-17	(5.53)
At March 31, 2018	470.62

Capital reserve

At April 1, 2016	16.39
At March 31, 2017	16.39
Add : On account of merger	0.15
At March 31, 2018	16.54

General reserve

At April 1, 2016	357.53
Add : Transfer from retained earnings	76.91
As at March 31, 2017	434.44
Add : Transfer from retained earnings	45.66
At March 31, 2018	480.10



12A. Other equity

Cash flow hedge reserve

At April 1, 2016	-
Add : Transfer from retained earnings	-
At March 31, 2017	-
Add : Net movement on Cash Flow Hedges	0.25
At March 31, 2018	0.25

Foreign currency translation reserve

At April 1, 2016	(18.74)
Less : Exchange differences on translation of foreign operations	(40.51)
At March 31, 2017	(59.25)
Add : Exchange differences on translation of foreign operations	8.37
At March 31, 2018	(50.88)

12B. Distribution made and proposed

	March 31, 2018	March 31, 2017
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: Rs. 3 per share (March 31, 2016 Rs. NIL per share)	27.15	-
DDT on final dividend	5.53	-
Interim dividend for the year ended on March 31, 2018: Rs. NIL per share (March 31, 2017 Rs. 2 per share)	-	18.10
DDT on interim dividend	-	3.68
	32.68	21.78
* Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2018: Rs. 6 per share (March 31, 2017: Rs. 3 per share)	54.29	27.15
DDT on proposed dividend	11.16	5.52
	65.45	32.67

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31, 2018.



Financial liabilities

13. Non-current borrowings

	March 31, 2018	March 31, 2017
Secured Borrowings carried at amortised cost		
Term loans from banks		
Foreign currency loan from Banks (USD)	249.18	240.27
Indian Rupee term loan	6.27	-
Sales tax deferral loan	0.56	0.62
	256.01	240.89
Less: Amount clubbed under "Other current financial liabilities" (refer note 16A)		
Current maturities of long-term debt	(92.20)	(92.21)
Interest accrued but not due on non-current borrowings	(0.54)	(0.72)
	163.27	147.96

14: Current borrowings

	March 31, 2018	March 31, 2017
Secured		
From banks		
Foreign currency working capital loan	214.75	170.80
Indian Rupee working capital loan	5.39	10.47
Buyers credit	6.27	18.26
Unsecured		
From banks		
Indian Rupee working capital loan	-	45.00
From related party		
Associates	0.63	21.84
Key managerial personnel	0.79	-
Others	1.40	1.26
	229.23	267.63
Less: Amount clubbed under "Other current financial liabilities" (refer note 16A)		
Interest accrued but not due on current borrowings	(4.65)	(6.64)
	224.58	260.99



	Maturity date	Terms of repayment	March 31, 2018	March 31, 2017
Non current Borrowing				
Secured				
Foreign currency term loan from Bank	Sep 11, 2017	Single repayment at the end of the term	-	19.45
Foreign currency term loan from Bank	Jan 12, 2018	Single repayment at the end of the term	-	20.75
Foreign currency term loan from Bank	Jul 09, 2018	Single repayment at the end of the term	16.19	16.11
Foreign currency term loan from Bank	Sep 28, 2018	Repayable in Four equal half yearly installment	6.22	18.56
Foreign currency term loan from Bank	Mar 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	44.33	50.63
Rupee Term Loan from Bank	Mar 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	6.27	-
Foreign currency term loan from Bank	Aug 31, 2018	Repayable in eight equal half yearly installment	8.15	24.32
Foreign currency term loan from Bank	Sep 19, 2019	Single repayment at the end of the term	50.07	-
Foreign currency term loan from Bank	Sep 27, 2019	Repayable in eight equal half yearly installment	24.44	40.53
Foreign currency term loan from Bank	Jan 30, 2020	Repayables in eight equal quarterly installment	40.70	19.05
	Jun 26, 2022	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	58.49	-
Term Loan	Mar 20, 2019	Repayable in equal monthly installment. Term Period - 30 months	0.10	-
Vehicle Loan	Aug 15, 2019	Repayable in equal monthly installment. Term Period - 24 months	0.49	-
Vehicle Loan	May 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	-	0.05
Vehicle Loan	Apr 03, 2017	Repayable in equal monthly installment. Term Period - 24 months	-	0.00
Vehicle Loan	Apr 03, 2017	Repayable in equal monthly installment. Term Period - 24 months	-	0.01
Vehicle Loan	Nov 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	-	0.19
Term Loan from Bank		Repayable in equal quarterly installment after moratorium period of 6 Month	-	30.62
Unsecured				
Sales tax deferral loan	Apr 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.56	0.62
			256.01	240.89

The above foreign currency from Banks carries an interest rate of LIBOR + 100 to 300 bps

The Indian rupee long term loan from Bank carries an interest rate of 1y MCLR to 3% + 1year MCLR.

Loans taken by overseas subsidiaries are taken at interest rate of 11% to 17.28%



	Maturity date	Terms of repayment	March 31, 2018	March 31, 2017
Current Borrowings				
Secured				
Foreign currency working capital loan from Bank	Oct 24, 2018	Single repayment at the end of the term	14.99	14.51
Buyer's credit	Jun 07, 2017	Single repayment at the end of the term	-	8.74
Buyer's credit	Apr 27, 2017	Single repayment at the end of the term	-	9.53
Buyer's credit	May 23, 2018	Single repayment at the end of the term	6.27	-
Foreign currency working capital loan from Bank	Apr 18, 2017	Single repayment at the end of the term	-	2.38
Foreign currency working capital loan from Bank	Jun 16, 2017	Single repayment at the end of the term	-	2.26
Indian rupee working capital loan from Bank	On Demand	Repayable on demand	5.39	10.47
Local Currency Loan From Bank	Apr 10, 2018	Single repayment at the end of the term	26.15	-
Local Currency Loan From Bank	May 28, 2018 & Sep 03, 2018	Single repayment at the end of the term	1.63	-
Local Currency Loan From Bank	Jul 19, 2018	Single repayment at the end of the term	29.71	-
Local Currency Loan From Bank	Mar 22, 2019	Repayable in equal monthly installment. Term Period - 18 months	0.17	-
Local Currency Loan From Bank	Apr 16, 2018	Repayable in equal monthly installment. Term Period - 6 months	0.29	-
Local Currency Loan From Bank	Jun 01, 2018	Repayable in equal monthly installment. Term Period - 6 months	1.05	-
Local Currency Loan From Bank	Apr 09, 2018	Single repayment at the end of the term	0.01	-
Local Currency Loan From Bank	Apr 25, 2018	Single repayment at the end of the term	0.01	-
Local Currency Loan From Bank	Jun 14, 2018	Repayable in equal monthly installment. Term Period - 9 months	2.41	-
Local Currency Loan From Bank	Aug 17, 2018	Repayable in equal monthly installment. Term Period - 9 months	0.80	-
USD Loan from Bank (For SOML It is Local Currency)	May 14, 2018	Single repayment at the end of the term	6.52	-
USD Loan from Bank (For SOML It is Local Currency)	Jan 31, 2019	Single repayment at the end of the term	102.70	-
USD Loan from Bank (For SOML It is Local Currency)	Sep 07, 2018	Single repayment at the end of the term	26.06	-
USD Loan from Bank	Aug 25, 2018	Single repayment at the end of the term	2.25	-
Working Capital Loan from Bank	Aug 04, 2017	Single repayment at the end of the term	-	10.38
Working Capital Loan from Bank	May 05, 2017	Single repayment at the end of the term	-	6.48
Working Capital Loan from Bank	Aug 25, 2017	Single repayment at the end of the term	-	64.84
Working Capital Loan from Bank	Oct 17, 2017	Single repayment at the end of the term	-	19.45
Working Capital Loan from Bank	Apr 30, 2017	Single repayment at the end of the term	-	32.42
Working Capital Loan from Bank	On Demand	On Demand	-	18.07
Unsecured				
Loan from associates	On demand	On demand	0.63	21.84
Loan from associates	On demand	On demand	1.40	1.26
Loan from KMP	On demand	On demand	0.79	-
Indian rupee working capital loan from Bank	Apr 24, 2017	Single repayment at the end of the term	-	20.00
Indian rupee working capital loan from Bank	Jun 21, 2017	Single repayment at the end of the term	-	25.00
			229.23	267.63

The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 30 bps to LIBOR + 300bps

The Indian rupee working capital loan from Bank and loan from related party carries rate of 0.35%+ 1year MCLR to 9% p.a.

Loans taken by overseas subsidiaries are taken at interest rate of L+ 135 to L+ 150 and certain loans are from 6% to 23%



15 : Trade payables

	March 31, 2018	March 31, 2017
Current		
Trade payables	127.16	89.32
	127.16	89.32

Trade payables are non-interest bearing and are normally settled on 60-day terms
For explanations on the Group's credit risk management processes, refer to Note 34

16A : Other current financial liabilities

	March 31, 2018	March 31, 2017
Current		
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts	0.48	8.09
	0.48	8.09
Other financial liabilities at amortised cost		
Current maturities of long-term debt (refer note 13)	92.20	92.21
Interest accrued on non-current borrowings (refer note 13)	0.54	0.72
Interest accrued on current borrowings (refer note 14)	4.65	6.64
	97.39	99.57
Others		
Capital creditors	2.05	0.65
Deferred purchases consideration	4.70	-
Liabilities towards employee benefits	14.67	9.74
Liabilities towards trade discounts	13.07	5.29
Unpaid dividend	0.04	0.05
Other payable	0.66	-
	35.19	15.73
	133.06	123.39

16B : Other non-current financial liabilities

	March 31, 2018	March 31, 2017
Deferred purchase consideration	32.83	-
	32.83	-



17A : Other current liabilities

	March 31, 2018	March 31, 2017
Statutory dues payables	35.24	23.20
Liabilities for employee benefit	2.57	1.72
Other current liabilities	16.17	-
Advances from customers	20.75	18.01
Other advances	0.51	5.72
	75.24	48.65

17B : Other Non current liabilities

	March 31, 2018	March 31, 2017
Other advances	0.54	-
	0.54	-

18 : Provisions

	Provision for gratuity	Provision for leave encashment	Total
At April 01, 2017	0.65	2.10	2.75
Arising during the year	3.08	1.57	4.65
Utilised during the year	(2.10)	(0.08)	(2.18)
Other adjustments	(0.72)	-	(0.72)
At March 31, 2018	0.91	3.59	4.50
Current	0.73	3.59	4.32
Non-current	0.18	-	0.18

	Provision for gratuity	Provision for leave encashment	Total
At April 01, 2016	-	-	-
Arising during the year	0.65	2.10	2.75
At March 31, 2017	0.65	2.10	2.75
Current	0.65	2.10	2.75
Non-current	-	-	-



Solar Industries India Limited

Notes to consolidated financial statement for the year ended March 31, 2018

(All amounts in Rs. Crores, unless otherwise stated)

19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2018 and March 31, 2017 are :

Consolidated Statement of profit and loss:

Profit or loss section

	March 31, 2018	March 31, 2017
Current income tax:		
Current income tax charge	87.90	70.49
Deferred tax:		
Relating to origination and reversal of temporary differences	18.15	6.25
Tax expense reported in the statement of profit or loss	106.05	76.74

OCI section

Deferred tax related to items recognised in OCI during in the year:

	March 31, 2018	March 31, 2017
Net gain/(loss) on revaluation of cash flow hedges	0.13	-
Net (loss)/gain on remeasurements of defined benefit plans	(0.61)	(0.59)
Income tax charged to OCI	(0.48)	(0.59)

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2018	March 31, 2017
Fixed assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	128.14	106.05
Financial assets at fair value through profit or loss	0.09	0.14
Derivative Instruments at fair value through profit or loss	1.43	1.04
On account of merger	0.04	-
Gratuity	-	0.25
MAT credit	(19.41)	(13.31)
Provision for investments in associates	(0.34)	(0.34)
Provision towards trade receivables	(7.43)	(8.91)
Employee Benefits	(1.45)	(0.91)
Net deferred tax (assets)/liabilities	101.07	84.01

Reconciliation of deferred tax liability:

	March 31, 2018	March 31, 2017
Opening balance as of April 1	84.01	77.64
Tax (income)/expense during the period recognised in profit or loss	17.54	6.96
Tax (income)/expense during the period recognised in other comprehensive income	(0.48)	(0.59)
Closing balance as at March 31	101.07	84.01



20 : Revenue from operations

The Group derives the following types of revenue:

	March 31, 2018	March 31, 2017
Sale of products (including excise duty)	1,894.25	1,652.35
Other operating revenue	57.22	58.93
	1,951.47	1,711.28

Sale of products includes duty collected from customers of Rs. 35.35 (March 31, 2017 : Rs. 131.29). Sale of products net of excise duty is Rs. 1,858.90 (March 31, 2017 : Rs. 1,521.06). Revenue from operations for periods upto June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable to the year ended March 31, 2017.

21 : Other income

Other Income	March 31, 2018	March 31, 2017
Interest income		
On financial assets carried at amortised cost		
from others	1.96	5.83
on deposits with bank	1.31	0.92
Income tax refund	1.07	0.48
Profit on sale of investments carried at fair value through profit or loss	2.20	2.86
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.47	0.39
Dividend income from equity investments designated at fair value through Profit or loss	0.30	-
Net gain on disposal of property, plant and equipment	0.14	0.05
Net gain on sale of financial assets carried at fair value through profit and loss	0.01	2.01
Net gain on foreign currency transaction and translation	3.24	-
Fair value gain on derivatives not designated as hedges	0.78	0.46
Miscellaneous income	0.62	0.21
	12.10	13.21

22A : Cost of materials consumed

	March 31, 2018	March 31, 2017
Raw materials and packing material at the beginning of the year	113.50	86.27
Add: Purchases during the year	1085.69	921.06
Less: Raw material and packing material at the end of the year	(138.60)	(104.08)
	1,060.59	903.25



22B : Changes in inventories of work-in-progress, stock-in-trade and finished goods

	March 31, 2018	March 31, 2017
Opening balance		
Work-in progress	12.64	11.30
Finished goods	22.21	21.57
Stock in trade	0.51	-
	35.36	32.87
Closing balance		
Work-in progress	27.62	12.71
Finished goods	35.82	37.34
Stock in trade	9.32	-
	72.76	50.05
	(37.40)	(17.18)

23 : Employee benefit expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	124.92	97.45
Contribution to provident and other funds	6.16	5.22
Staff welfare expenses	2.40	1.64
	133.48	104.31



24 : Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spares	11.64	11.34
Excise duty on inventory	-	0.71
Repairs and maintenance :		
Plant and machinery	10.49	7.54
Buildings	3.91	2.14
Others	6.22	5.37
Water and electricity charges	20.76	18.59
Rates and taxes	4.99	4.69
Legal and professional fees	24.30	14.11
Travel and conveyance	12.60	9.42
Export expenses	18.57	16.71
Sales commission expenses	18.90	7.01
Freight and forwarding charges	26.12	15.72
Transportation charges	58.26	31.24
Remuneration to directors	9.50	9.00
Pump truck expenses	8.82	7.30
Security service charges	9.19	7.21
Sales promotion expenses	5.55	4.51
Donations	2.39	2.78
Advertisement expenses	1.11	0.62
Advance/ Investment written off	2.17	0.19
Directors' sitting fees	0.11	0.47
Exchange differences (net)	(10.73)	27.00
Impairment loss on property plant & equipment	-	0.65
Bad debts written-off	15.77	-
Loan to others written off	0.50	-
Impairment loss on investment (refer note 4)	-	1.29
Impairment loss on trade receivables	0.16	7.59
Corporate social responsibility expenditure (refer note 24a)	4.44	2.91
Payments to auditors	0.82	0.93
Miscellaneous expenses (includes printing , communication , postage , office expenses etc)	40.96	28.24
	307.51	245.28



24(a). CSR expenditure

	March 31, 2018	March 31, 2017
Contribution to revenue expenditure	4.44	2.91
Gross amount required to be spent by the Group during the year	4.35	0.90
Amount spent in cash during the year ending March 31, 2018		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above	4.44	
Amount spent in cash during the year ending March 31, 2017		
(i) Construction/acquisition of an asset	-	1.07
(ii) On purposes other than (i) above	-	2.91

25 : Finance costs

	March 31, 2018	March 31, 2017
Interest on borrowings		
To banks	30.85	21.01
To related party	0.77	3.00
To others	0.18	2.88
Other finance expenses	0.92	-
	32.72	26.89

26 : Depreciation and amortization expense

	March 31, 2018	March 31, 2017
Depreciation of tangible assets (note 3A)	50.79	38.51
Amortization of intangible assets (note 3B)	1.87	0.23
Less : Transfer to intangible asset under development	(1.37)	-
	51.29	38.74



27 : Earnings per share (EPS)

	March 31, 2018	March 31, 2017
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS:	233.59	185.44
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	25.81	20.49
Nominal value of shares (Rs.)	2.00	2.00



Note 28: Business combinations (Amalgamation during the year)

On September 25, 2017, Economic Explosives Limited (EEL) filed the scheme of amalgamation of following companies before the National Company Law Tribunal (NCLT):

M/s Solar Mining Resources Limited (SMRL), a non-listed company based in India and specialising in prospecting, mining, exploration etc in marble, granite, coal.

M/s Solar Mines and Minerals Limited (SMML), a non-listed company based in India and specialising in prospecting, mining, exploration etc in marble, granite, coal.

M/s Solar Initiating Systems Limited (SISL), a non-listed company based in India and specialising in manufacturing, dealing and consulting of initiating systems.

The order approving the above mentioned scheme was passed by NCLT and the same was received by the Group on April 9, 2018. The appointed date as per the order is April 1, 2017.

As per the scheme and the order the accounting for amalgamation is required to be done in accordance with the Pooling of Interest method referred in Ind AS 103, Business Combinations. The difference, being the excess of the net assets values of SMRL, SMML and SISL shall be credited to the Capital Reserve in the books of EEL.

The book values of the assets, liabilities and reserves of the companies merged with Economic Explosives Limited, as at the date of appointed date were as follows:

	SMRL	SMML	SISL	Total
Non Current Assets				
Property Plant and Equipment	-	-	0.45	0.45
Total Non Current Assets (A)	-	-	0.45	0.45
Current assets				
Financial assets				
Investments	5.49	-	-	5.49
Cash and cash equivalents	0.05	0.01	0.03	0.09
Other current assets	-	-	0.02	0.02
Other receivables	-	-	0.01	0.01
Total Current Assets (B)	5.54	0.01	0.06	5.61
Total Assets (C=A+B)	5.54	0.01	0.51	6.06
Equity				
Other equity				
Reserves	5.39	(0.85)	(0.96)	3.58
Total Other equity (D)	5.39	(0.85)	(0.96)	3.58
Liabilities				
Non Current Liabilities				
Deferred tax liabilities	0.04	-	-	0.04
Total non-current liabilities (E)	0.04	-	-	0.04
Current liabilities				
Financial liabilities				
Borrowings	-	0.80	1.41	2.21
Trade payables	-	-	-	-
Other current liabilities	0.06	0.01	0.01	0.08
Total current liabilities (F)	0.06	0.81	1.42	2.29
Total Liabilities (G=E+F)	0.10	0.81	1.42	2.33
Net Assets (H= C-D-G)	0.05	0.05	0.05	0.15
Payable to Shareholders (Purchase Consideration) (I)	-	-	0.01	0.01
Capital Reserve (J=H-I)	0.05	0.05	0.04	0.14



Note 29: Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

The parent company and some of its Indian Subsidiaries operates a defined benefit gratuity plan viz. namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Holding company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme. Further one of the subsidiary in the group makes contribution to Economic Explosives Limited employee group gratuity assurance scheme.

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

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

Expense recognized in statement of Profit and Loss

	Amount	
	March 31, 2018	March 31, 2017
Service cost	1.32	0.67
Net interest cost	0.00	(0.10)
Expenses recognized in the statement of Profit and Loss	1.32	0.57

Other Comprehensive Income

	Amount	
	March 31, 2018	March 31, 2017
Opening amount recognized in OCI outside of statement of profit and loss account	-	-
Actuarial gain / (loss) on liabilities	(1.81)	(1.67)
Actuarial gain / (loss) on assets	0.04	(0.02)
Closing of amount recognized in OCI outside of statement of profit and loss	(1.77)	(1.69)

The amount to be recognized in Balance Sheet

	Amount	
	March 31, 2018	March 31, 2017
Present value of funded obligations	11.58	8.01
Fair value of plan assets	10.67	8.09
Net defined benefit liability / (assets) recognized in balance sheet	0.91	(0.08)



Change in Present Value of Obligations

	Amount	
	March 31, 2018	March 31, 2017
Opening of defined benefit obligations	8.01	5.40
Service cost	1.32	0.80
Interest Cost	0.55	0.43
Benefit Paid	(0.11)	(0.29)
Actuarial (Gain)/Loss on total liabilities:	1.81	1.67
Closing of defined benefit obligation	11.58	8.01

Change in Fair Value of Plan Assets

	Amount	
	March 31, 2018	March 31, 2017
Opening Fair value of plan assets	8.09	6.64
Actual Return on Plan Assets	0.59	0.51
Employer Contribution	2.10	1.23
Benefit Paid	(0.11)	(0.29)
Closing fair value of plan assets	10.67	8.09

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

	March 31, 2018	March 31, 2017
Investments with insurer (LIC)	100%	100%

The significant actuarial assumptions were as follows :

	March 31, 2018	March 31, 2017
Discount Rate	7.69% to 7.75% p.a.	6.8% p.a.
Rate of increase in Compensation levels	5.00% to 11.44% p.a.	7.5% p.a.
Rate of Return on Plan Assets	6.8% p.a.	8.0% p.a.

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

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

Sensitivity Analysis

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

Particulars	March 31, 2018	Impact (Absolute)	Impact (%)
Base Liability	11.58		
Increase Discount Rate by 0.50%	11.29	(0.28)	-2.44%
Decrease Discount Rate by 0.50%	11.88	0.30	2.58%
Increase Salary Inflation by 1%	12.18	0.60	5.21%
Decrease Salary Inflation by 1%	11.03	(0.55)	-4.75%
Increase in Withdrawal Assumption by 5%	11.96	0.39	3.33%
Decrease in Withdrawal Assumption by 5%	10.87	(0.71)	-6.14%

Notes :

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



Note 30: Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2018	March 31, 2017
Estimated amount of contracts remaining to be executed on capital account (net of advances)	60.31	8.62

Contingent liabilities

Particulars	March 31, 2018	March 31, 2017
Guarantees excluding financial guarantees		
Corporate guarantees given by the Group on behalf of its wholly owned overseas subsidiary in respect of loans taken	277.95	102.13
Financial Guarantee given by the Group	32.15	29.80
Guarantees given by Group's Bankers on behalf of the Group, against sanctioned letter of credit (SBLCs)	33.95	106.99
Claims against the Group not acknowledged as debts *		
Excise related matters	6.80	6.52
Sales tax deferment	-	9.47
Sales tax / VAT related matters	17.11	12.06
Income tax related matters	3.20	5.52

* The Group is contesting the demands and the management, including its tax/legal advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. Cash outflows for the above are determinable only on receipt of judgements pending at various forums/authorities.



Note 31: Related Party Disclosures

A Names of related parties and related party relationship :

I Associates

SMS Bhatgaon Mines Extension Private Limited
Solar Bhatgaon Extension Mines Private Limited

II Key Management Personnel (KMP) (including subsidiaries)

Shri Satyanarayan Nuwal
Shri Kailashchandra Nuwal
Shri Manish Nuwal
Shri Roomie Dara Yakkil
Shri Anil Kumar Jain
Shri Nilesh Panpaliya
Smt Khushboo Pasari
Shri Rahul Nuwal
Shri K S Talasra (resigned from Economic Explosives Ltd on July 01, 2017)
Shri S L Mundhada
Shri K S Rao
Shri Sartaj Singh (joined as an Executive Director in Economic Explosives Ltd from August 21, 2017)

II A Relatives of Key Management Personnel (KMP)

Smt Leeladevi Nuwal
Smt Indiradevi Nuwal
Smt Sohadevi Nuwal
Smt Seemadevi Nuwal

III Non executive directors*

Shri Anant Sagar Awasthi
Shri Dilip Patel
Shri Ajai Nigam
Shri Amrendra Verma
Smt Madhu Vij

* Non Executive Independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2017-18.

Group has not entered into any other transactions with its Non Executive Independent Directors or the enterprises over which they have significant influence.

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

Solar Synthetics Private Limited
Commercial Sales Corporation
Solar Initiating Systems Limited - (Note 1)

V Other related party

Post employment benefit plans
Solar Industries India Limited employee group gratuity assurance scheme
Economic Explosives Limited employee group gratuity assurance scheme

Refer to Note 29 for information on transactions with post employment benefit plans mentioned above

Note 1:- The entity have been merged with Economic Explosives Limited with effect from April 01, 2017 pursuant to order dated:- March 16, 2018.



B. Transactions with related parties during the year

Nature of Transaction	March 31, 2018	March 31, 2017
Purchase of raw material and components		
Solar Synthetics Private Limited	0.09	0.04
Total	0.09	0.04
Other Expenditure		
Solar Synthetics Private Limited (Consumables)	0.20	0.15
Total	0.20	0.15
Rent paid		
Solar Synthetics Private Limited	0.06	0.05
Solar Initiating Systems Limited	-	0.12
Smt. Indradevi Nuwal	0.02	-
Total	0.08	0.17
Purchase of shares of SISL * (Refer note 28)		
Shri Satyanarayan Nuwal *	0.00	-
Shri Kallashchandra Nuwal *	0.00	-
Shri. Manish Nuwal *	0.00	-
Shri. Rahul Nuwal *	0.00	-
Smt. Leeladevi Nuwal *	0.00	-
Smt. Indradevi Nuwal *	0.00	-
Smt. Sohandevi Nuwal *	0.00	-
Total	0.00	-
Other receivables		
SMS Bhatgaon Mines Extension Private Limited	-	0.11
Solar Bhatgaon Extension Mines Private Limited	-	0.01
Total	-	0.12
Loans taken/ (repaid) during the year (net)		
Commercial Sales Corporation	(21.20)	4.65
Total	(21.20)	4.65
Other income		
SMS Bhatgaon Mines Extension Private Limited	0.11	0.10
Solar Bhatgaon Extension Mines Private Limited	0.01	0.01
Total	0.12	0.11
Interest paid		
Commercial Sales Corporation	0.40	3.01
Total	0.40	3.01
Remuneration to KMP #		
Shri Satyanarayan Nuwal	2.70	2.70
Shri Kallashchandra Nuwal	2.70	2.70
Shri Manish Nuwal	2.70	2.70
Shri Roomie Dara Vakil	0.27	0.26
Shri Anil Kumar Jain	0.53	0.28
Shri Nilesh Panpaliya	0.29	0.27
Mrs. Khushboo Pasari	0.09	0.08
Shri Rahul Nuwal	0.12	0.12
Shri K S Talesra	0.06	0.24
Total	9.26	9.35



Nature of Transaction	March 31, 2018	March 31, 2017
Sitting fees		
Shri Anant Sagar Awasthi	0.02	0.02
Shri Dilip Patel	0.03	0.03
Shri Ajai Nigam	0.02	0.02
Shri Amrendra Verma	0.02	0.02
Smt Madhu VJ	0.02	0.01
Total	0.11	0.10

* Amount is less than Rs. 0.01 Crore in March 31, 2018

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

C. Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2018	March 31, 2017
Other receivables		
SMS Bhatgaon Mines Extension Private Limited	1.00	0.90
Solar Bhatgaon Extension Mines Private Limited	0.14	0.12
Total	1.14	1.02
Loans taken		
Commercial Sales Corporation	0.63	21.84
Shri Kailashchandra Nuwal	0.06	-
Shri Satyanarayan Nuwal	0.73	-
Total	1.42	21.84
Other payables		
Shri Satyanarayan Nuwal	0.20	-
Shri Manish Nuwal	0.22	-
Shri Kailashchandra Nuwal	0.24	-
Shri Rahul Nuwal *	0.00	-
Indradevi Nuwal *	0.00	-
Shri Sartaj Singh *	0.00	-
Total	0.66	-
Payable for Purchase of Shares of SISL		
Shri Satyanarayan Nuwal *	0.00	-
Shri Kailashchandra Nuwal *	0.00	-
Shri. Manish Nuwal *	0.00	-
Shri. Rahul Nuwal *	0.00	-
Smt. Leeladevi Nuwal *	0.00	-
Smt. Indradevi Nuwal *	0.00	-
Total	0.00	-

* Amount is less than Rs. 0.01 Crore in March 31, 2018



Note 32: Segment Information

The Group has identified 'Explosives and its accessories', as its only primary reportable segment. The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Group together for performance evaluation and allocation of resources and does not review any discrete information to evaluate performance of any individual product or geography.

Geographical Information

The amount of the Group's revenue from external customers broken down by location of the customers is shown in the table below:

Revenue from external customers

Location	March 31, 2018	March 31, 2017
India	1,318.23	1,300.29
Outside India	576.02	352.06
Total	1,894.25	1,652.35

The following is an analysis of the carrying amount of non-current assets, which do not include deferred tax assets, income tax assets and financial assets, analysed by the geographical area in which the assets are located:

Location	March 31, 2018	March 31, 2017
India	842.25	739.72
Outside India	209.53	142.15
Total	1,051.78	881.87

There are two customers these are individually contributing to more than 10% of Group's revenue, total amount of revenue from each such customer for the year ended on March 31, 2018 are Rs.331.43 and Rs. 192.16 respectively and for the year ended on March 31, 2017 are Rs.400.35 and Rs 181.88 respectively.



Note 33: 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 Group has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Group specific estimates

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

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

1. The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
2. The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
3. The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
4. The fair values for loans given are calculated based on discounted cash flows discounted using 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 2 fair values in the fair value hierarchy.
5. Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values, accordingly non-current borrowings are classified as level 2 fair values in the fair value hierarchy. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

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					
Loans	91.50	5	-	91.50	-
Other financial assets (except derivatives)	79.30	6	-	-	-
Trade receivables	363.58	7	-	-	-
Cash and cash equivalents	52.49	8	-	-	-
Bank balances other than cash and cash equivalents	16.97	8	-	-	-
Fair value					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	2.84	4	-	2.84	-
Investment in equity instruments (quoted)	14.01	4	14.01	-	-
Investment in mutual funds	0.09	4	0.09	-	-
Derivative Instruments	4.65	6	-	4.65	-



Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	163.27	13	-	163.27	-
Current	224.58	14	-	224.58	-
Trade payables	127.16	15	-	-	-
Other financial liabilities (except derivatives)	165.41	16	-	-	-
Fair Value					
Derivative Instruments	0.48	16	-	0.48	-

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

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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	102.06	5	-	102.06	-
Other financial assets (except derivatives)	73.35	6	-	-	-
Trade receivables	319.06	7	-	-	-
Cash and cash equivalents	25.93	8	-	-	-
Bank balances other than cash and cash equivalents	13.46	8	-	-	-
Investment in government securities (NSC)	-	4	-	-	-
Fair value					
Investment in equity instruments of others (unquoted)	0.11	4	-	0.11	-
Investment in Venture Capital Fund (unquoted)	3.31	4	-	3.31	-
Investment in equity instruments (quoted)	49.75	4	49.75	-	-
Investment in mutual funds (quoted)	0.08	4	0.08	-	-
Derivative Instruments	11.10	6	-	11.10	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	147.96	13	-	147.96	-
Current	260.99	14	-	260.99	-
Trade payables	89.32	15	-	-	-
Other financial liabilities (except derivatives)	115.30	16	-	-	-
Fair Value					
Derivative Instruments	8.09	16	-	8.09	-

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



Note 34: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions.

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 Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis	Foreign-exchange options contracts
		Sensitivity Analysis	
Market Risk- Equity price risk	Investment in Equity Securities mutual funds and venture capital fund	Sensitivity Analysis	Portfolio Diversification
Credit Risk	Cash and Cash equivalents, loans given, trade receivables and investments	Aging Analysis	Diversification of credit limits and letters of credit and Bank guarantee
		Credit Analysis	
Liquidity Risk	Borrowing, trade payables and other financial liabilities	Cash Flow forecasts	Availability of credit limits and borrowing facilities

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments.

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 fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR. To manage this, the Group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

0.5% changes in interest rate will increase/ decrease the borrowing cost by Rs 2.35 crore

The Group does not have significant investment in Bank Deposits and hence not significantly exposed to interest rate sensitivity.



Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Group's negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The Group hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps.

Unhedged foreign currency exposure as at the reporting date:

	March 31, 2018				March 31, 2017	
	USD	EURO	SEK	ZAR	USD	EURO
Trade Receivable	0.75	0.08	-	-	1.58	0.05
Loans and other receivable	0.04	-	-	-	0.48	-
Borrowings	1.29	-	-	-	2.36	-
Trade Payables	0.40	-	0.01	-	0.78	-

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

	March 31, 2018	March 31, 2017
USD	(0.59)	(0.70)
EURO	0.06	0.04
SEK*	0.00	-

* Amount is less than SEK 0.01 Crore in March 31, 2018

Equity price risk

The Group's listed and non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

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

	March 31, 2018	March 31, 2017
Investment in equity shares (quoted)	0.15	0.56
Investment in mutual funds	13.95	49.27

The impact of increases/ decreases of the BSE/ NSE index on the Group's equity shares and mutual funds and gain/ loss for the period would be Rs. 0.14 Crore (March 31, 2017: Rs. 0.50 Crore). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Group's investments having price risk moved in line with the index.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

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 Group. Where loans or receivables have been written off, the Group 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 Group 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.



Trade and other receivables:

The Group measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2018	231.71	71.59	91.91	395.21
As at March 31, 2017	184.75	64.48	104.28	353.51

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

	March 31, 2018	March 31, 2017
Opening balance	34.45	28.58
Provided during the year	-	7.83
Amounts written off	-	(0.78)
Reversals of provisions	(2.82)	(1.18)
Closing balance	31.63	34.45

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

Liquidity risk

Liquidity risk is the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group'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, 2018						
Borrowings						
From related party (net of interest accrued but not due)	1.42	-	-	-	-	1.42
From Banks (net of interest accrued but not due)	5.25	47.53	265.74	162.75	-	481.27
From Others	1.40	-	-	-	-	1.40
Sales Tax Deferral Loan	-	-	0.09	0.46	0.01	0.56
Trade payables	-	127.16	-	-	-	127.16
Other financial liabilities	0.04	9.78	25.36	15.15	17.69	68.02
Derivative Instruments	-	-	0.15	0.33	-	0.48
March 31, 2017						
Borrowings						
From related party (net of interest accrued but not due)	19.56	-	-	-	-	19.56
From Banks (net of interest accrued but not due)	25.49	70.23	241.02	147.34	-	484.08
From Others	1.26	-	-	-	-	1.26
Sales Tax Deferral Loan	-	-	0.05	0.50	0.06	0.62
Trade payables	-	89.32	-	-	-	89.32
Other financial liabilities	0.77	11.33	3.50	-	0.13	15.73
Derivative Instruments	-	0.80	1.89	5.40	-	8.09



Note 35: Capital Management

For the purpose of Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

	March 31, 2018	March 31, 2017
Net debt	318.39	369.56
Equity	1,083.86	928.59
Capital and net debt	1,402.25	1,298.15
Gearing ratio	22.71%	28.47%

Calculation of net debt is as follows:

	March 31, 2018	March 31, 2017
Borrowings		
Non-Current	163.27	147.96
Current	224.58	260.99
	387.85	408.95
Cash and cash equivalents	52.49	25.93
Bank balances other than cash and cash equivalents	16.97	13.46
	69.46	39.39
Net Debt	318.39	369.56

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018.

Note 36: Research & Development Expenditure

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

	March 31, 2018	March 31, 2017
In the nature of Revenue Expenditure	17.07	10.48
In the nature of Capital Expenditure	2.21	3.60
Total	19.28	14.08



Note 37: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2018	March 31, 2017
Principal amount outstanding (whether due or not) to micro and small enterprises	4.56	7.62
Interest due thereon	-	-
The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note 38: Previous year figures have been reclassified, as considered necessary, to confirm with current year presentation, wherever applicable.

As per our report of even date attached
 For Akshay Rathi & Associates
 Chartered Accountants
 ICAI Firm Registration Number: 139703W

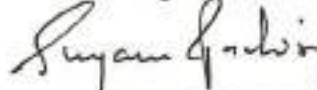


per Akshay Rathi
 Proprietor
 Membership No.- 161910



Place: Nagpur
 Date: May 11, 2018

For S R B C & CO LLP
 Chartered Accountants
 ICAI Firm Registration Number: 324982E/E300003

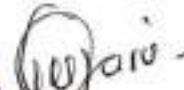


per Shyamsundar Pachisia
 Partner
 Membership No.- 49237



11 MAY 2018

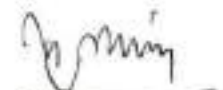
For and on behalf of the Board of Directors of
 Solar Industries India Limited



S.N. Nuwal
 Chairman &
 Executive Director



Khushboo Pasari
 Company Secretary



Manish Nuwal
 Managing Director &
 CEO



Nilesh Pimpalle
 Chief Financial Officer

11 MAY 2018

