



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

PAREKH CENTRE, 3RD FLOOR, OPP. DAGA  
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**INDEPENDENT AUDITOR'S REPORT**

To the Members of  
**SOLAR INDUSTRIES INDIA LIMITED**

**Report on the Standalone financial statements**

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

**Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), statement of changes in equity and the cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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



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

#### **Opinion**

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

#### **Other Matter**

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

Our opinion is not qualified in respect of this matter.

#### **Report on Other Legal and Regulatory requirements**

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure- B" a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.





- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company, refer to our separate Report in "Annexure- A" to this report.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- I. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone financial statements.
  - II. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.
  - IV. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016, on the basis of information available with the Company. Based on audit procedures, and relying on management's representation, we report that disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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



C.N. Rathi  
Partner  
Membership No. 39895

Place: Nagpur  
Date: May 29, 2017



**"Annexure A" referred to in the Independent Auditor's report of even date on the standalone financial statements of Solar Industries India Limited**

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

1. We have audited the internal financial controls over financial reporting of **Solar Industries India Limited** ("the Company") as of March 31, 2017 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**

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

**Auditors' Responsibility**

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





### Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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



C.N. Rathi  
Partner  
Membership No. 39895

Place: Nagpur  
Date: May 29, 2017



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

**Re: Solar Industries India Limited ("the Company")**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.  
(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such verification.  
(c) According to the information and explanation given by the management, the title deeds of immovable properties included in Property, plant and equipment are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. The Company has granted unsecured loans to eight bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').  
(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest. The borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand.  
(b) There are no overdue amounts for more than 90 days in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans and investments made, and guarantees and security provided by it.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits to which the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed there under to the extent notified. Accordingly clause 3 (v) of the Order is not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.





- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in few cases.
- b. According to the information and explanations given to us, no undisputed dues payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us and the records of the Company, the dues outstanding of income-tax, duty of excise, Sales Tax on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount under dispute not deposited (Rupees)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	31,081,994	2000 - 2008	CESTAT, Mumbai
Central Excise Act, 1944	Excise duty	1,806,720	2011 - 2015	Commissioner (Appeal), Nagpur
Central Excise Act, 1944	Excise duty	103,508	2012 - 2013	Commissioner(Appeal), Bhubneshwar
Central Sales Tax Act, 1956	CST	101,967,858	2009 - 2013	Sales Tax Tribunal
Sales Tax Act	VAT	9,082,964	2006-2007, 2008 - 2009	Deputy Commissioner of Sales Tax, Satna
Sales Tax Act	CST	1,235,399	2006-2007, 2008 - 2009	Deputy Commissioner of Sales Tax, Satna
Sales Tax Act	Entry Tax	209,491	2006 - 2007	Deputy Commissioner of Sales Tax, Satna
Sales Tax Act	Entry Tax	82,848	2013 - 2014	Deputy Commissioner of Sales Tax, Satna
Sales Tax Act	VAT	3,635,642	2013 - 2016	Deputy Commissioner of Sales Tax, Jharsugda

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to bank or Government as at the balance sheet date. The Company did not have any outstanding dues in respect of financial institutions and debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not raised money by way of Initial Public offer or further public offer.



- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. As per the information provided managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him as referred to in section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Gandhi Rathi & Co.**

Chartered Accountants

Firm's Registration Number: 103031W



C.N. Rathi

Partner

Membership No. 39895

Place: Nagpur

Date: May 29, 2017





Solar Industries India Limited  
Balance Sheet as at March 31, 2017  
(All amounts in Rupees, unless otherwise stated)

Balance Sheet as at	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	4,038,150,304.39	3,510,662,761.02	2,876,409,401.72
Capital work-in-progress	3	159,682,392.41	121,282,488.30	203,444,896.08
<b>Financial assets</b>				
Investments	4	582,355,785.00	608,005,577.00	592,644,222.00
Loans	5	1,035,331,571.85	927,157,528.47	798,266,679.89
Other financial assets	6	215,481,968.98	157,723,111.53	129,103,570.16
Current tax assets (net)		21,579,828.79	93,245,283.31	233,579,382.43
Other non-current assets	9	87,309,023.35	119,994,713.38	81,548,459.38
<b>Total non-current assets</b>		<b>6,139,890,874.77</b>	<b>5,538,071,463.01</b>	<b>4,914,996,611.66</b>
<b>Current assets</b>				
Inventories	10	778,294,208.24	694,589,826.35	463,045,915.39
<b>Financial assets</b>				
Investments	4	442,560,687.86	55,534,976.64	2,266,926.98
Trade receivables	7	1,726,246,964.71	1,323,285,776.56	1,437,281,880.00
Cash and cash equivalents	8	81,949,009.57	22,103,108.74	21,203,959.12
Bank balances other than cash and cash equivalents	8	15,095,499.92	41,141,483.26	168,664,039.50
Loans	5	573,746,631.67	691,639,238.67	297,980,818.71
Other financial assets	6	406,411,822.43	416,712,626.00	324,682,485.41
Other current assets	9	277,272,101.27	214,857,209.24	194,032,136.54
<b>Total current assets</b>		<b>4,301,576,925.67</b>	<b>3,459,864,245.46</b>	<b>2,909,158,161.65</b>
<b>Total assets</b>		<b>10,441,467,800.44</b>	<b>8,997,935,708.47</b>	<b>7,824,154,773.31</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	180,980,110.00	180,980,110.00	180,980,110.00
<b>Other equity</b>		<b>6,405,351,831.94</b>	<b>5,301,991,212.38</b>	<b>4,899,519,878.45</b>
<b>Total equity</b>		<b>6,586,331,941.94</b>	<b>5,482,971,322.38</b>	<b>5,080,499,988.45</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	12	803,031,350.05	966,673,759.80	783,002,741.00
Deferred tax liabilities	14	681,198,785.00	584,797,923.00	408,514,983.65
<b>Total non-current liabilities</b>		<b>1,484,230,135.05</b>	<b>1,551,471,682.80</b>	<b>1,191,517,724.65</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	13	989,999,004.17	567,882,915.33	601,065,666.03
Trade payables	15	403,861,572.76	778,789,253.99	505,776,658.94
Other financial liabilities	16	795,748,883.46	391,439,444.13	292,673,897.97
Other current liabilities	17	181,296,263.06	225,381,089.84	152,620,837.27
<b>Total current liabilities</b>		<b>2,370,905,723.45</b>	<b>1,963,492,703.29</b>	<b>1,552,137,060.21</b>
<b>Total liabilities</b>		<b>3,855,135,858.50</b>	<b>3,514,964,386.09</b>	<b>2,743,654,784.86</b>
<b>Total equity and liabilities</b>		<b>10,441,467,800.44</b>	<b>8,997,935,708.47</b>	<b>7,824,154,773.31</b>

Summary of significant accounting policies 2.2

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

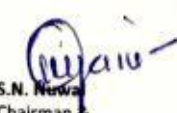
As per our report of even date attached

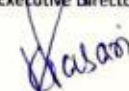
For **Gandhi Rathi & Co.**  
Chartered Accountants  
Firm's Registration Number: 103031W

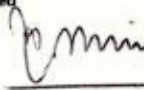
  
**C. N. Rathi**  
Partner  
Membership No.39895



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

  
**S.N. Nuwal**  
Chairman &  
Executive Director



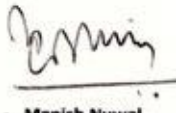



  
**Khushboo Pasari**  
Company Secretary

  
**Manish Nuwal**  
Managing Director &  
CEO

  
**Nilesh Panpaliya**  
Chief Financial Officer

Place: Nagpur  
Date: May 29, 2017

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

Statement of Profit and Loss for the	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Continuing operations</b>			
Revenue from operations	18	12,532,174,499.50	11,254,027,813.42
Other income	19	133,839,549.49	138,153,115.20
<b>Total income</b>		<b>12,666,014,048.99</b>	<b>11,392,180,928.62</b>
<b>Expenses</b>			
Cost of materials consumed	20	6,785,727,314.51	6,408,359,694.11
Purchases of Traded Goods		760,728,157.16	612,069,895.09
Changes in inventories of work-in-progress, stock-in-trade and finished goods	21	(17,894,617.48)	28,477,441.32
Excise duty		1,159,049,670.16	1,090,435,827.73
Employee benefit expense	22	543,472,480.59	434,106,560.98
Depreciation expense		192,781,824.13	177,232,802.46
Other expenses	23	1,132,705,472.67	895,010,287.00
Finance costs	24	137,902,777.79	76,602,792.14
<b>Total expenses</b>		<b>10,694,473,079.53</b>	<b>9,665,340,418.19</b>
<b>Profit before tax</b>		<b>1,971,540,969.46</b>	<b>1,726,840,510.43</b>
Tax expense :			
- Current tax	25	546,859,729.90	552,340,772.50
- Deferred tax	25	98,856,908.00	85,882,873.00
<b>Total tax expense</b>		<b>645,716,637.90</b>	<b>638,223,645.50</b>
<b>Profit for the year</b>		<b>1,325,824,331.56</b>	<b>1,088,616,864.93</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(7,096,348.00)	
Income tax relating to these items		2,456,046.00	
<b>Total Other comprehensive income for the year, net of tax</b>		<b>(4,640,302.00)</b>	
<b>Total comprehensive income for the year</b>		<b>1,321,184,029.56</b>	<b>1,088,616,864.93</b>
<b>Earnings per equity share</b>			
Basic and Diluted earnings per share	26	14.60	60.15
(Nominal value of Rs. 2 each (Previous year: Rs.10) )			
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			
<b>For Gandhi Rathi &amp; Co.</b>			
Chartered Accountants			
Firm's Registration Number: 103031W			
			
C.N. Rathi Partner Membership No.39895	S.N. Nuwal Chairman & Executive Director	- Manish Nuwal - Managing Director & - CEO	
			
	Khushboo Pasari Company Secretary	Nilesh Panpaliya Chief Financial Officer	
Place: Nagpur			
Date: May 29, 2017			



Solar Industries India Limited  
Statement of cash flows for the year ended March 31, 2017

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>		
Profit before tax	1,97,15,40,969	1,72,68,40,510
Adjustments for:		
Depreciation expense	19,27,81,824	17,72,32,802
Gain on disposal of property, plant and equipment	(1,40,253)	(7,73,011)
Net gain on financial assets mandatorily measured at fair value through profit or	(1,38,16,968)	(37,42,215)
Profit on sale of financial assets carried at fair value through profit or loss	(1,91,04,046)	(72,39,421)
Dividend and interest income	(9,61,93,895)	(9,03,03,402)
Finance costs	13,79,02,778	7,66,02,792
Remeasurements of post-employment benefit obligations	(70,96,348)	-
Impairment on property plant and equipment	65,27,890	-
Impairment loss on Trade Receivables	2,23,57,520	2,07,45,810
Impairment loss on Investment	98,00,000	-
Net exchange differences		
<b>Operating profit before working capital changes</b>	<b>2,20,45,59,471</b>	<b>1,89,93,63,867</b>
<b>Adjustments for:</b>		
(Increase)/ decrease in trade receivables	(42,53,18,708)	9,32,50,293
(Increase) in inventories	(8,37,04,382)	(23,15,43,911)
(Decrease)/ Increase in trade payables	(37,49,27,681)	27,30,12,595
(Increase) in other financial assets (excluding derivatives)	(10,91,06,343)	(6,87,95,978)
(Increase) in current tax assets (net)		
(Increase) in other assets	(2,97,29,202)	(5,92,71,327)
(Decrease)/ Increase in other current liabilities	(4,40,84,827)	7,27,60,253
(Increase) in other financial liabilities (excluding derivatives)	47,05,42,116	8,30,06,908
<b>Cash generated from operations</b>	<b>1,60,82,30,444</b>	<b>2,06,17,82,700</b>
Income taxes paid	47,59,21,155	32,16,06,608
<b>Net cash inflow from operating activities</b>	<b>1,13,23,09,289</b>	<b>1,74,01,76,092</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of property, plant and equipment	(76,74,67,676)	(74,75,10,011)
Proceeds from sale of property, plant and equipment	24,10,768	1,89,59,268
Loans repaid/ (given)	97,18,564	(52,25,49,269)
Proceeds from sale of current investments	(37,32,08,743)	(4,95,25,835)
Proceeds from sale/ (purchase) of non- current investments	1,58,49,792	(1,53,61,355)
Proceeds from/(Investment in) Fixed Deposit	2,60,45,983	12,75,22,556
Dividend and interest income	9,69,20,775	9,03,03,402
Profit on sale of financial assets carried at fair value through profit or loss	1,91,04,046	72,39,421
<b>Net cash outflow from investing activities</b>	<b>(97,06,26,491)</b>	<b>(1,09,09,21,823)</b>



Solar Industries India Limited  
Statement of cash flows for the year ended March 31, 2017

	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flows from financing activities</b>		
(Repayment of)/ proceeds from non current borrowings	(16,36,42,410)	18,36,71,019
Proceeds from/ (repayment of) current borrowings	42,21,16,089	(3,31,82,751)
Interest paid	(13,79,02,778)	(7,66,02,792)
Fair value changes on derivatives not designated as hedges	(45,84,388)	(3,60,95,066)
Dividends paid to company's shareholders	(21,78,23,410)	(68,61,45,531)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(10,18,36,897)</b>	<b>(64,83,55,121)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5,98,45,901</b>	<b>8,99,149</b>
Add:-Cash and cash equivalents at the beginning of the financial year	2,21,03,108	2,12,03,959
<b>Cash and cash equivalents at end of the year - (Note - 8)</b>	<b>8,19,49,009</b>	<b>2,21,03,108</b>

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

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

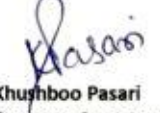
  
**C.N. Rathi**  
Partner  
Membership No. 39895




Place : Nagpur  
Date : May 2017,29

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



Solar Industries India Limited  
Statement of changes in equity  
(All amounts in Rupees, unless otherwise stated)

A. Equity share capital

	Notes	No of Shares	Amount
As at April 1, 2015		18,098,011.00	180,980,110.00
Changes in equity share capital	12.00	-	-
<b>As at March 31, 2016</b>		<b>18,098,011.00</b>	<b>180,980,110.00</b>
Changes in equity share capital	12.00	72,392,044.00	-
<b>As at March 31, 2017</b>		<b>90,490,055.00</b>	<b>180,980,110.00</b>

B. Other equity

	Reserves and surplus				Other Comprehensive Income	Total other equity
	Securities premium reserve	Retained earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit, liabilities / assets	
<b>Balance at April 1, 2015</b>	1,491,292,643.03	1,954,785,944.66	42,895,104.76	1,566,082,802.00	-	5,055,056,494.45
Ind AS adjustments on first time adoption (Refer note no. 35)		(155,536,616.00)				(155,536,616.00)
<b>Balance at April 1, 2015 after Ind AS Adjustment</b>	<b>1,491,292,643.03</b>	<b>1,799,249,328.66</b>	<b>42,895,104.76</b>	<b>1,566,082,802.00</b>	-	<b>4,899,519,878.45</b>
Profit for the year		1,088,616,864.93				1,088,616,864.93
Other comprehensive income		-				-
Transfer from retained earnings		-		450,000,000.00		450,000,000.00
Transfer to General reserve		(450,000,000.00)				(450,000,000.00)
<b>Transactions with owners :</b>						
Interim Dividends of FY 2015-16		(407,207,048.00)				(407,207,048.00)
Tax on Interim Dividend of FY 2015-16		(82,897,419.00)				(82,897,419.00)
Dividend of FY 2014-15		(162,882,099.00)				(162,882,099.00)
Tax on Dividend of FY 2014-15		(33,158,965.00)				(33,158,965.00)
<b>Balance at March 31, 2016</b>	<b>1,491,292,643.03</b>	<b>1,751,720,662.59</b>	<b>42,895,104.76</b>	<b>2,016,082,802.00</b>	-	<b>5,301,991,212.38</b>

	Reserves and surplus				Other Comprehensive Income	Total other equity
	Securities premium reserve	Retained earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit, liabilities / assets	
<b>Balance at April 1, 2016</b>	1,491,292,643.03	1,751,720,662.59	42,895,104.76	2,016,082,802.00	-	5,301,991,212.38
Profit for the year		1,325,824,331.56				1,325,824,331.56
Other comprehensive income		-			(4,640,302.00)	(4,640,302.00)
Transfer from retained earnings		-		450,000,000.00		450,000,000.00
Transfer to General reserve		(450,000,000.00)				(450,000,000.00)
<b>Transactions with owners :</b>						
Interim Dividends of FY 2016-17		(180,980,110.00)				(180,980,110.00)
Tax on Interim Dividend of FY 2016-17		(36,843,300.00)				(36,843,300.00)
<b>Balance at March 31, 2017</b>	<b>1,491,292,643.03</b>	<b>2,409,721,584.15</b>	<b>42,895,104.76</b>	<b>2,466,082,802.00</b>	<b>(4,640,302.00)</b>	<b>6,405,351,831.94</b>

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

C.N. Rathi  
Partner  
Membership No. 39895



S.N. Nuwal  
Chairman &  
Executive Director

Khushboo Pasari  
Company Secretary

Manish Nuwal  
Managing Director &  
CEO

Nilesh Panpaliya  
Chief Financial Officer

Place: Nagpur  
Date: May 29, 2017

### **Note 1: Corporate Information**

Solar Industries India Limited ('the Company') is a company domiciled in India, with its registered office situated in Nagpur. The Company has been incorporated under the provisions of Indian Companies Act and 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: Significant accounting policies**

#### **2.1 Basis of preparation**

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

#### **Statement of compliance**

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

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

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

#### **Current and non-current classification**

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

#### **2.2 Summary of significant accounting policies**

##### **a. Use of estimates**

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





**b. Property, Plant and Equipment**

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

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

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

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

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

**c. Intangible assets**

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

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

**d. Depreciation and amortization**

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

Assets	Company's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
<b>Buildings:</b>		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
<b>Plant and Machinery:</b>		
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 equipments and Computers	3 to 6	3 to 6

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



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

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

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

**f. Borrowing costs**

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

**g. Leases**

***Determining whether an arrangement contains a lease***

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

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

***Where the Company is a lessee***

Leases that 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.





**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 amortised cost

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

**Measurement**

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

**A. Debt instruments:**

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

**1. Amortised cost:**

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

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

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

**B. Equity instruments:**

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



**ii) Financial liabilities**

**Classification**

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

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

**Measurement**

**A. Financial liabilities at amortised cost**

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

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

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

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

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

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

**iv) Impairment of financial assets**

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

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

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





**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.

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

**i) Sale of goods**

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

**ii) Interest Income**

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

**iii) Dividends**

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

**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 favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



**I. 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. Overseas subsidiaries do not operate any defined benefit plans for employees.

**(iii) Leave encashment**

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

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

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

**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 co-relation to the underlying transaction either in other comprehensive income or directly in equity.

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

**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 Company.

**(ii) Segment accounting policies**

The Company prepares its segment information in conformity with accounting policies adopted for preparing and presenting the financial statements of the Company as a whole. 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 period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

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

**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.



Solar Industries India Limited  
Notes to Financial Statements  
(All amounts in Rupees , unless otherwise stated)

Note 3 : Property, plant and equipment

Year ended March 31, 2016	Freehold Land	Leasehold Land	Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipment	Total	Capital Work-in-progress
Gross carrying amount									
Gross carrying amount as at April 1, 2015	30,93,82,921.25	83,76,370.00	1,36,92,04,978.21	3,65,99,768.14	1,63,69,00,818.57	27,67,16,029.57	7,63,11,160.77	3,71,34,92,046.51	20,34,44,896.08
Additions	3,05,39,635.00	-	21,93,33,131.02	34,98,247.66	54,66,04,229.45	2,53,13,440.55	43,83,735.41	82,96,72,419.09	-
Disposals	-	-	-	-	(1,74,43,489.56)	(97,34,593.15)	-	(2,71,78,082.71)	-
Transfers	-	-	-	-	-	-	-	-	(8,21,62,407.78)
<b>Closing gross carrying amount as at March 31, 2016</b>	<b>33,99,22,556.25</b>	<b>83,76,370.00</b>	<b>1,58,85,38,109.23</b>	<b>4,00,98,015.80</b>	<b>2,16,60,61,558.46</b>	<b>29,22,94,876.97</b>	<b>8,06,94,896.18</b>	<b>4,51,59,86,382.89</b>	<b>12,12,82,488.30</b>
<b>Accumulated depreciation</b>									
Accumulated depreciation as at April 1, 2015	-	-	21,26,76,954.03	1,37,27,072.71	39,07,15,809.50	16,83,17,214.32	5,16,43,594.23	83,70,82,644.79	-
Depreciation charge during the year	-	-	3,54,67,314.48	43,44,868.68	10,88,61,265.13	1,98,70,008.21	86,89,345.96	17,72,32,802.46	-
Disposals	-	-	-	-	(17,06,960.70)	(72,84,864.68)	-	(89,91,825.38)	-
<b>Closing accumulated depreciation as at March 31, 2016</b>	<b>-</b>	<b>-</b>	<b>24,81,46,268.51</b>	<b>1,80,71,941.39</b>	<b>49,78,70,113.93</b>	<b>18,09,02,357.85</b>	<b>6,03,32,940.19</b>	<b>1,00,53,23,621.87</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>33,99,22,556.25</b>	<b>83,76,370.00</b>	<b>1,34,03,91,840.72</b>	<b>2,20,26,074.41</b>	<b>1,66,81,91,444.53</b>	<b>11,13,92,519.12</b>	<b>2,03,61,955.99</b>	<b>3,51,06,62,761.02</b>	<b>12,12,82,488.30</b>
<b>Net carrying amount as at March 31, 2015</b>	<b>30,93,82,921.25</b>	<b>83,76,370.00</b>	<b>1,15,65,26,024.18</b>	<b>2,28,72,695.43</b>	<b>1,24,61,85,009.07</b>	<b>10,83,98,815.25</b>	<b>2,46,67,566.54</b>	<b>2,87,64,09,401.72</b>	<b>20,34,44,896.08</b>
Year ended March 31, 2017									
Gross carrying amount									
Opening gross carrying amount	33,99,22,556.25	83,76,370.00	1,58,85,38,109.23	4,00,98,015.80	2,16,60,61,558.46	29,22,94,876.97	8,06,94,896.18	4,51,59,86,382.89	12,12,82,488.30
Additions	6,57,76,821.14	86,08,536.00	17,91,59,197.80	15,43,823.75	45,07,97,665.82	1,48,49,300.24	83,32,427.18	72,90,67,771.93	3,83,99,904.11
Disposals	-	-	-	-	(13,25,134.07)	(70,58,558.27)	(74,160.00)	(84,57,852.34)	-
Impairment	-	-	-	-	(65,27,889.75)	-	-	(65,27,889.75)	-
<b>Closing gross carrying amount</b>	<b>40,56,99,377.39</b>	<b>1,69,84,906.00</b>	<b>1,76,76,97,307.03</b>	<b>4,16,41,839.55</b>	<b>2,60,90,06,200.46</b>	<b>30,00,85,618.94</b>	<b>8,89,53,163.36</b>	<b>5,23,00,68,412.73</b>	<b>15,96,82,392.41</b>
<b>Accumulated depreciation</b>									
Opening accumulated depreciation	-	-	24,81,46,268.51	1,80,71,941.39	49,78,70,113.93	18,09,02,357.85	6,03,32,940.19	1,00,53,23,621.87	-
Depreciation charge during the year	-	-	4,04,92,496.98	44,08,243.32	11,94,42,293.08	2,09,39,642.68	74,99,148.07	19,27,81,824.13	-
Disposals	-	-	-	-	(9,18,070.59)	(51,98,815.07)	(70,452.00)	(61,87,337.66)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>28,86,38,765.49</b>	<b>2,24,80,184.71</b>	<b>61,63,94,336.42</b>	<b>19,66,43,185.46</b>	<b>6,77,61,636.26</b>	<b>1,19,19,18,108.34</b>	<b>-</b>
<b>Net carrying amount</b>	<b>40,56,99,377.39</b>	<b>1,69,84,906.00</b>	<b>1,47,90,58,541.54</b>	<b>1,91,61,654.84</b>	<b>1,99,26,11,864.04</b>	<b>10,34,42,433.48</b>	<b>2,11,91,527.10</b>	<b>4,03,81,50,304.39</b>	<b>15,96,82,392.41</b>





Note 4: Investments

Non-current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unquoted</b>							
<b>Investment carried at Cost</b>							
<b>Investment in Equity instruments in :</b>							
<b>Wholly owned subsidiaries (fully paid up)</b>							
Economic Explosives Limited	Rs. 10	48,00,000.00	48,00,000.00	48,00,000.00	14,49,64,000.00	14,49,64,000.00	14,49,64,000.00
Solar Mines & Minerals Limited	Rs. 10	50,000.00	50,000.00	50,000.00	5,00,000.00	5,00,000.00	5,00,000.00
Solar Mining Resources Limited	Rs. 10	50,000.00	50,000.00	50,000.00	5,00,000.00	5,00,000.00	5,00,000.00
Blastec India Private Limited	Rs. 100	4,98,766.00	4,98,766.00	-	49,87,660.00	49,87,660.00	-
Emul Tek Private Limited	Rs. 10	49,77,700.00	49,77,700.00	-	79,64,320.00	79,64,320.00	-
Solar Defence Limited	Rs. 10	50,000.00	50,000.00	-	5,00,000.00	5,00,000.00	-
Solar Defence System Limited	Rs. 10	50,000.00	-	-	5,00,000.00	-	-
Solar Overseas Mauritius Limited	USD 100	85,000.00	85,000.00	85,000.00	38,82,21,250.00	38,82,21,250.00	38,82,21,250.00
					<b>54,81,37,230.00</b>	<b>54,76,37,230.00</b>	<b>53,41,85,250.00</b>
<b>Investment carried at Cost</b>							
<b>Investment in Equity instruments of Associates :</b>							
SMS Bhatgaon Mines Extension Private Limited	Rs. 10	4,90,000.00	4,90,000.00	4,90,000.00	49,00,000.00	49,00,000.00	49,00,000.00
Solar Bhatgaon Extension Mines Private Limited	Rs. 10	4,90,000.00	4,90,000.00	4,90,000.00	49,00,000.00	49,00,000.00	49,00,000.00
Provision for Impairment					(98,00,000.00)	-	-
					-	<b>98,00,000.00</b>	<b>98,00,000.00</b>
<b>Investment carried at Fair Value through Profit or Loss</b>							
<b>Investment in Equity instruments of Others</b>							
Rainbow Production Limited	Rs. 10	-	-	2,50,000.00	-	-	25,00,000.00
Ganga Care Hospital Limited	Rs. 10	1,10,000.00	1,10,000.00	1,10,000.00	11,00,000.00	11,00,000.00	11,00,000.00
					<b>11,00,000.00</b>	<b>11,00,000.00</b>	<b>36,00,000.00</b>
<b>Investment in Venture Capital Fund (Unquoted)</b>							
Kotak India Growth Fund II	Rs.100,000	500.00	500.00	500.00	3,31,18,555.00	4,94,38,347.00	4,50,28,972.00
Investment in government securities					-	30,000.00	30,000.00
					<b>58,23,55,785.00</b>	<b>60,80,05,577.00</b>	<b>59,26,44,222.00</b>
<b>Aggregate amount of unquoted investments</b>					<b>58,23,55,785.00</b>	<b>60,80,05,577.00</b>	<b>59,26,44,222.00</b>



## Current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Quoted</b>							
<b>Investment in equity instruments of (fully paid-up) :</b>							
Premier Explosives Limited	Rs. 10	-	-	13,347.00	-	-	998,502.98
Jai Corporation Limited	Rs. 1	-	10,200.00	10,200.00	-	701,760.00	514,590.00
Reliance Industrial Infrastructure Limited	Rs. 10	987.00	987.00	987.00	450,812.00	408,945.00	427,124.00
Tata Iron Steel Co Limited	Rs. 10	-	1,000.00	1,000.00	-	319,500.00	298,350.00
Murlid Industries Limited	Rs. 2	5,331.00	5,331.00	5,331.00	-	28,360.00	28,360.00
IDFC Limited	Rs. 10	10,900.00	38,000.00	-	594,050.00	1,535,200.00	-
IDFC Bank Limited	Rs. 10	9,480.00	38,000.00	-	562,164.00	1,833,500.00	-
Mukand Limited	Rs. 10	30,930.00	-	-	2,625,957.04	-	-
Sunil Hitech Engineers Limited	Rs. 1	116,000.00	-	-	1,365,320.32	-	-
HDFC Growth Plan	Rs. 10	-	62,133.87	-	-	19,206,140.00	-
HDFC Prudence Fund-Direct Plan-Growth Option	Rs. 10	106,465.98	-	-	50,249,069.00	-	-
Reliance Regular Saving Fund-Balanced Plan-Direct Growth Option	Rs. 10	1,249,774.38	-	-	62,062,795.79	-	-
Reliance Regular Saving Fund-Debt Plan-Direct Growth Plan	Rs. 10	2,808,325.21	1,528,935.25	-	65,973,737.38	31,501,571.64	-
ICICI Prudential Liquid - Direct Plan - Growth	Rs. 10	124,689.06	-	-	30,014,813.00	-	-
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	Rs. 10	29,969.92	-	-	21,319,701.28	-	-
Birla Sun Life Balanced '95 Fund-Growth Regular Plan	Rs. 10	33,837.34	-	-	23,097,031.96	-	-
Birla Sun Life Cash Manager-Growth Direct Plan	Rs. 10	123,280.30	-	-	50,055,637.60	-	-
SBI Magnum Balanced Fund-Reg Growth	Rs. 10	201,216.56	-	-	21,963,854.08	-	-
SBI Magnum Balanced Fund-Dir Growth	Rs. 10	185,570.81	-	-	21,033,468.01	-	-
Kotak Balance Direct Plan Growth	Rs. 10	898,773.31	-	-	21,154,427.40	-	-
Kotak Liquid Direct Plan Growth	Rs. 10	6,069.42	-	-	20,013,770.00	-	-
Franklin India Treasury Management Account-Suer Institutional Plan-Direct-Growth	Rs. 10	20,567.58	-	-	50,024,079.00	-	-
					<b>442,560,687.86</b>	<b>55,534,976.64</b>	<b>2,266,926.98</b>
Aggregate amount of quoted investments and market value thereof					442,560,687.86	55,534,976.64	2,266,926.98





Solar Industries India Limited  
Notes to Financial Statements  
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Note 5: Loans

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Unsecured, considered good</b>						
Loan to associates (refer note 30)	10,181,326.00	-	8,979,074.00	-	8,104,731.00	-
Loan to subsidiaries/ step down subsidiaries (refer note 30)	324,969,442.46	316,116,543.00	359,036,987.46	206,629,299.62	69,781,125.00	60,464,081.04
Loans to Employees	-	-	-	-	221,000.00	-
Loan to Other	238,595,863.21	560,475,674.00	323,623,177.21	560,388,874.00	219,873,962.71	560,349,244.00
<b>Secured considered Good</b>						
Loan to others	-	158,739,354.85	-	160,139,354.85	-	177,453,354.85
	<b>573,746,631.67</b>	<b>1,035,331,571.85</b>	<b>691,639,238.67</b>	<b>927,157,528.47</b>	<b>297,980,818.71</b>	<b>798,266,679.89</b>

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 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. Considering the current arbitration proceedings, management believes that this amount would be recovered in full, however the timing of recovery is uncertain and hence the same is classified as non-current.

Note 6: Other financial assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Derivative Instruments at fair value through profit or loss</b>						
Foreign-exchange forward contracts	44,621,617.00	-	117,827,543.00	-	65,973,839.00	-
Interest rate swaps	11,557,637.00	-	-	-	-	-
	<b>56,179,254.00</b>	<b>-</b>	<b>117,827,543.00</b>	<b>-</b>	<b>65,973,839.00</b>	<b>-</b>
<b>Others</b>						
Sales Tax Receivable	349,892,880.99	215,481,968.98	297,159,000.00	157,723,111.53	251,922,978.00	129,103,570.16
Interest accrued but not due on Fixed Deposit	339,687.44	-	1,726,083.00	-	6,785,668.41	-
	<b>350,232,568.43</b>	<b>215,481,968.98</b>	<b>298,885,083.00</b>	<b>157,723,111.53</b>	<b>258,708,646.41</b>	<b>129,103,570.16</b>
	<b>406,411,822.43</b>	<b>215,481,968.98</b>	<b>416,712,626.00</b>	<b>157,723,111.53</b>	<b>324,682,485.41</b>	<b>129,103,570.16</b>

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.



Solar Industries India Limited  
Notes to Financial Statements  
(All amounts in Rupees, unless otherwise stated)

Note 7: Trade receivables

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	1,287,086,387.43	943,743,320.08	1,059,808,104.00
Receivables from related parties (refer note 30)	604,895,550.28	522,919,909.52	500,105,420.00
Less: Allowance for doubtful debts	(165,734,973.00)	(143,377,453.04)	(122,631,644.00)
	<b>1,726,246,964.71</b>	<b>1,323,285,776.56</b>	<b>1,437,281,880.00</b>

Break-up of security details

	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	54,131,086.89	27,848,045.31	39,097,277.00
Unsecured, considered good	1,672,115,877.82	1,295,437,731.25	1,398,184,603.00
Doubtful	165,734,973.00	143,377,453.04	122,631,644.00
	<b>1,891,981,937.71</b>	<b>1,466,663,229.60</b>	<b>1,559,913,524.00</b>
Allowance for doubtful debts	(165,734,973.00)	(143,377,453.04)	(122,631,644.00)
	<b>1,726,246,964.71</b>	<b>1,323,285,776.56</b>	<b>1,437,281,880.00</b>

Note 8: Cash and bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Cash and cash equivalents</b>			
Balances with banks			
In current accounts	78,595,279.85	17,245,623.76	14,719,545.64
Cash on hand	3,353,729.72	4,857,484.98	6,484,413.48
	<b>81,949,009.57</b>	<b>22,103,108.74</b>	<b>21,203,959.12</b>

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Other bank balances</b>			
Deposit accounts - with remaining maturity of less than 12 Months	1,389,516.90	1,493,213.06	160,260,445.81
Deposit accounts - held as margin money	13,093,897.49	38,144,519.67	7,892,475.16
Earmarked balances (on unclaimed dividend accounts)	612,085.53	1,503,750.53	511,118.53
	<b>15,095,499.92</b>	<b>41,141,483.26</b>	<b>168,664,039.50</b>





Solar Industries India Limited  
Notes to Financial Statements  
(All amounts in Rupees, unless otherwise stated)

Note 9: Other Assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Capital advances	-	55,678,744.35	-	85,421,460.87	-	51,709,654.38
<b>Advances other than capital advances :</b>						
Prepaid gratuity	-	7,234,067.00	-	7,677,887.51	-	-
Security deposits	-	24,396,212.00	-	26,895,365.00	-	29,838,805.00
Advances to suppliers for goods and services	105,840,837.88	-	79,078,035.45	-	122,746,658.64	-
Advances to staff	3,670,094.90	-	2,618,229.90	-	2,785,600.90	-
Claims receivable	1,617,488.00	-	117,668.00	-	-	-
Balances with revenue authorities	166,143,680.49	-	133,043,275.89	-	68,499,877.00	-
	<b>277,272,101.27</b>	<b>87,309,023.35</b>	<b>214,857,209.24</b>	<b>119,994,713.38</b>	<b>194,032,136.54</b>	<b>81,548,459.38</b>

Note 10: Inventories

	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials & Packing Material	541,195,506.71	468,935,565.62	305,705,532.60
Work-in-progress	98,898,881.91	90,011,287.68	67,193,403.02
Finished goods	44,481,981.46	35,474,958.21	28,517,976.68
Traded goods	1,272,572.94	-	1,297,424.87
Stores and spares	92,445,265.22	100,168,014.84	60,331,578.22
	<b>778,294,208.24</b>	<b>694,589,826.35</b>	<b>463,045,915.39</b>



**Note 11: Equity share capital**

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Authorised equity share capital (face value Rs.10 each)	-	27,000,000	27,000,000	-	270,000,000.00	270,000,000.00
(face value Rs.2 each)	135,000,000	-	-	270,000,000.00	-	-
	<b>135,000,000</b>	<b>27,000,000</b>	<b>27,000,000</b>	<b>270,000,000.00</b>	<b>270,000,000.00</b>	<b>270,000,000.00</b>
Issued, Subscribed and fully paid share capital (face value Rs.10 each)	-	18,098,011	18,098,011	-	180,980,110.00	180,980,110.00
Issued, Subscribed and fully paid share capital (face value Rs.2 each)	90,490,055	-	-	180,980,110.00	-	-
	<b>90,490,055</b>	<b>18,098,011</b>	<b>18,098,011</b>	<b>180,980,110.00</b>	<b>180,980,110.00</b>	<b>180,980,110.00</b>

**(a) Movements in equity share capital**

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Number of Shares at the beginning of the year	18,098,011	18,098,011	18,098,011	180,980,110.00	180,980,110.00	180,980,110.00
Add: Shares split during the year	72,392,044	-	-	-	-	-
<b>Number of Shares at the end of the year</b>	<b>90,490,055</b>	<b>18,098,011</b>	<b>18,098,011</b>	<b>180,980,110.00</b>	<b>180,980,110.00</b>	<b>180,980,110.00</b>

**(b) Terms/ rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Equity shares held by ultimate holding/ holding company 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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Shri Satyanarayan Nuwal	22.48%	22.48%	22.41%	20,343,695	4,068,739	4,055,787
Shri Kailashchandra Nuwal	19.60%	19.60%	19.60%	17,739,095	3,547,819	3,547,819
Smt Indira Devi Nuwal	6.15%	6.15%	6.15%	5,568,230	1,113,646	1,113,646
Smt Leela Devi Nuwal	5.61%	5.61%	5.61%	5,075,940	1,015,188	1,015,188
Smt Sohan Devi Nuwal	5.14%	5.14%	5.14%	4,649,690	929,938	929,938

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.





Solar Industries India Limited  
Notes to Financial Statements  
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Financial liabilities

Note 12: Non-current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Secured Borrowings carried at amortised cost			
<b>Term loans from Banks</b>			
Foreign currency loan from Banks (USD)	1,49,09,32,850.05	1,19,03,54,179.80	94,50,14,169.00
Interest Accrued but not due	72,20,333.14	49,76,180.00	12,85,831.00
	<b>1,49,81,53,183.19</b>	<b>1,19,53,30,359.80</b>	<b>94,63,00,000.00</b>
Less: Current maturities of long-term debt (included in note 16)	(68,79,01,500.00)	(22,36,80,420.00)	(16,20,11,428.00)
Less: Interest accrued on non-current borrowings (included in note 16)	(72,20,333.14)	(49,76,180.00)	(12,85,831.00)
	<b>80,30,31,350.05</b>	<b>96,66,73,759.80</b>	<b>78,30,02,741.00</b>

Note 13: Current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>			
<b>From banks</b>			
Foreign currency working capital loan	14,50,58,265.00	-	41,51,86,652.00
Indian Rupee working capital loan	17,65,910.39	16,34,73,447.45	4,06,16,624.48
Buyers credit	18,26,48,695.56	-	14,64,30,843.55
<b>Unsecured</b>			
<b>From banks</b>			
Buyers credit	-	32,81,16,860.22	-
Indian Rupee working capital loan	45,00,00,000.00	-	-
From related party	21,15,69,921.78	7,72,46,905.78	-
	<b>99,10,42,792.73</b>	<b>56,88,37,213.45</b>	<b>60,22,34,120.03</b>
Less: Interest accrued on current borrowings (included in note 16)	(10,43,788.56)	(9,54,298.12)	(11,68,454.00)
	<b>98,99,99,004.17</b>	<b>56,78,82,915.33</b>	<b>60,10,65,666.03</b>



**Solar Industries India Limited**  
**Notes to Financial Statements**  
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	Maturity date	Terms of repayment	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non current Borrowing</b>					
<b>Secured</b>					
Foreign currency term loan from Bank	Sep 11, 2017	Single repayment at the end of the term	19,45,35,000	18,24,60,000	18,11,74,169
Foreign currency term loan from Bank	Jan 12, 2018	Single repayment at the end of the term	20,75,04,000	19,68,00,000	19,68,00,000
Foreign currency term loan from Bank	July 9, 2018	Single repayment at the end of the term	16,10,92,925	15,80,00,000	-
Foreign currency term loan from Bank	Sep 28, 2018	Repayable in Four equal half yearly installment	18,56,25,000	25,03,81,680	-
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	49,90,07,175	-	-
Foreign currency term loan from Bank	Aug 31, 2018	Repayable in eight equal half yearly installment	24,31,68,750	40,27,12,500	56,70,40,000
			<b>1,49,09,32,850</b>	<b>1,19,03,54,180</b>	<b>94,50,14,169</b>
The above loans from Banks carries an interest rate of LIBOR + 100 bps to LIBOR + 362bps					
<b>Current Borrowings</b>					
<b>Secured</b>					
Foreign currency working capital loan from Bank	Oct 26, 2017	Single repayment at the end of the term	14,50,58,265	-	-
Buyer's credit	June 7, 2017	Single repayment at the end of the term	8,73,55,719	-	-
Buyer's credit	April 27, 2017	Single repayment at the end of the term	9,52,92,977	-	-
Indian rupee working capital loan from Banks	On Demand	On Demand	17,65,910	16,34,73,447	4,06,16,624
Foreign currency working capital loan from Bank	July 04, 2015	Single repayment at the end of the term	-	-	20,99,32,136
Foreign currency working capital loan from Bank	July 08, 2015	Single repayment at the end of the term	-	-	20,52,54,516
Buyer's credit	May 30, 2015	Single repayment at the end of the term	-	-	14,64,30,844
<b>Unsecured</b>					
Indian rupee working capital loan from Bank	April 24, 2017	Single repayment at the end of the term	20,00,00,000	-	-
Indian rupee working capital loan from Bank	June 21, 2017	Single repayment at the end of the term	25,00,00,000	-	-
Loan from related party	On Demand	On Demand	21,15,69,972	7,72,46,906	-
Buyer's credit	May 20, 2016	Single repayment at the end of the term	-	7,56,74,969	-
Buyer's credit	Sep 08, 2016	Single repayment at the end of the term	-	13,39,43,528	-
Buyer's credit	April 07, 2016	Single repayment at the end of the term	-	11,84,98,364	-
			<b>99,10,42,792</b>	<b>56,86,37,213</b>	<b>60,22,34,120</b>

The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 30 bps to LIBOR + 436 bps  
The Indian rupee working capital loans from Banks and loan from related party carries an interest rate of 6.89% p.a. to 10.00% p.a.

**Security**

The above secured loans from banks are secured by exclusive charge on the tangible movable and immovable fixed assets. 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 current 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 Company has satisfied all debt covenants prescribed in the terms of bank loans.  
The other loans do not carry any debt covenants.





**Note 14: Deferred tax liabilities**

The balance comprises temporary differences attributable to:

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax liabilities</b>			
Property, plant and equipment	738,194,725.00	623,948,929.00	547,843,187.00
Financial assets at fair value through profit or loss	1,396,494.00	3,476,877.00	2,012,504.00
Derivative Instruments at fair value through profit or loss	4,652,139.00	3,065,483.00	-
Prepaid Gratuity	2,503,711.00	2,657,317.00	-
Other Items	-	1,272,254.00	-
	<b>746,747,069.00</b>	<b>634,420,860.00</b>	<b>549,855,691.00</b>
<b>Deferred tax assets</b>			
Derivative Instruments at fair value through profit or loss	-	-	(9,258,145.00)
Provision for investments in associates	(3,391,780.00)	-	-
Trade receivables	(57,360,874.00)	(49,622,937.00)	(41,682,496.00)
Employee benefits payables	(4,795,630.00)	-	-
MAT Credit	-	-	(90,400,066.35)
	<b>(65,548,284.00)</b>	<b>(49,622,937.00)</b>	<b>(141,340,707.35)</b>
<b>Deferred tax liabilities (net)</b>	<b>681,198,785.00</b>	<b>584,797,923.00</b>	<b>408,514,983.65</b>

Movements in deferred tax liabilities

	Property, plant and equipment and investment property	Financial assets at fair value through profit and loss	Other items	Total
<b>At April 1, 2015</b>	547,843,187.00	(7,245,641.00)	(132,082,562.35)	408,514,983.65
Charged/ (credited)				
- to profit or loss	76,105,742.00	13,788,001.00	(4,010,870.00)	85,882,873.00
MAT credit utilized	-	-	90,400,066.35	90,400,066.35
<b>At March 31, 2016</b>	<b>623,948,929.00</b>	<b>6,542,360.00</b>	<b>(45,693,366.00)</b>	<b>584,797,923.00</b>
Charged/ (credited)				
- to profit or loss	114,245,796.00	(493,727.00)	(14,895,161.00)	98,856,908.00
- to other comprehensive income	-	-	(2,456,046.00)	(2,456,046.00)
<b>At March 31, 2017</b>	<b>738,194,725.00</b>	<b>6,048,633.00</b>	<b>(63,044,573.00)</b>	<b>681,198,785.00</b>



Solar Industries India Limited  
Notes to Financial Statements  
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Note 15: Trade payables

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade payables	403,644,042.75	695,187,568.54	505,776,658.94
Trade payables to related parties (refer note 31)	217,530.01	83,601,685.45	-
	<b>403,861,572.76</b>	<b>778,789,253.99</b>	<b>505,776,658.94</b>

Note 16: Other financial liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
<b>Derivative Instruments at fair value through profit or loss</b>			
Foreign-exchange forward contracts	42,737,650.00	76,923,579.00	37,798,521.00
Interest rate swaps	-	32,046,748.00	55,413,168.00
	<b>42,737,650.00</b>	<b>108,970,327.00</b>	<b>93,211,689.00</b>
<b>Others</b>			
Capital creditors	5,967,115.76	11,111,074.63	2,685,270.59
Current maturities of long term debt	687,901,500.00	223,680,420.00	162,011,428.00
Interest accrued on non-current borrowings	7,220,333.14	4,976,180.00	1,285,831.00
Interest accrued on current borrowings	1,043,788.56	954,298.12	1,168,454.00
Liabilities towards employee benefits	50,332,869.00	40,370,566.38	31,907,498.38
Unpaid dividend	545,627.00	1,376,578.00	403,727.00
	<b>753,011,233.46</b>	<b>282,469,117.13</b>	<b>199,462,208.97</b>
	<b>795,748,883.46</b>	<b>391,439,444.13</b>	<b>292,673,897.97</b>

Note 17: Other current liabilities

	March 31, 2017	March 31, 2016	April 1, 2015
Statutory dues payables	67,090,476.17	47,470,537.43	42,318,907.03
Advances from customers	114,205,786.89	177,910,552.41	110,301,930.24
	<b>181,296,263.06</b>	<b>225,381,089.84</b>	<b>152,620,837.27</b>





Solar Industries India Limited  
Notes to Financial Statements  
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**Note 18: Revenue from operations**

The group derives the following types of revenue:

	March 31, 2017	March 31, 2016
Sale of products (including excise duty)	12,10,20,20,009.30	10,82,55,09,736.93
Other operating revenue	43,01,54,490.20	42,85,18,076.49
	<b>12,53,21,74,499.50</b>	<b>11,25,40,27,813.42</b>

**Note 19: Other income and other gains/(losses)**

**(a) Other income**

	March 31, 2017	March 31, 2016
Interest Income		
<i>On financial assets carried at amortised cost</i>		
From Subsidiaries	5,72,53,710.00	3,39,26,304.90
From Others	3,73,00,365.50	2,89,26,808.26
On Deposits with Bank	9,12,939.57	27,27,392.86
Profit on sale of financial assets carried at fair value through profit or loss	1,91,04,046.13	72,39,421.01
Interest received on income tax refund	7,26,880.00	2,46,65,595.00
Dividend income from equity investments designated at fair value through Profit or loss		57,300.50
	<b>11,52,97,941.20</b>	<b>9,75,42,822.53</b>

**(b) Other gains/(losses)**

	March 31, 2017	March 31, 2016
Net gain on disposal of property, plant and equipment	1,40,253.32	7,73,010.67
Net gain on financial assets mandatorily measured at fair value through profit or loss	1,38,16,967.97	37,42,215.00
Fair value gain on derivatives not designated as hedges	45,84,387.00	3,60,95,067.00
	<b>1,85,41,608.29</b>	<b>4,06,10,292.67</b>
<b>Total (a+b)</b>	<b>13,38,39,549.49</b>	<b>13,81,53,115.20</b>

**Note 20: Cost of materials consumed**

	March 31, 2017	March 31, 2016
Raw materials at the beginning of the year	46,89,35,565.62	30,57,05,532.60
Add: Purchases	6,85,79,87,255.60	6,57,15,89,727.13
Less: Raw material at the end of the year	54,11,95,506.71	46,89,35,565.62
	<b>6,78,57,27,314.51</b>	<b>6,40,83,59,694.11</b>

**Note 21: Changes in inventories of work-in-progress, stock-in-trade and finished goods**

	March 31, 2017	March 31, 2016
<b>Opening balance</b>		
Work-in progress	9,00,11,287.68	6,71,93,403.02
Finished goods	3,54,74,958.21	2,85,17,976.68
Traded goods	-	12,97,424.87
	<b>12,54,86,245.89</b>	<b>9,70,08,804.57</b>



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

<b>Closing balance</b>		
Work-in progress	9,88,98,881.91	9,00,11,287.68
Finished goods	4,44,81,981.46	3,54,74,958.21
Traded goods	-	-
	<b>14,33,80,863.37</b>	<b>12,54,86,245.89</b>
	<b>(1,78,94,617.48)</b>	<b>(2,84,77,441.32)</b>

**Note 22: Employee benefit expense**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Salaries, wages and bonus	51,55,29,108.74	41,28,73,717.49
Contribution to provident fund, gratuity	2,06,94,297.00	1,53,39,301.00
Staff welfare expenses	72,49,074.85	58,93,542.49
	<b>54,34,72,480.59</b>	<b>43,41,06,560.98</b>

**Note 23: Other expenses**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Consumption of stores and spares	7,35,01,126.39	5,03,80,060.33
Excise Duty on Inventory	43,82,211.00	34,25,974.00
Sales tax expenses	8,27,695.00	1,51,256.00
Repairs and maintenance :		
Plant and machinery	4,31,51,796.82	3,46,49,069.39
Buildings	1,18,00,374.49	69,91,682.15
Others	4,20,16,788.58	4,23,08,698.33
Water and electricity charges	14,02,04,083.77	13,29,11,152.44
Rates and taxes	2,17,67,700.67	1,50,93,386.98
Legal and professional fees	5,72,18,568.42	3,53,63,551.53
Travel and conveyance	4,77,28,852.06	3,74,89,348.82
Export Expenses	16,15,98,575.19	14,45,06,517.51
Transportation Charges	10,53,71,656.08	8,89,80,311.03
Remuneration To Directors	8,63,98,560.00	7,19,75,000.00
Pump Truck Expenses	5,64,82,593.26	4,45,95,019.46
Security Service Charges	5,52,63,933.82	4,17,57,327.85
Sales Promotion Expenses	1,77,68,799.05	1,09,87,173.55
Donations	2,44,84,398.00	2,15,81,427.00
Advertisement Expenses	49,90,029.45	46,35,562.38
Advance/ Investment Written Off	18,87,150.00	25,00,000.00
Directors' Sitting Fees	8,80,000.00	9,93,400.00
Net foreign exchange losses/ (gain)	(60,47,245.98)	(1,84,15,295.59)
Impairment loss on Property Plant & Equipment	65,27,889.75	-
Impairment loss on Investment	98,00,000.00	-
Impairment loss on Trade Receivables	2,23,57,520.00	2,07,45,810.00
Corporate social responsibility expenditure (refer note 23(b) below)	2,83,36,316.00	2,22,90,000.00
Payments to auditors (refer note 23(a) below)	54,48,575.00	52,25,800.00
Miscellaneous Expenses (includes Printing , Communication , Postage , office expenses etc)	10,85,57,525.85	7,38,88,053.84
	<b>1,13,27,05,472.67</b>	<b>89,50,10,287.00</b>





Solar Industries India Limited  
Notes to Financial Statements  
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Note 23(a): Details of payments to auditors

	March 31, 2017	March 31, 2016
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	2,900,000.00	2,400,000.00
Tax audit fee	500,000.00	500,000.00
Limited review	75,750.00	70,000.00
<b>In other capacities</b>		
Taxation matters	1,095,150.00	1,480,750.00
Certification fees	423,175.00	375,050.00
Vat audit fees	454,500.00	400,000.00
	<b>5,448,575.00</b>	<b>5,225,800.00</b>

Note 23(b): Corporate social responsibility expenditure

	March 31, 2017	March 31, 2016
Contribution to Revenue Expenditure	28,336,316.00	22,290,000.00
	<b>28,336,316.00</b>	<b>22,290,000.00</b>
Amount required to be spent as per Section 135 of the Act	27,433,366	21,691,831
<i>Amount spent during the year on</i>		
(i) Construction/acquisition of an asset		
(ii) On purposes other than (i) above	28,336,316	22,290,000

Note 24: Finance costs

	March 31, 2017	March 31, 2016
Interest on Borrowings		
To Banks	115,134,991.79	70,350,700.14
To Related party	22,767,786.00	6,252,092.00
	<b>137,902,777.79</b>	<b>76,602,792.14</b>

Note 25: Tax expense

	March 31, 2017	March 31, 2016
<b>Current tax</b>		
Current tax on profits for the year	545,905,253.00	557,989,471.00
Adjustments for current tax of prior periods	954,476.90	(5,648,698.50)
	<b>546,859,729.90</b>	<b>552,340,772.50</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	(15,925,347.00)	1,317,704.00
(Decrease) increase in deferred tax liabilities	114,782,255.00	(84,565,169.00)
	<b>98,856,908.00</b>	<b>85,882,873.00</b>
	<b>645,716,637.90</b>	<b>638,223,645.50</b>



Solar Industries India Limited  
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Note 26: Earnings per share (EPS)

	March 31, 2017	March 31, 2016
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	1,321,184,029.56	1,088,616,864.93
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	90,490,055.00	18,098,011.00
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	14.60	60.15
Nominal value of shares (Rs.)	2.00	10.00



Solar Industries India Limited  
Notes to Financial Statements  
(All amounts in Rupees , unless otherwise stated)

Note 25: Earnings per share (EPS)

	March 31, 2017	March 31, 2016
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	1,32,11,84,029.56	1,08,86,16,864.93
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	9,04,90,055.00	1,80,98,011.00
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	<b>14.60</b>	<b>60.15</b>
Nominal value of shares (Rs.)	<b>2.00</b>	<b>10.00</b>





Solar Industries India Limited  
Notes to Financial Statements  
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Note 25: Earnings per share (EPS)

	March 31, 2017	March 31, 2016
<b>Basic and Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	1,32,11,84,029.56	1,08,86,16,864.93
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	9,04,90,055.00	1,80,98,011.00
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	<b>14.60</b>	<b>60.15</b>
Nominal value of shares (Rs.)	<b>2.00</b>	<b>10.00</b>



Solar Industries India Limited  
Notes to Financial Statements for the year ended March 31, 2017  
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Note 27: Group Information

	Name	Principal activities	Country	% Equity interest		
				March 31, 2017	March 31, 2016	April 1, 2015
<b>A</b>	<b>Indian subsidiaries</b>					
1	Economic Explosives Limited	Manufacturing of explosives	India	100.00%	100.00%	100.00%
2	Blastec (India) Private Limited	Manufacturing of explosives	India	100.00%	100.00%	100.00%
3	Emul Tek Private Limited	Manufacturing of explosives	India	100.00%	100.00%	100.00%
4	Solar Mines & Minerals Limited	Note 1	India	100.00%	100.00%	100.00%
5	Solar Mining Resources Limited	Note 1	India	100.00%	100.00%	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>B</b>	<b>Overseas subsidiary</b>					
1	Solar Overseas Mauritius Limited	Investment entity	Mauritius	100.00%	100.00%	100.00%
	<b>Overseas step down subsidiaries</b>					
1	Solar Mining Services Pty Limited (a)	Manufacturing of explosives	South Africa	76.00%	74.00%	-
2	Nigachem Nigeria Limited (a)	Manufacturing of explosives	Nigeria	55.00%	55.00%	55.00%
3	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (b)	Manufacturing of explosives	Turkey	74.50%	74.50%	74.50%
4	Solar Explochem Zambia Limited (a)	Manufacturing of explosives	Zambia	65.00%	65.00%	65.00%
5	Solar Overseas Netherlands Cooperative U.A (c)	Investment entity	Netherlands	99.99%	99.99%	99.99%
6	Solar Overseas Singapore Pte Limited (c)	Investment entity	Singapore	100.00%	100.00%	100.00%
7	Solar Industries Africa Limited (c)	Investment entity	Mauritius	100.00%	100.00%	100.00%
8	Australian Explosive Technologies Group Pty Limited*	Trading of explosives	Australia	76.00%	33.00%	33.00%
9	Solar Overseas Netherlands B.V. (a)	Investment entity	Netherlands	100.00%	100.00%	100.00%
10	Solar Nitro chemicals Limited (d)	Note 1	Tanzania	65.00%	65.00%	65.00%
11	P. T. Solar Mining Services (b)	Note 1	Indonesia	100.00%	100.00%	100.00%
12	Solar Mining Services Australia Pty Limited (e)	Note 2	Australia	80.00%	80.00%	80.00%
13	Solar Explochem (Ghana) Limited (b)	Note 2	Ghana	80.00%	80.00%	80.00%
14	Solar Industries Mozambique LDA (c)	Note 2	Mozambique	100.00%	100.00%	100.00%
15	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (b)	Note 3	Mozambique	100.00%	100.00%	100.00%
<b>C</b>	<b>Associates</b>					
1	Solar Bhatgaon Extension Mines Pvt. Limited	Note 1	India	49.00%	49.00%	49.00%
2	SMS Bhatgaon Mines Extension Pvt. Limited	Note 1	India	49.00%	49.00%	49.00%

Note 1: The entity has not commenced its business operations

Note 2: During the financial year under review, 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: Under liquidation

(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



**Note 28: Employee Benefit obligations**

**(i) Post-employment obligations**

**a) Gratuity**

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

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

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

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

	March 31, 2017	March 31, 2016
Service cost	3,548,640	3,518,000
Net Interest Cost	(614,155)	-
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>2,934,485</b>	<b>3,518,000</b>

**Other Comprehensive Income**

	March 31, 2017	March 31, 2016
Opening amount recognized in OCI outside of statement of profit or account	-	-
Actuarial gain / (loss) on liabilities	(6,936,479)	(2,339,000)
Actuarial gain / (loss) on assets	(159,869)	-
<b>Closing of amount recognized in OCI outside of statement of profit and loss</b>	<b>(7,096,348)</b>	<b>(2,339,000)</b>

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

	March 31, 2017	March 31, 2016
Present value of funded obligations	53,163,445	41,867,000
Fair value of plan assets	60,397,512	49,543,933
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>(7,234,067)</b>	<b>(7,676,933)</b>

**Change in Present Value of Obligations**

	March 31, 2017	March 31, 2016
Opening of defined benefit obligations	41,867,000	36,456,000
Service cost	3,548,640	3,518,000
Interest Cost	3,349,360	2,917,000
Benefit Paid	(2,538,034)	(3,363,000)
Actuarial (Gain)/Loss on total liabilities:	6,936,479	2,339,000
<b>Closing of defined benefit obligation</b>	<b>53,163,445</b>	<b>41,867,000</b>





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Change in Fair Value of Plan Assets		
	March 31, 2017	March 31, 2016
Opening fair value of plan assets	49,543,933	46,696,933
Actual Return on Plan Assets	3,803,646	3,802,000
Employer Contribution	9,587,968	2,408,000
Benefit Paid	(2,538,034)	(3,363,000)
<b>Closing fair value of plan assets</b>	<b>60,397,513</b>	<b>49,543,933</b>

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

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

The significant actuarial assumptions were as follows :

	March 31, 2017	March 31, 2016
Discount Rate	6.8% per annum	8% per annum
Rate of increase in Compensation levels	7.5% per annum	5% per annum
Rate of Return on Plan Assets	8% per annum	8.14% per annum

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

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

#### Sensitivity Analysis

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

	March 31, 2017	Impact (Absolute)	Impact (%)
Base Liability	53,163,445		
Increase Discount Rate by 0.50%	51,313,566	(1,849,879)	-3.48%
Decrease Discount Rate by 0.50%	55,146,884	1,983,439	3.73%
Increase Salary Inflation by 1%	56,861,790	3,698,345	6.96%
Decrease Salary Inflation by 1%	49,841,542	(3,321,903)	-6.25%
Increase in Withdrawal Assumption by 5%	52,218,042	(945,403)	-1.78%
Decrease in Withdrawal Assumption by 5%	54,543,197	1,379,752	2.60%

Notes :

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



Solar Industries India Limited  
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Note 29: Commitments and contingencies

Capital and other Commitments

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	2,97,35,982	5,21,40,659	2,65,25,685

Contingent liabilities

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	1,02,13,08,750	1,04,34,37,500	65,61,97,500
Performance and financial guarantees given by the Company	79,16,76,510	46,01,61,495	96,55,49,296
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	1,06,99,42,500	1,19,25,00,000	12,49,90,000
Excise demands- matters under dispute (net of deposit made)*	4,91,96,708	4,91,59,239	5,80,32,812
Sales tax deferment	9,47,00,000	9,47,00,000	9,47,00,000
Sales tax demands- matters under dispute*	11,62,14,202	8,44,08,646	5,99,05,044
Income tax demands- matters under dispute*	2,83,09,872	3,20,39,935	3,02,50,166

\*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.



Solar Industries India Limited  
Notes to Financial Statements for the year ended March 31, 2017  
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**Note 30: Related Party Disclosures**

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

**I Subsidiaries and associates**

Note no. 27 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 S.N. Nuwal  
Shri K.C. Nuwal  
Shri Manish Nuwal  
Shri R D Vakil  
Shri Anil Kumar Jain  
Shri Nilesh Panpaliya  
Smt Khushboo Pasari

**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 2016-17.

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

Solar Initiating Systems Limited  
Mahakal Infrastructures Private Limited  
Mahakal Project Private Limited  
Nagpur Infrastructure Private Limited  
Solar Processors (Bhilwara) Limited  
Gulmohar Developers and Constructions Private Limited  
Sun Developers and Constructions Private Limited  
Sunbeam Developers and Constructions Private Limited





**Solar Industries India Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**  
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Sundrop Realtors Private Limited  
Sunland Infracon Private Limited  
Sunlight Infraventures Private Limited

**VI Other related party**

Solar Industries India Limited employee group gratuity assurance scheme  
(Post employment benefit plan of the Company)

Refer to Note 28 for information on transactions with post employment benefit plan  
mentioned above



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

**a. Transactions with related parties**

Nature of Transaction	Subsidiaries and step down subsidiaries		Associates		Key Management Personnel		Enterprises, over which control or significant influence is exercised by individuals listed in 'I' above	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
		March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017
Sales of products and services	1,30,21,50,230	88,79,37,544	-	-	-	-	-	-
Other operating income	21,09,917	45,10,586	-	-	-	-	-	-
Other non operating income (technical consultancy)	28,11,206	24,36,777	-	-	-	-	-	-
Sale of fixed assets	4,28,625	1,65,37,500	-	-	-	-	-	-
Project sales	5,35,94,318	-	-	-	-	-	15,26,496	6,21,990
Purchase of raw material and components	71,63,13,879	64,89,36,401	-	-	-	-	4,67,947	2,07,798
Purchase of License	95,89,877	21,48,659	-	-	-	-	-	-
Rent paid	7,54,19,698	43,87,73,926	12,02,252	8,74,343	-	-	13,43,23,016	7,72,46,906
Loans given/ (repaid) during the year (net)	5,72,53,710	3,29,61,477	10,91,827	9,64,826	-	-	2,27,67,786	62,52,092
Loans taken/ repaid during the year (net)	-	-	-	-	8,99,10,267	7,46,93,503	-	-
Interest received	-	-	-	-	8,80,000	-	-	-
Interest paid	-	-	-	-	-	-	-	-
Remuneration to KMP	-	-	-	-	-	-	-	-
Sitting fees	-	-	-	-	-	-	-	-
Guarantee given on behalf of subsidiary	-	38,72,40,000	-	-	-	-	-	-

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

Nature of Transaction	Subsidiaries and step down subsidiaries				Associates				Key Management Personnel				Enterprises, over which control or significant influence is exercised by individuals listed in 'I' above			
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Loans given	64,10,85,985	56,56,66,287	12,68,92,361	1,01,81,326	89,79,074	81,04,731	-	-	-	-	-	-	21,15,69,922	7,72,46,906	-	
Loans taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade receivables	60,48,95,550	52,29,19,910	50,01,05,420	-	-	-	-	-	-	-	-	-	-	-	-	
Trade payables/ other payables	1,70,924	6,70,02,762	-	-	-	-	-	-	-	-	-	-	46,806	1,12,992	-	
Guarantee given on behalf of subsidiary	1,02,13,08,750	1,04,34,37,500	65,61,97,500	-	-	-	-	-	-	-	-	-	-	-	-	



Solar Industries India Limited  
Notes to Financial Statements for the year ended March 31, 2017  
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Transactions with related parties during the year

Nature of Transaction	March 31, 2017	March 31, 2016
<b>Sales of products and services</b>		
Economic Explosives Limited	665,032,213	481,812,525
Blastec (India) Private Limited	32,470,313	28,274,532
Nigachem Nigeria Limited	167,101,156	74,416,566
Solar Explochem Zambia Limited	69,251,006	128,304,728
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	284,630,912	175,129,193
Solar Mining Services (Pty) Ltd	83,664,630	-
<b>Total</b>	<b>1,302,150,230</b>	<b>887,937,544</b>
<b>Other operating income</b>		
Economic Explosives Limited-Licence	2,109,917	4,510,586
<b>Total</b>	<b>2,109,917</b>	<b>4,510,586</b>
<b>Other non operating income (Technical consultancy)</b>		
Nigachem Nigeria Limited	2,811,206	2,436,777
<b>Total</b>	<b>2,811,206</b>	<b>2,436,777</b>
<b>Sale of fixed assets</b>		
Blastec (India) Private Limited	428,625	16,537,500
<b>Total</b>	<b>428,625</b>	<b>16,537,500</b>
<b>Project Sales</b>		
Solar Mining Services (Pty) Ltd	53,594,318	-
<b>Total</b>	<b>53,594,318</b>	<b>-</b>
<b>Purchase of raw material and components</b>		
Economic Explosives Limited	716,313,879	648,936,401
Solar Synthetics Private Limited	1,526,496	621,990
<b>Total</b>	<b>717,840,375</b>	<b>649,558,391</b>
<b>Purchase of License</b>		
Economic Explosives Limited	9,589,877	2,148,659
<b>Total</b>	<b>9,589,877</b>	<b>2,148,659</b>
<b>Rent paid</b>		
Solar Synthetics Private Limited	467,947	207,798
<b>Total</b>	<b>467,947</b>	<b>207,798</b>





Solar Industries India Limited  
Notes to Financial Statements for the year ended March 31, 2017  
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<b>Loans given/ (repaid) during the year (net)</b>		
SMS Bhatgaon Mines Extension Private Limited	10,51,302	7,72,263
Solar Bhatgaon Extension Mines Private Limited	1,50,950	1,02,080
Economic Explosives Limited	(1,44,08,672)	18,70,11,525
Blastec (India) Private Limited	(1,74,02,327)	10,33,40,636
Solar Mines & Minerals Ltd	7,87,422	7,48,760
Solar Overseas Singapore Pte Ltd.	22,941	24,579
Solar Overseas Mauritius Ltd.	10,86,76,880	14,53,91,880
Emul Tek Private Limited	(22,31,846)	22,31,846
Solar Defence Limited	(24,700)	24,700
<b>Total</b>	<b>7,66,21,950</b>	<b>43,96,48,269</b>
<b>Loans taken/ repaid during the year (net)</b>		
Commercial Sales Corporation	13,43,23,016	7,72,46,906
<b>Total</b>	<b>13,43,23,016</b>	<b>7,72,46,906</b>
<b>Interest received</b>		
Economic Explosives Limited	1,09,12,598	41,51,705
Blastec (India) Private Limited	1,87,27,514	1,46,88,558
Solar Mines & Minerals Ltd	7,89,815	7,17,680
Emul Tek Private Limited	2,45,064	1,77,888
Solar Overseas Mauritius Ltd	2,65,55,778	1,32,01,067
Solar Overseas Singapore Pte Ltd.	22,941	24,579
SMS Bhatgaon Mines Extension Private Limited	9,57,182	8,54,737
Solar Bhatgaon Extension Mines Private Limited	1,34,645	1,10,089
<b>Total</b>	<b>5,83,45,537</b>	<b>3,39,26,303</b>
<b>Interest paid</b>		
Commercial Sales Corporation	2,27,67,786	62,52,092
<b>Total</b>	<b>2,27,67,786</b>	<b>62,52,092</b>
<b>Remuneration to KMP*</b>		
Shri S.N. Nuwal	2,70,00,000	2,25,00,000
Shri K.C. Nuwal	2,70,00,000	2,25,00,000
Shri Manish Nuwal	2,70,00,000	2,25,00,000
Shri R D Vakil	25,93,200	24,84,000
Shri Anil Kumar Jain	28,05,360	14,51,000
Shri Nilesh Panpaliya	27,31,320	25,98,180
Mrs. Khushboo Pasari	7,80,387	6,60,323
<b>Total</b>	<b>8,99,10,267</b>	<b>7,46,93,503</b>
<b>Sitting fees</b>		
Shri Anant Sagar Awasthi	2,15,000	2,00,000
Shri Dilip Patel	2,55,000	1,80,000
Shri Ajai Nigam	1,60,000	1,40,000
Shri Amrendra Verma	1,50,000	1,50,000
Smt Madhu Vij	1,00,000	1,60,000
<b>Total</b>	<b>8,80,000</b>	<b>8,30,000</b>
<b>Guarantee given on behalf of subsidiary</b>		
Solar Overseas Mauritius Limited	-	38,72,40,000
<b>Total</b>	<b>-</b>	<b>38,72,40,000</b>

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



Solar Industries India Limited

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

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Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2017	March 31, 2016	April 1, 2015
<b>Loans given</b>			
SMS Bhatgaon Mines Extension Private Limited	89,45,296	78,93,994	71,21,731
Solar Bhatgaon Extension Mines Private Limited	12,36,030	10,85,080	9,83,000
Economic Explosives Limited	17,26,02,853	18,70,11,525	-
Blastec (India) Private Limited	15,23,66,589	16,97,68,916	6,64,28,280
Solar Mines & Minerals Ltd	79,67,555	71,80,133	64,31,373
Solar Overseas Singapore Pte Ltd.	2,52,348	2,29,407	2,04,828
Solar Overseas Mauritius Ltd.	30,78,96,640	19,92,19,760	5,38,27,880
Emul Tek Private Limited	-	22,31,846	-
Solar Defence Limited	-	24,700	-
<b>Total</b>	<b>65,12,67,311</b>	<b>57,46,45,361</b>	<b>13,49,97,092</b>
<b>Loans taken</b>			
Commercial Sales Corporation	21,15,69,922	7,72,46,906	-
<b>Total</b>	<b>21,15,69,922</b>	<b>7,72,46,906</b>	<b>-</b>
<b>Trade receivables</b>			
Nigachem Nigeria Limited	18,71,03,315	9,62,42,635	14,35,01,867
Solar Explochem Zambia Limited	-	4,84,24,181	3,29,52,129
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	27,66,32,627	34,43,27,507	32,36,51,424
Blastec (India) Private Limited	39,00,660	-	-
Solar Mining Services (Pty) Limited	13,72,58,949	-	-
Economic Explosives Limited	-	3,24,16,739	-
Blastec (India) Private Limited	-	15,08,848	-
<b>Total</b>	<b>60,48,95,550</b>	<b>52,29,19,910</b>	<b>50,01,05,420</b>
<b>Trade payables/ Other payables</b>			
Solar Synthetics Private Limited	46,606	1,12,992	-
Economic Explosives Limited	-	6,70,02,762	-
Emul Tek Private Limited	1,70,924	-	-
Shri S.N.Nuwal	-	83,40,385	-
Shri Manish Nuwal	-	42,83,277	-
Shri K.C. Nuwal	-	38,62,270	-
<b>Total</b>	<b>2,17,530</b>	<b>8,36,01,685</b>	<b>-</b>
<b>Guarantee given on behalf of subsidiary</b>			
Solar Overseas Mauritius Limited	1,02,13,08,750	1,04,34,37,500	65,61,97,500
<b>Total</b>	<b>1,02,13,08,750</b>	<b>1,04,34,37,500</b>	<b>65,61,97,500</b>

**Note 31: Segment Information**

In accordance with paragraph 4 of Ind AS 108 "Operating Segments", the Company has presented segmental information only on the basis of the Consolidated financial statements (refer note no. .... of 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 following methods and assumptions were used to estimate the fair values:

- 1 The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, bank deposits, trade receivables, other financial assets (except derivatives), trade payables, other financial liabilities (except derivatives), current borrowings, because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
- 2 The Company has not disclosed the fair value of Investments in subsidiaries, since the same are valued at cost. For carrying values refer note 4 of the financial statements.
- 3 For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- 4 The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.
- 5 The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 3 fair values in the fair value hierarchy.
- 6 Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

**A. Fair Value Hierarchy**

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

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

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

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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,60,90,78,204	5	-	-	1,60,90,78,204
Other financial assets (except derivatives)	56,57,14,537	6	-	-	-
Trade receivables	1,72,62,46,965	7	-	-	-
Cash and cash equivalents	8,19,49,010	8	-	-	-
Bank balances other than cash and cash equivalents	1,50,95,500	8	-	-	-
<b>Fair value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	11,00,000	4	-	-	11,00,000
Investment in Venture Capital Fund (unquoted)	3,31,18,555	4	-	3,31,18,555	-
Investment in equity instruments (quoted)	55,98,303	4	55,98,303	-	-
Investment in mutual funds	43,69,62,385	4	43,69,62,385	-	-
Derivative Instruments	5,61,79,254	6	-	5,61,79,254	-
<b>Total Financial assets</b>	<b>4,53,10,42,712</b>		<b>44,25,60,688</b>	<b>8,92,97,809</b>	<b>1,61,01,78,204</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
<b>Borrowings</b>					
Non-current	80,30,31,350	12	-	-	80,30,31,350
Current	98,99,99,004	13	-	-	-
Trade payables	40,38,61,573	15	-	-	-
Other financial liabilities	75,30,11,233	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative Instruments	4,27,37,650	17	-	4,27,37,650	-
<b>Total Financial liabilities</b>	<b>2,99,26,40,810</b>		<b>-</b>	<b>4,27,37,650</b>	<b>80,30,31,350</b>

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





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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,618,796,767	5	-	-	1,618,796,767
Other financial assets (except derivatives)	456,608,195	6	-	-	-
Trade receivables	1,323,285,777	7	-	-	-
Cash and cash equivalents	22,103,109	8	-	-	-
Bank balances other than cash and cash equivalents	41,141,483	8	-	-	-
Investment in Government securities	30,000	4	-	30,000	-
<b>Fair Value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	1,100,000	4	-	-	1,100,000
Investment in Venture Capital Fund (unquoted)	49,438,347	4	-	49,438,347	-
Investment in equity instruments (quoted)	4,827,265	4	4,827,265	-	-
Investment in mutual funds	50,707,712	4	50,707,712	-	-
Derivative Instruments	117,827,543	6	-	117,827,543	-
<b>Total Financial assets</b>	<b>3,685,866,197</b>		<b>55,534,977</b>	<b>167,295,890</b>	<b>1,619,896,767</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	966,673,760	12	-	-	966,673,760
Current	567,882,915	13	-	-	-
Trade payables	778,789,255	15	-	-	-
Other financial liabilities	282,469,117	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative Instruments	108,970,327	17	-	108,970,327	-
<b>Total Financial liabilities</b>	<b>2,704,785,374</b>		-	<b>108,970,327</b>	<b>966,673,760</b>

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at April 1, 2015 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,096,247,499	5	-	-	1,096,247,499
Other financial assets (except derivatives)	387,812,217	6	-	-	-
Trade receivables	1,437,281,880	7	-	-	-
Cash and cash equivalents	21,203,959	8	-	-	-
Bank balances other than cash and cash equivalents	168,664,040	8	-	-	-
Investment in Government securities	30,000	4	-	30,000	-
<b>Fair Value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	3,600,000	4	-	-	3,600,000
Investment in Venture Capital Fund (unquoted)	45,028,972	4	-	45,028,972	-
Investment in equity instruments (quoted)	2,266,927	4	2,266,927	-	-
Derivative Instruments	65,973,839	6	-	65,973,839	-
<b>Total Financial assets</b>	<b>3,228,109,332</b>		<b>2,266,927</b>	<b>111,032,811</b>	<b>1,099,847,499</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	783,002,741	12	-	-	783,002,741
Current	601,065,666	13	-	-	-
Trade payables	505,776,659	15	-	-	-
Other financial liabilities	199,462,209	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative Instruments	93,211,689	17	-	93,211,689	-
<b>Total Financial liabilities</b>	<b>2,182,518,964</b>		-	<b>93,211,689</b>	<b>783,002,741</b>

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



**Note 33: Financial risk management objectives and policies**

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

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

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

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk-Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis	Foreign-exchange forward 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 future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks include

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

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

**Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company is not very significantly exposed to interest rate risks except the variations in LIBOR rates as most of borrowings are linked to LIBOR.

0.5% changes in interest rate will increase/ decrease the borrowing cost by Rs 0.95 lacs.

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

Derivative instruments and unhedged foreign currency exposures



a) Derivative outstanding as at the reporting date

The Company has borrowings in foreign currency amounting to Rs. 1,81,75,96,022 (March 31, 2016: Rs. 1,51,75,16,742). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Company has taken foreign exchange forward contracts, which are as follows:

Name of the instrument	Currency	March 31, 2017	March 31, 2016
Forward contract to buy	USD	2,03,34,472	2,06,00,000

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

	March 31, 2017		March 31, 2016	
	USD	EURO	USD	EURO
Trade Receivable	1,15,11,663	1,73,576	93,37,822	1,73,576
Loans and other receivable	47,53,104	-	21,73,976	-
Borrowings	76,95,384	-	31,54,410	-
Trade Payables	21,751	-	40,52,726	-

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

	In Rupees	
	March 31, 2017	March 31, 2016
USD	55,42,712	28,51,839
EURO	1,20,653	1,29,870

Equity price risk

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

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

	March 31, 2017	March 31, 2016
Investment in equity shares (quoted)	55,98,303	48,27,265
Investment in mutual funds	43,69,62,385	5,07,07,712

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and mutual funds and gain/ loss for the period would be Rs. 4,425,607 (March 31, 2016: Rs. 555,350). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

Credit risk

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

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

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

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

**Loans:** The Company has given loans to associates and subsidiaries and certain unrelated parties. However there is no counter party risk. Except in case of some non-current loans where arbitration proceeding are on-going and the management believes that this amount would be recovered in full however the timing of recovery is uncertain. (Refer note no. 5 of financial statements for details)





**Solar Industries India Limited**  
**Notes to Financial Statements for the year ended March 31, 2017**  
**(All amounts in Rupees, unless otherwise stated)**

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, 2017	1,09,48,95,212	18,39,60,984	61,31,25,742	<b>1,89,19,81,938</b>
As at March 31, 2016	78,04,36,682	12,27,37,098	56,34,89,450	<b>1,46,66,63,230</b>

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

	March 31, 2017	March 31, 2016
Opening balance	14,33,77,453	12,26,31,644
Provided during the year	3,42,28,682	2,07,45,809
Amounts written off	-	-
Reversals of provisions	(1,18,71,162)	-
<b>Closing balance</b>	<b>16,57,34,973</b>	<b>14,33,77,453</b>

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

**Liquidity risk**

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

**Maturity profile of financial liabilities**

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
<b>March 31, 2017</b>						
Borrowings						
From related party	21,15,69,922	-	-	-	-	21,15,69,922
From Banks	17,65,910	63,26,48,696	84,01,80,098	80,30,31,350	-	2,27,76,26,054
Trade payables	-	38,41,11,798	1,97,49,775	-	-	40,38,61,573
Other financial liabilities	5,45,627	3,90,96,738	1,72,03,246	-	-	5,68,45,611
Derivative Instruments	-	80,66,560	1,02,16,508	2,44,54,583	-	4,27,37,651
<b>March 31, 2016</b>						
Borrowings						
From related party	7,72,46,906	-	-	-	-	7,72,46,906
From Banks	16,34,73,447	19,28,35,499	36,39,37,962	96,66,73,760	-	1,68,69,20,667
Trade payables	-	76,26,06,806	1,61,82,448	-	-	77,87,89,254
Other financial liabilities	13,76,578	3,48,47,630	1,66,34,011	-	-	5,28,58,219
Derivative Instruments	-	8,43,427	1,13,50,937	9,67,75,963	-	10,89,70,327



**Note 34(a): Capital Management**

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

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

	March 31, 2017	March 31, 2016	April 1, 2015
Net Debt	1,69,59,85,845	1,47,13,12,083	1,19,42,00,408
Equity	6,58,63,31,942	5,48,29,71,322	5,08,04,99,988
Capital and net debt	8,28,23,17,787	6,95,42,83,406	6,27,47,00,397
Gearing ratio	20%	21%	19%

Calculation of net debt is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings			
Non Current	80,30,31,350	96,66,73,760	78,30,02,741
Current	98,99,99,004	56,78,82,915	60,10,65,666
	<b>1,79,30,30,354</b>	<b>1,53,45,56,675</b>	<b>1,38,40,68,407</b>
Cash and cash equivalents	8,19,49,010	2,21,03,109	2,12,03,959
Bank balances other than cash and cash equivalents	1,50,95,500	4,11,41,483	16,86,64,040
	<b>9,70,44,509</b>	<b>6,32,44,592</b>	<b>18,98,67,999</b>
<b>Net Debt</b>	<b>1,69,59,85,845</b>	<b>1,47,13,12,083</b>	<b>1,19,42,00,408</b>

**Note 34(b): Research & Development Expenditure:**

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

	March 31, 2017	March 31, 2016
In the nature of Revenue Expenditure	2,89,09,457	2,38,94,010
In the nature of Capital Expenditure	1,43,35,089	62,06,742
<b>Total</b>	<b>4,32,44,546</b>	<b>3,01,00,752</b>



**Note 35: First-time adoption of Ind AS**

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

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

**A Exemptions and exceptions applied**

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

**A.1 Ind AS optional exemptions**

**A.1.1 Business Combinations (Ind AS 103)**

Ind AS 101 provides the option to apply Ind AS 103, prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates.

**A.1.2 Deemed cost**

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

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

**A.1.3 Use of deemed cost for investments in subsidiaries and associates**

Ind AS 101 permits a first-time adopter to elect to continue the previous GAAP carrying amount at the date of transition and use that as its deemed cost of investment as at the date of transition.

Accordingly, the Company has elected to measure all its investments in subsidiaries and associates at their previous GAAP carrying value.

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

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

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

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

**A.2.2 Reconciliations between previous GAAP and Ind AS**

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

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

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





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

Particulars	Notes to first-time adoption	March 31, 2016	April 1, 2015
Other equity as per Indian GAAP		5,677,537,045	5,055,056,494
<b>Adjustments:</b>			
Fair valuation of mutual fund and equity investments	1	18,745,655	8,881,310
Fair valuation of derivatives	2	8,857,217	(27,237,850)
Provision for expected credit losses on trade receivables	3	(67,791,192)	(79,662,354)
Proposed dividend and related taxes	4	-	196,041,064
Tax effects of adjustments	5	(335,357,512)	(253,558,786)
<b>Total adjustments</b>		<b>(375,545,832)</b>	<b>(155,536,616)</b>
<b>Total equity as per Ind AS</b>		<b>5,301,991,213</b>	<b>4,899,519,878</b>

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

Particulars	Notes to first-time adoption	March 31, 2016
Profit after tax as per Indian GAAP		1,112,585,017
<b>Adjustments:</b>		
Fair valuation of mutual fund and equity investments	1	9,864,345
Fair valuation of derivatives	2	36,095,067
Provision for expected credit losses on trade receivables	3	11,871,162
Tax effects of adjustments	5	(81,798,726)
<b>Total adjustments</b>		<b>(23,968,152)</b>
<b>Profit after tax as per Ind AS</b>		<b>1,088,616,865</b>
Other comprehensive income		-
<b>Total comprehensive income as per Ind AS</b>		<b>1,088,616,865</b>

## Notes to first-time adoption:

**Note 1 Fair valuation of mutual fund and equity investments**

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



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

**Note 2 Fair valuation of derivatives**

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

**Note 3 Trade receivables**

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

**Note 4 Proposed dividend**

Under Ind AS, dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased.

**Note 5 Deferred tax**

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

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

**Note 6 Retained earnings**

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

**Note 7 Other comprehensive income**

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

**Note 8 Statement of cash flows**

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

**Note 9 Discount and incentives directly relatable to revenue**

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





**Note 36: Disclosure in respect of Specified Bank Notes held and transacted:**

	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on Nov 08, 2016	24,78,000	37,78,374	62,56,374
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	24,78,000	-	-
Closing cash in hand as on Dec 30, 2016	-	-	-

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

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

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

	March 31, 2017	March 31, 2016	April 1, 2015
Principal amount outstanding (whether due or not) to micro and small enterprises	3,75,21,709	3,11,56,869	3,45,99,796
Interest due thereon	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

As per our report of even date attached

**For Gandhi Rathi & Co.**

Chartered Accountants

Firm's Registration Number: 103031W

**C. N. Rathi**

Partner

Membership No.39895

Place: Nagpur

Date: May 29, 2017



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

**S.N. Nuwal**

Chairman &  
Executive Director

**Khushboo Pasari**

Company Secretary

**Manish Nuwal**

Managing Director &  
CEO

**Nilesh Panpaliya**

Chief Financial Officer



## INDEPENDENT AUDITOR'S REPORT

To the Members of

**SOLAR INDUSTRIES INDIA LIMITED**

### **Report on the Consolidated financial statements**

1. We have audited the accompanying consolidated financial statements of Solar Industries India Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory (hereinafter referred to as 'the consolidated financial statements').

### **Management's Responsibility for the Consolidated Financial Statements**

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that gives a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the Holding Company and its subsidiary companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 consolidated 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 financial statements by the Board of Directors of the Holding Company.

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on these consolidated 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.



4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. 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 8 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### **Opinion**

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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, 2017, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and their consolidated cash flows for the year ended on that date.

#### **Other Matters**

8. We did not audit the financial statements of certain subsidiaries included in consolidated financial statements which constitute total assets of Rs 396.86 crore as at March 31, 2017, total revenue of Rs 354.08 crore, net profit of Rs 23.15 crore and net cash outflow amounting to Rs 4.42 crore for the year ended on that date. These financial statements have been audited by other auditors whose reports are being furnished to us by the management and our opinion on the consolidated 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 section 143 (3) of the Act, insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.





Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which has been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company.

9. We did not audit the financial statements/ consolidated financial statements of certain subsidiaries included in consolidated financial statements which constitute total assets of Rs. 17.53 crore as at March 31, 2017, total revenue of Rs. 0.43 crore, net profit of Rs. (1.35) crore and net cash inflow amounting to Rs. 1.44 crore for the year ended on that date. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and our report in terms of section 143 (3) of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements.

Our opinion on the consolidated 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 certified by the Management.

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

Our opinion is not qualified in respect of these matters.

#### **Report on Other Legal and Regulatory requirements**

11. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of the subsidiary companies, referred in the 'Other Matters' paragraph above, we report, to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity Consolidated and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of

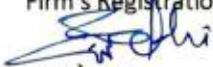




the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, as applicable.
- e. On the basis of the written representations received from the directors of the Holding Company and of its subsidiary companies incorporated in India, as on March 31, 2017 taken on record by the respective Board of Directors of the Holding Company and the subsidiary companies, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy and 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 A" to this report.
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - I. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its consolidated financial statements.
  - II. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.
  - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. The clause is not applicable to the subsidiaries companies.
  - IV. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable on the basis of information available with the respective Group entities. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the management of the respective Group entities.

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



C.N. Rathi  
Partner  
Membership No. 39895  
Place: Nagpur  
Date: May 29, 2017



**"Annexure A" referred to in the Independent Auditor's report of even date on the consolidated financial statements of Solar Industries India Limited**

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

1. We have audited the internal financial controls over financial reporting of **Solar Industries India Limited** ("hereinafter referred to as the Holding Company") and its subsidiary companies incorporated in India, as at March 31, 2017 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

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

2. The respective Board of Directors of the Holding Company and its subsidiary companies which are incorporated in India are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ('the Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as prescribed under section 143(10) of the 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary companies incorporated in India.





### Meaning of Internal Financial Controls Over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
- a. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - c. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion to the best of our information and according to the explanations given to us the Holding Company and its subsidiary companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note.

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



C.N. Rathi  
Partner  
Membership No. 39895

Place: Nagpur  
Date: May 29, 2017





**Solar Industries India Limited**  
**Consolidated Balance Sheet as at March 31, 2017**  
**(All amounts in Rupees, unless otherwise stated)**

Balance Sheet as at	Notes	March 31, 2017	March 31, 2016	April 1, 2015
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	7,69,69,78,036.66	6,97,73,73,388.47	5,79,54,89,741.18
Capital work-in-progress	3	90,92,54,761.30	30,44,36,688.12	41,36,87,379.23
Intangible Assets		8,13,66,995.75	5,05,20,704.75	4,09,27,437.50
<b>Financial assets</b>				
Investments	4	3,50,41,544.46	9,17,36,986.87	8,61,58,969.50
Loans	5	76,30,42,332.57	72,05,28,228.85	73,78,02,598.85
Other financial assets	6	25,48,04,821.41	17,93,69,790.53	14,05,81,970.16
Deferred tax assets	9	5,56,75,456.00	1,28,01,044.25	-
Current tax (net)		2,15,79,828.79	12,25,56,973.31	31,91,76,433.40
Other non-current assets	10	16,39,52,725.10	18,56,29,755.51	19,63,17,927.58
<b>Total non-current assets</b>		<b>9,98,16,96,502.04</b>	<b>8,64,49,53,560.65</b>	<b>7,73,01,42,457.40</b>
<b>Current assets</b>				
Inventories	11	1,81,07,23,064.30	1,59,85,57,064.83	1,60,99,01,974.22
<b>Financial assets</b>				
Investments	4	49,74,77,907.04	30,92,29,587.25	32,33,94,382.27
Trade receivables	7	3,13,76,22,640.56	2,70,98,48,606.81	2,15,24,91,356.28
Cash and cash equivalents	8	25,93,33,470.47	25,43,97,619.18	14,61,11,689.24
Bank balances other than above	8	13,45,63,775.70	11,27,34,288.66	22,38,22,999.22
Loans	5	26,77,75,391.21	39,46,75,113.46	31,99,29,381.59
Other financial assets	6	58,41,18,705.28	61,06,17,946.81	53,97,28,692.41
Other current assets	10	54,47,21,818.92	50,00,04,209.76	38,33,70,571.00
<b>Total current assets</b>		<b>7,23,63,36,773.48</b>	<b>6,49,00,64,436.76</b>	<b>5,69,87,51,046.24</b>
<b>Total assets</b>		<b>17,21,80,33,275.52</b>	<b>15,13,50,17,997.41</b>	<b>13,42,88,93,503.63</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	12	18,09,80,110.00	18,09,80,110.00	18,09,80,110.00
<b>Other equity</b>				
		9,10,48,84,057.53	7,87,34,61,060.48	7,17,50,21,596.77
<b>Total equity</b>		<b>9,28,58,64,167.53</b>	<b>8,05,44,41,170.48</b>	<b>7,35,60,01,706.77</b>
<b>Non Controlling Interest</b>				
		40,25,75,476.48	47,80,32,730.17	38,02,03,301.22
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	13	1,47,95,59,783.45	1,34,71,22,045.17	1,55,80,44,129.63
Deferred tax liabilities	14	84,00,83,897.23	77,64,33,082.51	56,23,38,931.26
<b>Total non-current liabilities</b>		<b>2,31,96,43,680.68</b>	<b>2,12,35,55,127.68</b>	<b>2,12,03,83,060.89</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	13	2,63,27,09,749.74	2,08,95,75,830.29	1,72,19,78,113.90
Trade payables	15	92,72,08,873.24	1,08,03,27,347.03	75,65,22,243.79
Other financial liabilities	16	1,14,94,82,508.96	87,06,98,471.01	72,32,79,363.53
Current tax (net)		1,40,26,139.00	-	-
Other current liabilities	17	48,65,22,679.89	43,83,87,320.75	37,05,25,713.53
<b>Total current liabilities</b>		<b>5,20,99,49,950.83</b>	<b>4,47,89,88,969.08</b>	<b>3,57,23,05,434.75</b>
<b>Total liabilities</b>		<b>7,52,95,93,631.51</b>	<b>6,60,25,44,096.76</b>	<b>5,69,26,88,495.64</b>
<b>Total equity and liabilities</b>		<b>17,21,80,33,275.52</b>	<b>15,13,50,17,997.41</b>	<b>13,42,88,93,503.63</b>

Summary of significant accounting policies 2

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

As per our report of even date attached

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

C. N. Rathi  
Partner  
Membership No.39895



Place: Nagpur  
Date: May 29, 2017

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

*(Signature)*

S.N. Nuwal  
Chairman &  
Executive Director

*(Signature)*  
Khushboo Pasari  
Company Secretary

*(Signature)*

Manish Nuwal  
Managing Director  
& CEO

*(Signature)*  
Nitesh Panpaliya  
Chief Financial Officer

**Solar Industries India Limited**  
**Consolidated Statement of Profit and Loss for the year ended March 31, 2017**  
**(All amounts in Rupees, unless otherwise stated)**

Statement of Profit and Loss for the	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Continuing operations</b>			
Revenue from operations	18	17,11,28,25,170.61	15,74,01,56,712.42
Other income	19	13,21,13,697.54	13,24,72,872.88
<b>Total income</b>		<b>17,24,49,38,868.15</b>	<b>15,87,26,29,585.30</b>
<b>Expenses</b>			
Cost of materials consumed	20 (a)	9,03,24,69,133.43	8,56,78,31,191.55
Purchases of Traded Goods		20,43,58,391.00	14,66,08,753.58
Changes in inventories of work-in-progress, stock-in-trade and finished goods	20 (b)	(17,17,58,186.16)	5,25,40,982.62
Excise duty		1,31,29,06,103.37	1,25,39,04,940.12
Employee benefit expense	21	1,04,31,20,505.67	87,63,08,049.53
Depreciation expense		38,74,37,675.16	32,81,70,646.70
Other expenses	22	2,45,27,71,565.02	1,80,05,23,152.24
Finance costs	23	26,89,37,035.43	20,43,79,635.06
<b>Total expenses</b>		<b>14,53,02,42,222.91</b>	<b>13,23,02,67,351.40</b>
<b>Profit before tax</b>		<b>2,71,46,96,645.24</b>	<b>2,64,23,62,233.90</b>
Tax expense :	24		
- Current tax		70,48,79,208.12	71,32,03,000.80
- Deferred tax		6,25,18,592.56	15,41,90,571.10
<b>Total tax expense</b>		<b>76,73,97,800.68</b>	<b>86,73,93,571.90</b>
<b>Profit for the year</b>		<b>1,94,72,98,844.56</b>	<b>1,77,49,68,662.00</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations		(1,69,24,575.00)	-
Tax relating to these items		58,57,595.00	-
<b>Total Other comprehensive income for the year, net of tax</b>		<b>(1,10,66,980.00)</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>1,93,62,31,864.56</b>	<b>1,77,49,68,662.00</b>
<b>Earnings per equity share</b>			
Less: Minority Interest		8,18,99,045.83	13,84,31,650.92
<b>Net Profit after Minority Interest</b>		<b>1,85,43,32,818.73</b>	<b>1,63,65,37,011.08</b>
Basic and Diluted earnings per share (Nominal value of Rs. 2 each (Previous year : Rs.10) )	25	20.49	18.09

Summary of significant accounting policies 2  
The accompanying notes form an integral part of the standalone financial statements

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

C.N. Rathi  
Partner  
Membership No.39895



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

*S.N. Nuwal*  
**S.N. Nuwal**  
Chairman &  
Executive Director

*Khushboo Pasari*  
**Khushboo Pasari**  
Company Secretary

*Manish Nuwal*  
**Manish Nuwal**  
Managing Director  
& CEO

*Nilesh Panpaliya*  
**Nilesh Panpaliya**  
Chief Financial Officer

Place: Nagpur  
Date: May 29, 2017



	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash flow from operating activities</b>		
Profit before tax	2,71,46,96,645.24	2,64,23,62,237.64
Adjustments for:		
Minority Interest	(7,54,57,253.90)	9,78,29,428.95
Depreciation expense	38,74,37,675.16	32,81,70,646.70
Gain on disposal of property, plant and equipment	(4,95,800.72)	(10,63,492.12)
Net gain on financial assets mandatorily measured at fair value through profit or loss	(2,00,88,402.05)	(37,22,884.12)
Profit on sale of financial assets carried at fair value through profit or loss	(2,86,40,450.45)	(1,13,31,603.01)
Dividend and interest income	7,23,06,243.07	7,37,40,746.37
Finance costs	26,89,37,035.43	20,43,79,635.06
Remeasurements of post-employment benefit obligations	(1,10,66,980.00)	-
Other Adjustments		
Impairment on property plant and equipment	65,27,889.75	-
Impairment loss on Financial Assets	7,98,19,790.25	7,91,12,419.51
Foreign Exchange & Other	(40,50,86,415.41)	(25,19,52,016.36)
Operating profit before working capital changes	<b>2,98,88,89,976.36</b>	<b>3,15,75,25,118.62</b>
Adjustments for:		
(Increase)/ decrease in trade receivables	(49,27,73,380.70)	(63,39,69,673.08)
(Increase)/ decrease in inventories	(21,21,65,999.47)	1,13,44,909.39
(Decrease)/ Increase in trade payables	(15,31,18,473.79)	32,38,05,103.24
(Increase) in other financial assets	(16,55,50,172.35)	(6,33,01,278.77)
(Increase) in current tax assets (net)		
(Increase) in other assets current	(4,47,17,609.16)	(11,66,33,638.76)
(Increase) in other assets non current	2,16,77,030.41	1,06,88,172.07
(Decrease)/ Increase in other current liabilities	4,81,35,359.13	6,78,61,607.22
(Increase) in other financial liabilities	40,76,59,837.14	14,49,78,181.29
Increase in current tax liability (net)		
<b>Cash generated from operations</b>	<b>2,39,30,36,567.58</b>	<b>2,90,22,98,501.23</b>
Income taxes and other taxes	63,16,18,114.19	46,94,81,004.81
<b>Net cash inflow from operating activities</b>	<b>1,76,14,18,453.39</b>	<b>2,43,28,17,496.42</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of property, plant and equipment	(1,72,13,33,376.89)	(1,41,90,41,381.10)
Proceeds from sale of property, plant and equipment	34,40,891.33	1,93,01,270.33
Loans repaid/ (given)	8,24,98,468.53	(5,74,71,361.87)
Loans repaid/ (given) Non Current		
Purchase /(Proceeds from sale) of current investments	(16,81,59,917.74)	1,78,87,678.43
Proceeds from sale/ (purchase) of non- current investments	4,37,62,153.03	(80,78,017.35)
(Investment in)/Proceeds from Fixed Deposit	(2,18,29,487.04)	11,10,88,710.56
Dividend and interest received	(7,23,06,243.07)	(7,37,40,746.37)
Profit on sale of financial assets carried at fair value through profit or loss	2,86,40,450.45	1,13,31,603.01
Goodwill	(3,08,46,291.00)	(95,93,267.25)
Increase in Deferred tax Liability		
<b>Net cash outflow from investing activities</b>	<b>(1,85,61,33,352.40)</b>	<b>(1,40,83,15,511.61)</b>





**Solar Industries India Limited**  
**Consolidated Statement of Cash Flows for the year ended March 31, 2017**  
**(All amounts in Rupees, unless otherwise stated)**

<b>Cash flows from financing activities</b>		
Proceeds from/(Repayment of) non current borrowings	12,40,77,230.04	(20,25,61,576.27)
Proceeds from current borrowings	54,31,33,919.45	36,75,97,716.39
Interest paid	(26,89,37,035.43)	(20,43,79,635.06)
Fair value changes on derivatives not designated as hedges	10,99,092.00	(5,22,95,378.00)
Dividends paid	(18,09,80,110.00)	(57,00,89,147.00)
Tax on Dividend	(3,68,43,300.00)	(11,60,56,384.00)
Minority Interest	(8,18,99,045.83)	(13,84,31,650.92)
<b>Net cash inflow/ (outflow) from financing activities</b>	<b>9,96,50,750.23</b>	<b>(91,62,16,054.86)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>49,35,851.22</b>	<b>10,82,85,929.95</b>
Add:-Cash and cash equivalents at the beginning of the financial year	25,43,97,619.18	14,61,11,689.24
<b>Cash and cash equivalents at end of the year</b>	<b>25,93,33,470.40</b>	<b>25,43,97,619.19</b>

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

As per our report of even date attached

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



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



Place : Nagpur  
Date: May 29, 2017

**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

Solar Industries India Limited  
Consolidated Statement of changes in equity  
(All amounts in Rupees, unless otherwise stated)

A. Equity share capital

	Notes	No of Shares	Amount
As at April 1, 2015		18,098,011.00	180,980,110.00
Changes in equity share capital	12	-	-
<b>As at March 31, 2016</b>		<b>18,098,011.00</b>	<b>180,980,110.00</b>
Changes in equity share capital	12	72,392,044.00	-
<b>As at March 31, 2017</b>		<b>90,490,055.00</b>	<b>180,980,110.00</b>

B. Other equity

	Reserves and surplus						Other Comprehensive Income	Total other equity	Non Controlling Interest	Total
	Securities premium reserve	Retained earnings	Capital Reserve	General Reserve	Exchange differences on translating the financial statements of a foreign operation	Remeasurement of defined benefit, liabilities / assets				
<b>Balance As on April 1, 2015</b> Ind AS adjustments on first time adoption (Refer Note No.34)	1,491,292,643.03	3,209,644,043.53 (579,643,862.82)	7,150,510.00 156,212,875.00	2,825,366,404.21	44,395,440.82 20,603,543.00	-	7,577,849,041.59 (402,827,444.82)	471,415,905.67 (91,212,604.45)	8,049,264,947.26 (494,040,049.27)	
<b>Balance at April 1, 2015 after Ind AS Adjustment</b>	1,491,292,643.03	2,630,000,180.71	163,363,385.00	2,825,366,404.21	64,998,983.82	-	7,175,021,596.77	380,203,301.22	7,555,224,897.99	
Profit for the year	-	1,636,537,011.08	-	-	-	-	1,636,537,011.08	138,431,650.92	1,774,968,662.00	
Other comprehensive income	-	(47,600.00)	-	-	-	-	(47,600.00)	-	(47,600.00)	
Transfer from retained earnings	-	(750,000,000.00)	-	750,000,000.00	-	-	750,000,000.00	-	750,000,000.00	
Transfer to General reserve	-	-	-	-	-	-	(750,000,000.00)	-	(750,000,000.00)	
Exchange differences on translation of foreign operations	-	-	-	-	(252,508,565.41)	-	(252,508,565.41)	(40,602,221.97)	(293,110,787.38)	
<b>Transactions with owners :</b>										
Interim Dividends of FY 2015-16	-	(407,207,048.00)	-	-	-	-	(407,207,048.00)	-	(407,207,048.00)	
Tax on Interim Dividend of FY 2015-16	-	(82,897,419.00)	-	-	-	-	(82,897,419.00)	-	(82,897,419.00)	
Dividend of FY 2014-15	-	(162,882,099.00)	-	-	-	-	(162,882,099.00)	-	(162,882,099.00)	
Tax on Dividend of FY 2014-15	-	(33,158,965.00)	-	-	-	-	(33,158,965.00)	-	(33,158,965.00)	
Acquisition of Emul Tek (Note no.26 )	-	-	604,149.00	-	-	-	604,149.00	-	604,149.00	
<b>Balance at March 31, 2016</b>	1,491,292,643.03	2,830,344,060.85	163,967,534.00	3,575,366,404.21	(187,509,581.59)	-	7,873,461,060.49	478,032,730.17	8,351,493,790.66	





Solar Industries India Limited  
Consolidated Statement of changes in equity  
(All amounts in Rupees, unless otherwise stated)

	Reserves and surplus					Exchange differences on translating the financial statements of a foreign operation	Other Comprehensive Income	Total other equity	Non Controlling Interest	Total
	Securities premium reserve	Retained earnings	Capital Reserve	General Reserve	Remeasurement of defined benefit, liabilities / assets					
<b>Balance at April 1, 2016</b>	1,491,292,643.03	2,830,344,060.85	163,967,534.00	3,575,366,404.21	(187,509,581.59)	-	7,873,461,060.49	478,032,730.17	8,351,493,790.66	
Profit for the year	-	1,865,399,798.73	-	769,123,653.00	-	(11,066,980.00)	1,854,332,818.73	81,899,045.83	1,936,231,864.56	
Transfer from retained earnings	-	-	-	-	-	-	769,123,653.00	-	769,123,653.00	
Transfer to General reserve	-	(769,123,653.00)	-	-	-	-	(769,123,653.00)	-	(769,123,653.00)	
Exchange differences on translation of foreign operations	-	-	-	-	(405,086,411.69)	-	(405,086,411.69)	(124,825,762.73)	(529,912,174.42)	
<b>Transactions with owners :</b>										
Interim Dividends of FY 2016-17	-	(180,980,110.00)	-	-	-	-	(180,980,110.00)	(32,530,536.79)	(213,510,646.79)	
Tax on Interim Dividend of FY 2016-17	-	(36,843,300.00)	-	-	-	-	(36,843,300.00)	-	(36,843,300.00)	
<b>Balance at March 31, 2017</b>	1,491,292,643.03	3,708,796,796.57	163,967,534.00	4,344,490,057.21	(592,595,993.28)	(11,066,980.00)	9,104,884,057.53	402,575,476.48	9,507,459,534.01	

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

C.N. Rathi  
Partner  
Membership No.39895



S.N. Nuwal  
Chairman &  
Executive Director  
Khushboo Passari  
Company Secretary

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

Manish Nuwal  
Managing Director  
& CEO  
Nilesh Pampaliya  
Chief Financial Officer

Place: Nagpur  
Date: May 29, 2017



**Note 1: Corporate Information**

Solar Industries India Limited (the 'Company') is a company domiciled in India, with its registered office situated in Nagpur. The Company has been incorporated under the provisions of Indian Companies Act and 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 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 except for the changes in accounting policies required to be made on adoption of Indian Accounting Standards notified under the Companies Act, 2013.

**Statement of compliance**

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

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

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 34.

**Current and non-current classification**

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

**2.2 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2017.



### **Subsidiaries**

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### **Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

### **Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

### **Equity accounted investees**

The Group's interests in equity accounted investees comprise interests in associates. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence ceases.

### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Company's separate financial statements.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Company.





### **2.3 Summary of significant accounting policies**

#### **a. Use of estimates**

The preparation of the consolidated 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 labor, 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.

#### **c. Intangible assets**

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

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

#### **d. Depreciation and amortization**

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





The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Group's estimate of useful life (years)	Useful life as prescribed under schedule II (years)
<b>Buildings:</b>		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	< 5 to 10
<b>Plant and Machinery:</b>		
Factory Plant and Machinery including KP Machinery	5 to 25	15 to 20
Wind Mill	22	22
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's and Computers	3 to 6	3 to 6

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

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

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

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

**f. Borrowing costs**

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

**g. Business combinations**

Business combinations are accounted for using the acquisition method as per the provisions of Ind AS 103-Business combinations.

The cost of an acquisition is measured at the fair value of the assets acquired and liabilities incurred or assumed on the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of contingent consideration, if any. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Group incurs in connection with a business combinations are expensed as incurred.



**h. Goodwill/ Capital Reserve**

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as capital reserve. Goodwill is measured at cost less accumulated impairment losses.

**i. 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 transfers 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.

**j. Financial instruments**

**i) Investments and other financial assets**

**Classification**

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

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

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





### Measurement

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

#### A. Debt instruments:

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

##### 1. Amortised cost:

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

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

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

#### B. Equity instruments:

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

### ii) Financial liabilities

#### Classification

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

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

#### Measurement

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

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

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

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





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

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

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

**iv) Impairment of financial assets**

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

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

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

**k. 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.

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

**i) Sale of goods**

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



**ii) Interest Income**

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

**iii) Dividends**

Revenue is recognised when the 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.

**I. Government grants**

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

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

**m. 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.

**iii) Translation of foreign operations**

The Group presents the financial statements in INR which is the functional currency of the parent company. The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.





**n. 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 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.

**o. Retirement and other employee benefits**

**(i) Provident Fund**

Provident fund is a defined contribution plan covering eligible employees. The Company, its Indian subsidiaries 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 and its Indian subsidiaries have no obligation, other than the contribution payable to the provident fund.

**(ii) Gratuity**

Gratuity is a defined benefit obligation plan operated by the Parent Company and some of 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.

**(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 some of 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.

**p. 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 co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Minimum alternate tax (MAT) credit is recognized as deferred tax asset only when and to the extent there is convincing evidence that the 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.



**q. Segment reporting**

**(i) Identification of segment**

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

**(ii) Segment accounting policies**

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

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

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

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

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

**s. 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.



**t. 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.

**u. 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 consolidated 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.





Solar Industries India Limited  
Notes to Consolidated Financial Statements  
(All amounts in Rupees, unless otherwise stated)

Note 3 : Property, plant and equipment

	Freehold Land	Leasehold Land	Freehold Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipment	Total	Capital Work-in-progress
<b>Year ended March 31, 2016</b>									
Gross carrying amount									
Deemed cost as at April 1, 2015	78,61,72,051.16	83,76,370.00	2,67,99,69,685.92	6,68,54,463.56	3,05,12,74,703.04	39,48,02,660.88	10,94,55,279.80	7,09,69,05,214.36	41,36,87,379.23
Additions on Acquisition(Refer Note 26)	1,78,22,061.50	22,45,351.00	46,85,710.23	45,699.22	53,74,921.14	59,44,629.87	3,32,990.52	3,64,21,363.48	-
Disposals	9,53,64,174.64	-	57,07,71,495.59	4,74,44,812.83	90,33,63,593.99	5,07,13,059.27	73,10,708.00	1,64,49,67,844.32	13,17,89,888.61
Transfers	-	-	-	-	(1,74,43,489.56)	(1,17,50,830.18)	(76,440.00)	(2,92,70,759.74)	-
Translation differences	(30,30,888.08)	-	(4,22,07,472.02)	92,13,223.98	(10,49,65,596.51)	(2,80,21,841.04)	(1,53,25,778.30)	(18,43,38,351.97)	(24,10,40,579.72)
<b>Closing gross carrying amount March 31, 2016</b>	<b>89,63,27,399.22</b>	<b>1,05,91,721.00</b>	<b>3,21,32,19,419.72</b>	<b>9,35,58,199.59</b>	<b>3,83,76,04,132.10</b>	<b>41,16,87,678.80</b>	<b>10,16,96,760.02</b>	<b>8,56,46,85,310.45</b>	<b>30,44,36,688.12</b>
Accumulated depreciation									
Accumulated depreciation as at April 1, 2015	-	-	35,28,02,081.40	3,03,28,610.79	60,89,33,370.10	24,13,01,525.74	6,80,49,885.15	1,30,14,15,473.18	-
Depreciation charge during the year	-	-	7,38,38,165.16	1,10,42,496.81	19,33,79,836.75	3,83,77,327.10	1,15,32,870.88	32,81,70,646.71	-
Disposals	-	-	(55,29,427.86)	(41,42,393.88)	(17,06,960.70)	(92,53,402.83)	(72,618.00)	(1,10,32,981.53)	-
Translation differences	-	-	-	41,42,393.88	(15,37,915.56)	(2,03,89,580.24)	(79,26,686.79)	(3,12,41,216.37)	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>-</b>	<b>42,11,10,818.70</b>	<b>4,55,13,501.48</b>	<b>79,90,68,330.79</b>	<b>25,00,35,869.77</b>	<b>7,15,83,401.25</b>	<b>1,58,73,11,921.99</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2015</b>	<b>78,61,72,051.16</b>	<b>83,76,370.00</b>	<b>2,32,71,67,604.52</b>	<b>3,65,25,852.77</b>	<b>2,44,23,41,332.94</b>	<b>15,35,01,135.14</b>	<b>4,14,05,354.65</b>	<b>5,79,54,89,741.18</b>	<b>41,36,87,379.23</b>
<b>Net carrying amount as at March 31, 2016</b>	<b>89,63,27,399.22</b>	<b>1,05,91,721.00</b>	<b>2,79,21,08,601.01</b>	<b>4,80,44,698.11</b>	<b>3,03,85,35,801.32</b>	<b>16,16,51,809.03</b>	<b>3,01,13,358.77</b>	<b>6,97,73,73,388.47</b>	<b>30,44,36,688.12</b>
<b>Year ended March 31, 2017</b>									
Gross carrying amount									
Opening gross carrying amount	89,63,27,399.22	1,05,91,721.00	3,21,32,19,419.72	9,35,58,199.59	3,83,76,04,132.10	41,16,87,678.80	10,16,96,760.02	8,56,46,85,310.45	30,44,36,688.12
Translation differences	(1,39,49,769.69)	-	6,76,63,890.39	(1,25,34,811.25)	(33,04,38,223.80)	(1,77,17,690.09)	(3,87,068.09)	(30,73,63,672.53)	-
Additions	13,90,33,242.20	86,08,536.00	42,06,44,850.36	1,76,45,232.43	61,41,59,763.76	11,01,27,786.64	2,18,90,338.83	1,33,21,09,750.22	60,71,74,656.32
Disposals	-	-	-	-	(18,12,390.07)	(71,18,607.27)	(1,32,970.00)	(90,63,967.34)	-
Impairment	-	-	-	-	(65,27,889.75)	-	-	(65,27,889.75)	-
Transfers	(62,96,827.00)	-	62,96,827.00	-	(3,23,323.47)	(32,10,944.28)	-	(35,34,267.75)	(23,56,583.14)
<b>Closing gross carrying amount March 31, 2017</b>	<b>1,01,51,14,044.73</b>	<b>1,92,00,257.00</b>	<b>3,70,78,24,987.47</b>	<b>9,86,68,620.77</b>	<b>4,11,26,62,068.77</b>	<b>49,37,68,223.80</b>	<b>12,30,67,060.76</b>	<b>9,57,03,05,263.30</b>	<b>90,92,54,761.30</b>
Accumulated depreciation									
Opening accumulated depreciation	-	-	42,11,10,818.70	4,55,13,501.48	79,90,68,330.79	25,00,35,869.77	7,15,83,401.25	1,58,73,11,921.99	-
Depreciation charge during the year	-	-	10,76,67,873.92	1,16,79,854.77	21,69,71,595.60	4,00,08,152.80	1,11,10,198.07	38,74,37,675.16	-
Disposals	-	-	(1,63,87,522.33)	(81,76,901.75)	(15,38,704.32)	(79,88,118.66)	(1,26,321.50)	(96,53,144.48)	-
Translation differences	-	-	-	81,76,901.75	(5,42,38,528.00)	(1,26,66,887.60)	(2,99,385.35)	(9,17,69,226.03)	-
<b>Closing accumulated depreciation March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>51,23,91,170.29</b>	<b>4,90,16,454.50</b>	<b>96,02,62,694.07</b>	<b>26,93,89,016.31</b>	<b>8,22,67,891.47</b>	<b>1,87,33,27,226.64</b>	<b>-</b>
<b>Net carrying amount March 31, 2017</b>	<b>1,01,51,14,044.73</b>	<b>1,92,00,257.00</b>	<b>3,19,54,33,817.17</b>	<b>4,96,52,166.27</b>	<b>3,15,23,99,374.71</b>	<b>22,43,79,207.49</b>	<b>4,07,99,169.29</b>	<b>7,69,69,78,036.66</b>	<b>90,92,54,761.30</b>



Note 4: Investments

Non-current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Unquoted</b>							
<b>Investment carried at Cost</b>							
<b>Investment in Equity instruments of subsidiaries:</b>							
Solar Explochem Mauritius Limited	USD 1	-	-	2	-	-	125.00
Solar Mining Services Australia Pty Ltd	USD 1	80	80	80	25,98,987.60	26,55,300.00	25,05,000.00
Solar Explochem Ghana Ltd.	GHC 1	15,200	15,200	15,200	4,99,630.73	5,10,456.25	4,81,562.50
Solar Industrias Mozambique Lda	MTn 1	25,000	25,000	25,000	40,722.66	41,605.00	39,250.00
Solar Nitro Chemicals Ltd.	Tsh's 10000	-	6,500	-	-	20,07,375.00	-
Provision for Impairment					(31,39,340.99)	-	-
					-	52,14,736.25	30,25,937.50
<b>Investment carried at Cost</b>							
<b>Investment in Equity instruments of Associates :</b>							
Austalian Explosive Technologies Group Pty Ltd	USD 0.01	-	66,000	66,000	-	2,61,43,903.62	2,46,64,060.00
SMS Bhatgaon Mines Extension Private Limited	Rs. 10	4,90,000	4,90,000	4,90,000	49,00,000.00	49,00,000.00	49,00,000.00
Solar Bhatgaon Extension Mines Private Limited	Rs. 10	4,90,000	4,90,000	4,90,000	49,00,000.00	49,00,000.00	49,00,000.00
Provision for Impairment					(98,00,000.00)	-	-
					-	3,59,43,903.62	3,44,64,060.00
<b>Investment carried at Fair Value through Profit or Loss</b>							
<b>Investment in Equity instruments of Others</b>							
Rainbow Production Limited	Rs. 10	-	-	2,50,000	-	-	25,00,000.00
Ganga Care Hospital Limited	Rs. 10	1,10,000	1,10,000	1,10,000	11,00,000.00	11,00,000.00	11,00,000.00
					11,00,000.00	11,00,000.00	36,00,000.00
<b>Total (equity instruments)</b>					11,00,000.00	4,22,58,639.87	4,10,89,997.50
Investment in government securities (NSC)		-	-	-	10,000.00	40,000.00	40,000.00
<b>Investment in Venture Capital Fund (Unquoted)</b>							
Kotak India Growth Fund II	Rs. 100000	500	500	500	3,31,18,555.00	4,94,38,347.00	4,50,28,972.00
<b>Investment in Mutual Fund (Quoted)</b>							
ICICI Prudential Liquid - Direct Plan	Rs. 10	3,377	-	-	8,12,989.46	-	-
<b>Total (debentures and bonds)</b>					3,39,41,544.46	4,94,78,347.00	4,50,68,972.00
<b>Total non-current investments</b>					3,50,41,544.46	9,17,36,986.87	8,61,58,969.50
<b>Aggregate amount of quoted investments</b>					8,12,989.46	-	-
<b>Aggregate amount of unquoted investments</b>					3,42,28,555.00	9,17,36,986.87	8,61,58,969.50





Note 4: Investments

Current investments

	Face value	Number of Shares/Units			Amount		
		March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
<b>Quoted</b>							
<b>Investment in equity instruments of (fully paid-up) :</b>							
Premier Explosives Limited	Rs. 10	-	-	13,347	-	-	998,502.98
Jai Corporation Limited	Rs. 1	-	10,200	10,200	-	701,760.00	514,590.00
Reliance Industrial Infrastructure Limited	Rs. 10	987	987	987	450,812.00	408,945.00	427,124.00
Tata Iron Steel Co Limited	Rs. 10	-	1,000	1,000	-	319,500.00	298,350.00
Murli Industries Limited	Rs. 2	-	5,331	5,331	-	28,360.00	28,360.00
IDFC Limited	Rs. 10	10,900	38,000	-	594,050.00	1,535,200.00	-
IDFC Bank Limited	Rs. 10	9,480	38,000	-	562,164.00	1,833,500.00	-
Mukand Limited	Rs. 10	30,930	-	-	2,625,957.04	-	-
Sunil Hitach Engineers Limited	Rs. 1	116,000	-	-	1,365,320.32	-	-
					<b>5,596,303.36</b>	<b>4,827,265.00</b>	<b>2,266,926.98</b>
<b>Quoted</b>							
<b>Investment in mutual funds of :</b>							
HDFC Growth Plan	Rs. 10	-	62,134	-	-	19,206,140.00	-
HDFC Prudence Fund-Direct Plan-Growth Option	Rs. 10	106,466	-	-	50,249,069.00	-	-
Reliance Fixed Horizon Fund - Growth Plan	Rs. 10	-	-	4,999,990	-	-	56,353,387.29
Reliance Regular Saving Fund-Balanced Plan - Direct Growth	Rs. 10	1,249,774	-	-	62,062,795.79	-	-
Reliance Regular Saving Fund-Debt Plan- Direct Growth Plan	Rs. 10	2,808,825	1,528,935	-	65,973,737.38	31,501,571.64	-
Reliance Regular Saving Fund-Debt Plan- Growth Plan	Rs. 10	-	2,954,989	12,049,080	-	60,883,412.16	228,972,286.00
Reliance Dynamic Bond Fund - Growth Option	Rs. 10	-	-	1,883,789	-	-	35,801,782.00
Reliance Equity Saving Fund - Growth Plan	Rs. 10	-	19,070,352	-	-	190,998,946.45	-
ICICI Prudential Liquid - Direct Plan - Growth	Rs. 10	124,689	-	-	30,014,813.00	-	-
Birla Sun Life Balanced '95 Fund-Growth Direct Plan	Rs. 10	29,970	-	-	21,319,701.28	-	-
Birla Sun Life Balanced '95 Fund-Growth Regular Plan	Rs. 10	33,837	-	-	23,097,031.96	-	-
Birla Sun Life Cash Manager-Growth Direct Plan	Rs. 10	123,280	-	-	50,055,637.60	-	-
SBI Magnum Balanced Fund-Reg Growth	Rs. 10	201,217	-	-	21,963,854.08	-	-
SBI Magnum Balanced Fund-Dir Growth	Rs. 10	185,571	-	-	21,093,468.01	-	-
Kotak Balance Direct Plan Growth	Rs. 10	898,779	-	-	21,154,427.40	-	-
Kotak Liquid Direct Plan Growth	Rs. 10	6,069	-	-	20,013,770.00	-	-
Franklin India Treasury Management Account-Super	Rs. 10	20,568	-	-	50,024,079.00	-	-
Kotak Balance Direct Plan Growth	Rs. 10	476,350	-	-	11,211,846.11	-	-
Franklin India Treasury Management Account-Super	Rs. 10	384,198	-	-	41,778,177.07	-	-
Reliance Liquid Fund - Cash Plan - Growth Option	Rs. 10	758	758	-	1,927,196.00	1,812,252.00	-
<b>Total (mutual funds)</b>					<b>491,879,603.68</b>	<b>304,402,322.25</b>	<b>321,127,455.29</b>
<b>Total Current investments</b>					<b>497,477,907.04</b>	<b>309,229,587.25</b>	<b>323,394,382.27</b>
<b>Aggregate amount of quoted investments</b>					<b>497,477,907.04</b>	<b>309,229,587.25</b>	<b>323,394,382.27</b>





Solar Industries India Limited  
Notes to Consolidated Financial Statements  
(All amounts in Rupees, unless otherwise stated)

Note 5: Loans

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Unsecured, considered good</b>						
Loan to associates (refer note 29)	10,181,326.00	-	10,229,635.50	-	9,370,502.00	-
Loans to Employees	2,482,132.00	-	2,782,132.00	-	3,003,132.00	-
Loan to Other	255,111,933.21	604,302,977.72	381,663,345.96	560,388,874.00	307,555,747.59	560,349,244.00
<b>Secured considered Good</b>						
Loan to others	-	158,739,354.85	-	160,139,354.85	-	177,453,354.85
	<b>267,775,391.21</b>	<b>763,042,332.57</b>	<b>394,675,113.46</b>	<b>720,528,228.85</b>	<b>319,929,381.59</b>	<b>737,802,598.85</b>

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 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. Considering the current arbitration proceedings, management believes that this amount would be recovered in full, however the timing of recovery is uncertain and hence the same is classified as non-current.

Note 6: Other financial assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
<b>Derivative Instruments at fair value through profit &amp; loss</b>						
Foreign-exchange forward contracts	98,735,467.00	-	227,652,941.00	-	181,277,145.00	-
Interest rate swaps	12,303,091.00	-	-	-	-	-
	<b>111,038,558.00</b>	<b>-</b>	<b>227,652,941.00</b>	<b>-</b>	<b>181,277,145.00</b>	<b>-</b>
<b>Others</b>						
Sales Tax Receivable	470,588,694.21	254,381,421.41	379,675,695.37	178,946,390.53	348,857,514.00	140,158,570.16
Deposits	-	423,400.00	-	423,400.00	-	423,400.00
Interest accrued but not due on FD	2,491,453.07	-	3,289,310.44	-	9,594,033.41	-
	<b>473,080,147.28</b>	<b>254,804,821.41</b>	<b>382,965,005.81</b>	<b>179,369,790.53</b>	<b>358,451,547.41</b>	<b>140,581,970.16</b>
	<b>584,118,705.28</b>	<b>254,804,821.41</b>	<b>610,617,946.81</b>	<b>179,369,790.53</b>	<b>539,728,692.41</b>	<b>140,581,970.16</b>

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.



Solar Industries India Limited  
Notes to Consolidated Financial Statements  
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Note 7: Trade receivables

	March 31, 2017	March 31, 2016	April 1, 2015
Trade receivables	3,48,20,90,215.30	2,99,56,48,939.41	2,35,53,47,160.62
Less: Allowance for doubtful debts	(34,44,67,574.74)	(28,58,00,332.60)	(20,28,55,804.34)
	<b>3,13,76,22,640.56</b>	<b>2,70,98,48,606.81</b>	<b>2,15,24,91,356.28</b>

Break-up of security details

	March 31, 2017	March 31, 2016	April 1, 2015
Secured, considered good	7,51,47,183.33	3,10,48,045.31	-
Unsecured, considered good	3,06,24,75,457.23	2,67,88,00,561.50	2,15,24,91,356.28
Unsecured, considered doubtful	34,44,67,574.74	28,58,00,332.60	20,28,55,804.34
	<b>3,48,20,90,215.30</b>	<b>2,99,56,48,939.41</b>	<b>2,35,53,47,160.62</b>
Allowance for doubtful debts	(34,44,67,574.74)	(28,58,00,332.60)	(20,28,55,804.34)
	<b>3,13,76,22,640.56</b>	<b>2,70,98,48,606.81</b>	<b>2,15,24,91,356.28</b>

Note 8: Cash and bank balances

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Cash and cash equivalents</b>			
Balances with banks			
In current accounts	24,92,97,601.88	23,99,31,601.38	12,98,31,105.35
Cash on hand	1,00,35,868.59	1,44,66,017.80	1,62,80,583.89
	<b>25,93,33,470.47</b>	<b>25,43,97,619.18</b>	<b>14,61,11,689.24</b>

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Other bank balances</b>			
Deposit accounts - with remaining maturity of less than 12 Months	4,05,32,476.49	2,62,74,593.73	16,34,63,565.82
Deposit accounts - held as margin money	9,34,19,213.68	8,49,55,944.40	5,98,48,314.87
Earmarked balances (on unclaimed dividend accounts)	6,12,085.53	15,03,750.53	5,11,118.53
	<b>13,45,63,775.70</b>	<b>11,27,34,288.66</b>	<b>22,38,22,999.22</b>



Solar Industries India Limited  
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(All amounts in Rupees, unless otherwise stated)

Note 9: Deferred tax assets

The balance comprises temporary differences attributable to:

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax assets</b>			
Property, plant and equipment and investment property	-	4,09,870.25	-
Allowance for doubtful debts - trade receivables	1,45,25,237.00	1,35,09,526.00	-
Other items	5,68,71,114.42	-	-
	7,13,96,351.42	1,39,19,396.25	-
<b>Deferred tax liabilities</b>			
Property, plant and equipment and investment property	(1,57,20,895.42)	(11,18,352.00)	-
	(1,57,20,895.42)	(11,18,352.00)	-
	5,56,75,456.00	1,28,01,044.25	-





Solar Industries India Limited  
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(All amounts in Rupees, unless otherwise stated)

Note 10: Other assets

	March 31, 2017		March 31, 2016		April 1, 2015	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Capital advances	-	109,107,895.17	-	130,177,327.99	-	150,199,763.13
<b>Advances other than capital advances :</b>						
Prepaid Gratuity	-	7,234,067.00	-	12,396,034.03	-	67,062.00
Security Deposits	232,334.00	44,639,398.37	-	43,056,393.49	-	46,051,102.45
Advances to suppliers for Goods and Services	220,351,395.06	2,878,693.27	124,703,540.87	-	148,862,078.26	-
Advances to Staff	9,356,483.80	-	12,674,083.97	-	13,376,041.14	-
Claims receivable on imports	1,617,488.00	-	117,668.00	-	-	-
Other Receivables	42,322,531.40	-	27,339,745.73	-	69,048,005.54	-
Prepayments	11,358,898.65	-	50,811,615.87	-	17,339,143.50	-
Balances with Revenue Authorities	258,293,884.62	92,671.29	283,695,055.32	-	134,745,302.57	-
Advance for Expenses	1,188,803.39	-	662,500.00	-	-	-
	<b>544,721,818.92</b>	<b>163,952,725.10</b>	<b>500,004,209.76</b>	<b>185,629,755.51</b>	<b>383,370,571.00</b>	<b>196,317,927.58</b>

Note 11: Inventories

	March 31, 2017	March 31, 2016	April 1, 2015
Raw materials & Packing Material	1,201,567,969.61	977,506,458.15	902,884,686.02
Work-in-progress	127,035,929.41	113,369,553.53	99,640,178.35
Finished goods	296,471,981.58	355,067,569.52	482,036,238.25
Traded goods	50,381,983.91	15,732,918.51	38,765,463.12
Stores and spares	127,282,321.84	136,880,565.12	86,575,408.48
Goods in Transit	7,982,877.95	-	-
	<b>1,810,723,064.30</b>	<b>1,598,557,064.83</b>	<b>1,609,901,974.22</b>



Note 12: Equity share capital

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Authorised equity share capital (face value Rs.10 each) (face value Rs.2 each)	13,50,00,000	2,70,00,000	2,70,00,000	27,00,00,000.00	27,00,00,000.00	27,00,00,000.00
Issued, Subscribed and fully paid share capital (face value Rs.10 each) Issued, Subscribed and fully paid share capital (face value Rs.2 each)	9,04,90,055	1,80,98,011	1,80,98,011	18,09,80,110.00	18,09,80,110.00	18,09,80,110.00
	9,04,90,055	1,80,98,011	1,80,98,011	18,09,80,110.00	18,09,80,110.00	18,09,80,110.00

(a) Movements in equity share capital

	Number of Shares			Amount		
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Number of Shares at the beginning of the year	1,80,98,011	1,80,98,011	1,80,98,011	18,09,80,110.00	18,09,80,110.00	18,09,80,110.00
Add: Shares split during the year	7,23,92,044					
Number of Shares at the end of the year	9,04,90,055	1,80,98,011	1,80,98,011	18,09,80,110.00	18,09,80,110.00	18,09,80,110.00

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by ultimate holding/ holding company 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, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016	April 1, 2015
Shri Satyanarayan Nuwal	22.48%	22.48%	22.41%	2,03,43,695	40,68,739	40,55,787
Shri Kailashchandra Nuwal	19.60%	19.60%	19.60%	1,77,39,095	35,47,819	35,47,819
Smt Indira Devi Nuwal	6.15%	6.15%	6.15%	55,68,230	11,13,646	11,13,646
Smt Leela Devi Nuwal	5.61%	5.61%	5.61%	50,75,940	10,15,188	10,15,188
Smt.Sohan Devi Nuwal	5.14%	5.14%	5.14%	46,49,690	9,29,938	9,29,938

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.



Solar Industries India Limited  
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Note 13 (a): Non-current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
Secured Borrowings carried at amortised cost			
<b>Term loans</b>			
Foreign currency loan from Banks (USD)	2,39,54,62,334.56	1,87,94,56,162.17	1,97,35,11,067.13
Interest Accrued but not due	72,25,813.14	57,37,104.69	12,85,831.00
Unsecured Loan From Related Party	129.64	-	-
Sales Tax Deferral Loan	61,61,312.05	64,21,303.00	64,21,303.00
<b>Total current borrowings</b>	<b>2,40,88,49,589.39</b>	<b>1,89,16,14,569.86</b>	<b>1,98,12,18,201.13</b>
Less: Current maturities of long-term borrowings (included in note 16)	(92,20,63,992.80)	(53,87,55,420.00)	(42,18,88,240.50)
Less: Current maturities of interest accrued on long term borrowings (included in note 16)	(72,25,813.14)	(57,37,104.69)	(12,85,831.00)
	<b>1,47,95,59,783.45</b>	<b>1,34,71,22,045.17</b>	<b>1,55,80,44,129.63</b>

Note 13 (b): Current borrowings

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Secured</b>			
<b>From banks</b>			
Foreign currency working capital loan	1,70,79,98,269.53	1,26,36,04,900.69	1,38,98,08,703.26
Indian Rupee working capital loan	10,47,26,104.43	30,03,12,994.11	11,38,70,567.96
Buyers credit	18,26,48,695.56	-	14,64,30,843.55
<b>Unsecured</b>			
<b>From banks</b>			
Buyers credit	-	32,81,16,860.22	-
Indian Rupee working capital loan	45,00,00,000.00	-	-
Loans from associates	21,83,65,750.78	20,78,51,873.39	7,53,38,806.13
From others	1,25,72,084.00	1,68,96,925.00	-
<b>Total current borrowings</b>	<b>2,67,63,10,904.30</b>	<b>2,11,67,83,553.41</b>	<b>1,72,54,48,920.90</b>
Less: Interest accrued (included in note 16)	(4,36,01,154.56)	(2,72,07,723.12)	(34,70,807.00)
<b>Current borrowings</b>	<b>2,63,27,09,749.74</b>	<b>2,08,95,75,830.29</b>	<b>1,72,19,78,113.90</b>





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	Maturity date	Terms of repayment	March 31, 2017	March 31, 2016	April 1, 2015
<b>Non current Borrowing</b>					
<b>Secured</b>					
Foreign currency term loan from Bank	Sep 11, 2017	Single repayment at the end of the term	19,45,35,000.00	18,24,60,000.00	18,11,74,169.00
Foreign currency term loan from Bank	Jan 12, 2018	Single repayment at the end of the term	20,75,04,000.00	19,68,00,000.00	19,68,00,000.00
Foreign currency term loan from Bank	July 9, 2018	Single repayment at the end of the term	16,10,92,924.56	15,80,00,000.00	-
Foreign currency term loan from Bank	Sep 28, 2018	Repayable in Four equal half yearly installment	18,56,25,000.01	25,03,81,679.80	-
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	49,90,07,175.48	-	-
Foreign currency term loan from Bank	Aug 31, 2018	Repayable in eight equal half yearly installment	24,31,68,750.00	40,27,12,500.00	56,70,40,000.00
Foreign currency term loan from Bank	March 31, 2020	Repayable in eight equal quarterly installment starting after moratorium period of 12 months	19,04,83,306.01	-	-
Foreign currency term loan from Bank	Sept 27, 2019	Repayable in eight equal half yearly installment	40,52,81,250.00	52,30,75,000.00	59,78,00,000.00
Foreign currency term loan from Bank	July 27, 2016	Repayables in four equal yearly installment	-	16,56,25,000.00	31,25,00,000.00
Foreign currency term loan from Bank	March 26, 2021	Repayable in equal quarterly installment after moratorium period of 6 Month	30,62,12,485.59	-	-
Foreign currency term loan from Bank	May 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	4,92,266.28	-	-
Foreign currency term loan from Bank	April 03, 2017	Repayable in equal monthly installment. Term Period - 24 months	35,654.95	-	-
Foreign currency term loan from Bank	April 03, 2017	Repayable in equal monthly installment. Term Period - 24 months	81,873.58	78,000.74	-
Foreign currency term loan from Bank	Nov 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	19,42,777.79	3,23,981.63	-
Foreign currency term loan from Bank	Jan ,07 2019	Repayable in equal Monthly installment over a period of 60 Month	-	-	11,81,96,898.13
<b>Unsecured</b>					
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	61,61,312.00	64,21,303.00	64,21,303.00
			<b>2,40,16,23,776.25</b>	<b>1,88,58,77,465.17</b>	<b>1,97,99,32,370.13</b>

Note 1: The above loans from Banks carries an interest rate of LIBOR + 100 bps to LIBOR + 362bps

Note 2: Loans taken by overseas subsidiaries carries an interest rate of 9.75% pa to 13.00% pa



Current Borrowings						
<b>Secured</b>						
Foreign currency working capital loan from Bank	Oct 26, 2017	Single repayment at the end of the term	14,50,58,265.00			
Foreign currency working capital loan from Bank	July 04, 2015	Single repayment at the end of the term	-			20,99,32,136.00
Foreign currency working capital loan from Bank	July 08, 2015	Single repayment at the end of the term	-			20,52,54,516.00
Foreign currency working capital loan from Bank	August 04, 2017	Single repayment at the end of the term	10,37,52,000.00		13,91,25,000.00	
Foreign currency working capital loan from Bank	May 05, 2017	Single repayment at the end of the term	6,48,45,000.00		6,62,50,000.00	
Foreign currency working capital loan from Bank	August 25, 2017	Single repayment at the end of the term	64,84,50,000.00		66,25,00,000.00	
Foreign currency working capital loan from Bank	Oct 17, 2017	Single repayment at the end of the term	19,45,35,000.00		-	
Foreign currency working capital loan from Bank	April 30, 2017	Single repayment at the end of the term	32,42,25,000.00		38,94,47,179.43	
Foreign currency working capital loan from Bank	On demand	On demand	-		39,38,641.35	
Foreign currency working capital loan from Bank	May 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	18,07,46,655.43		5,73,272.45	
Foreign currency working capital loan from Bank	April 03, 2017	Repayable in equal monthly installment. Term Period - 24 months	-		12,38,376.73	
Foreign currency working capital loan from Bank	Sep 19, 2016	Repayable in equal monthly installment. Term Period - 24 months	-		5,32,430.74	
Foreign currency working capital loan from Bank	Nov 02, 2017	Repayable in equal monthly installment. Term Period - 24 months	-		-	
Foreign currency working capital loan from Bank	April 18, 2017	Single repayment at the end of the term	2,37,90,997.69		-	
Foreign currency working capital loan from Bank	June 16, 2017	Single repayment at the end of the term	2,25,95,351.41		-	
Foreign currency working capital loan from Bank	June 7, 2017	Single repayment at the end of the term	8,73,55,718.50		-	
Buyer's credit	April 27, 2017	Single repayment at the end of the term	9,52,92,977.06		-	
Buyer's credit	May 30, 2015	Single repayment at the end of the term	-		14,64,30,843.55	
Indian rupee working capital loan from Banks	On demand	On demand	10,47,26,104.43		30,03,12,994.11	
<b>Unsecured</b>						
Indian rupee working capital loan from Bank	April 24, 2017	Single repayment at the end of the term	20,00,00,000.00		-	
Indian rupee working capital loan from Bank	June 21, 2017	Single repayment at the end of the term	25,00,00,000.00		-	
Buyer's credit	May 20, 2016	Single repayment at the end of the term	-		7,56,74,968.50	
Buyer's credit	Sep 08, 2016	Single repayment at the end of the term	-		13,39,43,527.72	
Buyer's credit	April 07, 2016	Single repayment at the end of the term	-		11,84,98,364.00	
Loan from associates	On demand	On demand	21,83,65,750.78		20,78,51,873.39	
Loan from Others	On demand	On demand	1,25,72,084.00		1,68,96,925.00	
			<b>2,67,63,10,904.30</b>		<b>2,11,67,83,553.41</b>	<b>1,72,54,48,920.90</b>

Note 1: The above foreign currency loans and Buyer's credit from Banks carries an interest rate of LIBOR + 30 bps to LIBOR + 436 bps

Note 2: The Indian rupee working capital loans from Banks and loan from related party carries an interest rate of 6.89% p.a. to 10.00% p.a.

Note 3: Loans taken by overseas subsidiaries carries an interest rate of LIBOR + 50 bps to LIBOR + 220 bps and certain loans carries interest rate of 6.47% p.a. to 23.00% p.a.

**Security**

The above secured loans from banks are secured by exclusive charge on the tangible movable and immovable fixed assets, 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 current assets, both present and future. Additionally, Holding Company has given corporate guarantee for certain loans taken by overseas subsidiaries.

**Loan covenants**

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

The other loans do not carry any debt covenants.

Note 14: Deferred tax liabilities

The balance comprises temporary differences attributable to:

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Deferred tax liabilities</b>			
Property, plant and equipment	1,060,533,710.03	904,574,785.48	816,945,106.22
Financial assets at fair value through profit or loss	1,396,494.00	4,078,031.00	6,569,091.00
Derivative Instruments at fair value through profit or loss	10,433,760.00	10,814,156.00	2,103,379.00
Prepaid Gratuity	2,503,711.00	4,290,268.00	22,794.00
Mutual fund Investment valued at NAV Basis	-	87,432.09	-
Other Items	-	1,376,379.74	-
	<b>1,074,867,675.03</b>	<b>925,221,052.31</b>	<b>825,640,370.22</b>
<b>Deferred tax assets</b>			
Mat Credit	(133,158,063.80)	(72,307,261.80)	(190,382,536.35)
Derivative Instruments at fair value through profit or loss	-	-	(9,258,145.00)
Provision for investments in associates	(3,391,780.00)	-	-
Trade receivables	(89,169,574.00)	(76,480,708.00)	(63,648,062.00)
Employee Benefits payables	(9,064,360.00)	-	-
Other Items	-	-	(12,695.61)
	<b>(234,783,777.80)</b>	<b>(148,787,969.80)</b>	<b>(263,301,438.96)</b>
<b>Net deferred tax liabilities</b>	<b>840,083,897.23</b>	<b>776,433,082.51</b>	<b>562,338,931.26</b>





Solar Industries India Limited  
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**Note 15: Trade payables**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
Trade payables	927,058,764.73	1,062,680,141.27	756,265,817.79
Trade payables to related parties (refer note 29)	150,108.51	17,647,205.76	256,426.00
	<b>927,208,873.24</b>	<b>1,080,327,347.03</b>	<b>756,522,243.79</b>

**Note 16: Other financial liabilities**

	March 31, 2017	March 31, 2016	April 1, 2015
<b>Current</b>			
<b>Derivative Instruments at fair value through profit or loss</b>			
Foreign-exchange forward contracts	80,891,894.00	158,482,477.00	140,129,407.00
Interest rate swaps	-	37,924,708.00	62,197,360.00
	<b>80,891,894.00</b>	<b>196,407,185.00</b>	<b>202,326,767.00</b>
<b>Others</b>			
Capital creditors	6,518,239.16	29,091,918.42	47,790,166.35
Current maturities of long term debt	922,063,992.80	539,141,459.41	421,888,240.50
Interest accrued on non-current borrowings	7,225,813.14	5,737,104.69	1,285,831.00
Interest accrued on current borrowings	43,601,154.56	27,207,723.12	3,470,807.00
Liabilities towards employee benefits	88,635,788.30	71,736,502.37	46,113,824.68
Unpaid Dividend	545,627.00	1,376,578.00	403,727.00
	<b>1,068,590,614.96</b>	<b>674,291,286.01</b>	<b>520,952,596.53</b>
	<b>1,149,482,508.96</b>	<b>870,698,471.01</b>	<b>723,279,363.53</b>

**Note 17: Other current liabilities**

	March 31, 2017	March 31, 2016	April 1, 2015
Statutory Dues Payables	231,971,673.23	234,801,020.40	228,655,341.03
Liabilities for Employee benefit	17,251,124.36	1,504,901.84	5,681,546.90
Creditors for Transport Agent & Others	34,268.00	22,900.00	-
Advances from customers	180,060,326.00	202,010,520.51	136,188,825.60
Other Deposit received	57,205,288.30	47,978.00	-
	<b>486,522,679.89</b>	<b>438,387,320.75</b>	<b>370,525,713.53</b>



Solar Industries India Limited  
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**Note 18: Revenue from operations**

The group derives the following types of revenue:

	March 31, 2017	March 31, 2016
Sale of products (including excise duty)	16,52,34,98,746.79	15,21,54,40,939.57
Other operating revenue	58,93,26,423.82	52,47,15,772.85
	<b>17,11,28,25,170.61</b>	<b>15,74,01,56,712.42</b>

**Note 19: Other income and other gains/(losses)**

**(a) Other income**

	March 31, 2017	March 31, 2016
Interest Income		
On financial assets carried at amortised cost		
From Others	5,83,35,065.69	3,15,44,349.59
From Bank	91,51,035.99	78,67,064.25
From income tax refund	48,20,141.39	3,42,72,362.03
Profit on sale of financial assets carried at fair value through profit or loss	2,86,40,450.45	1,13,31,603.01
Other Misc Income	20,52,175.55	57,300.50
Insurance Claim	39,46,238.70	9,28,124.48
Profit on sale of Fixed Assets	3,55,547.40	-
	<b>10,73,00,655.17</b>	<b>8,60,00,803.86</b>

**(b) Other gains/(losses)**

	March 31, 2017	March 31, 2016
Net gain on disposal of property, plant and equipment	1,40,253.32	7,73,010.67
Net gain on financial assets mandatorily measured at fair value through profit or loss	2,00,88,402.05	74,65,099.12
Income - Other Misc Income – Non Operating	-	21,38,892.23
Fair value gain on derivatives not designated as hedges	45,84,387.00	3,60,95,067.00
	<b>2,48,13,042.37</b>	<b>4,64,72,069.02</b>
<b>Total (a+b)</b>	<b>13,21,13,697.54</b>	<b>13,24,72,872.88</b>

**Note 20 (a): Cost of materials consumed**

	March 31, 2017	March 31, 2016
Raw materials at the beginning of the year	86,27,24,405.94	90,93,68,795.02
Add: Purchases	9,21,05,56,276.98	8,57,47,00,156.71
Less: Raw material at the end of the year	1,04,08,11,549.49	91,62,37,760.18
<b>Total cost of materials consumed</b>	<b>9,03,24,69,133.43</b>	<b>8,56,78,31,191.55</b>

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

	March 31, 2017	March 31, 2016
<b>Changes in inventories</b>	<b>(17,17,58,186.16)</b>	<b>5,25,40,982.62</b>





**Solar Industries India Limited**  
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**Note 21: Employee benefit expense**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Salaries, wages and bonus	974,522,054.13	814,594,197.22
Contribution to provident fund, gratuity	52,210,329.10	46,091,574.25
Staff welfare expenses	16,388,122.44	15,622,278.06
	<b>1,043,120,505.67</b>	<b>876,308,049.53</b>

**Note 22: Other expenses**

	<b>March 31, 2017</b>	<b>March 31, 2016</b>
Consumption of stores and spares	113,430,415.46	81,006,412.66
Excise Duty On Closing Stock Increase / Decrease	7,084,386.00	2,797,622.00
Repairs and maintenance		
Plant and machinery	75,402,085.14	62,881,146.71
Buildings	21,380,716.01	16,292,552.13
Others	53,696,768.99	54,673,652.49
Power & Fuel charges	185,923,507.76	176,651,794.12
Rates and taxes	46,850,089.84	35,408,364.56
Legal and professional fees	141,129,256.76	115,270,077.36
Travel expenses	94,186,465.75	99,446,925.96
Export Expenses	328,636,880.56	280,778,784.35
Transportation Charges	312,421,999.20	261,751,422.21
Remuneration To Directors	89,998,560.00	82,531,904.91
Pump Truck Expenses	73,033,178.94	58,694,906.35
Security Service Charges	72,141,709.25	58,570,275.07
Sales Promotion Expenses	45,067,832.45	18,086,824.35
Donations	27,808,091.10	26,284,065.25
Advertisement Expenses	6,159,357.05	6,932,579.79
Investment Written Off	1,887,150.00	2,500,000.00
Directors' Sitting Fees	4,704,206.19	1,866,388.36
Insurance charges	28,431,204.66	3,314,342.34
Income - Loss On Foreign Exchange Rate Fluctuation	269,963,275.61	50,810,432.02
Corporate social responsibility expenditure	29,148,310.75	22,290,000.00
Fair Value Gain on derivates	5,683,480.00	(16,200,312.00)
Impairment loss on Property Plant & Equipment	6,527,889.75	-
Impairment loss on Investment	12,933,289.36	-
Impairment loss on Trade Receivables	75,901,256.38	54,639,386.77
Sales Commission	65,678,771.89	32,174,166.59
Payments to auditors (refer note 22(a) below)	9,277,375.00	8,501,968.00
Miscellaneous Expenses (includes Printing , Communication , Postage , office expenses etc)	248,284,055.16	202,567,469.89
<b>Total other expenses</b>	<b>2,452,771,565.01</b>	<b>1,800,523,152.24</b>





Solar Industries India Limited  
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Note 22(a): Details of payments to auditors

	31 March 2017	31 March 2016
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	4,566,400.00	4,002,338.00
Tax audit Fee	800,000.00	800,000.00
Limited Review	75,750.00	70,000.00
<b>In other capacities</b>		
Taxation matters	2,263,800.00	1,759,580.00
Certification fees	1,116,925.00	1,470,050.00
Vat Audit Fees	454,500.00	400,000.00
	<b>9,277,375.00</b>	<b>8,501,968.00</b>

Note 23: Finance costs

	31 March 2017	31 March 2016
<b>Interest on Borrowings</b>		
To Banks	210,095,126.86	161,233,725.27
To Related Party	30,063,214.00	10,756,000.00
To Others	28,778,694.57	32,389,909.79
	<b>268,937,035.43</b>	<b>204,379,635.06</b>

Note 24: Tax expense

	31 March 2017	31 March 2016
<b>Current tax</b>		
Current tax on profits for the year	712,346,660.22	718,688,282.30
Adjustments for current tax of prior periods	(7,467,452.10)	(5,485,281.50)
	<b>704,879,208.12</b>	<b>713,203,000.80</b>
<b>Deferred tax</b>		
Decrease (increase) in deferred tax assets	(22,303,263.00)	951,606.10
(Decrease) increase in deferred tax liabilities	84,821,855.56	153,238,965.00
	<b>62,518,592.56</b>	<b>154,190,571.10</b>
	<b>767,397,800.68</b>	<b>867,393,571.90</b>



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Note 25: Earnings per share (EPS)

Basic and Diluted EPS	March 31, 2017	March 31, 2016
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	1,85,43,32,819	1,63,65,37,011
Weighted average number of equity shares used as the denominator in calculating 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.)	20.49	18.09
Nominal value of shares (Rs.)	2.00	2.00



**Note 26: Business combination and acquisition**

**Acquisitions during the year ended March 31, 2016**

**Acquisition of Blastec (India) Private Limited**

On April 1, 2015, the Group acquired 100% of the voting shares of Blastec India Private Limited, a non-listed company based in India and specialising in manufacturing of explosives, in exchange for cash.

**Assets acquired and liabilities assumed**

The fair values of the identifiable assets and liabilities of Blastec (India) Private Limited as at the date of acquisition were:

Particulars	Fair value recognised on acquisition
<b>Assets</b>	
Property, plant and equipment	3,17,43,226
Deferred tax asset (net)	97,97,494
Other non-current assets	18,44,328
Inventories	84,53,655
Trade receivables	8,56,79,455
Cash and cash equivalents	65,89,233
Bank balances other than above	57,00,352
Other financial assets	4,44,386
Loans	79,62,301
Other Current Assets	23,05,769
	<b>16,05,20,199</b>
<b>Liabilities</b>	
Current borrowings	9,92,52,542
Trade payables	5,41,52,927
Other financial liabilities	77,10,878
Other current Liabilities	15,53,813
	<b>16,26,70,160</b>
<b>Total identifiable net assets/ (net liabilities) at fair value</b>	<b>(21,49,961)</b>
Goodwill arising on acquisition	71,37,621
Purchase consideration transferred- paid in cash	<b>49,87,660</b>

The deferred tax asset mainly comprises the temporary difference arising due to expected credit loss provision on trade receivables

The goodwill of Rs. 7,137,621 comprises the value expected synergies arising from the acquisition and a customer order, which is not separately recognised as the same is not separable and therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill recognised is not deductible for income tax purposes.





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**Acquisition of Emul tek Private Limited**

On April 1, 2015, the Group acquired 100% of the voting shares of Emul Tek Private Limited, a non-listed company based in India and specialising in manufacturing of explosives, in exchange for cash.

**Assets acquired and liabilities assumed**

The fair values of the identifiable assets and liabilities of Emul Tek Private Limited as at the date of acquisition were:

Particulars	Fair value recognised on acquisition
<b>Assets</b>	
Property, plant and equipment	46,78,138
Other non-current assets	1,61,895
Inventories	47,000
Cash and cash equivalents	2,57,068
Bank balances other than above	1,32,24,157
Other financial assets	2,23,942
Other Current assets	28,32,892
Deferred tax assets (net)	4,09,870
	<b>2,18,34,962</b>
<b>Liabilities</b>	
Trade payables	1,24,98,529
Other financial liabilities	2,56,000
Other current liabilities	5,11,964
	<b>1,32,66,493</b>
<b>Total identifiable net assets at fair value</b>	<b>85,68,469</b>
Capital Reserve	(6,04,149)
Purchase consideration transferred- paid in cash	<b>79,64,320</b>

The deferred tax asset mainly comprises the tax effect of the depreciation for tax purposes of tangible assets.

Capital reserve represents the difference between the net fair value of the identifiable assets, liabilities acquired and the cost of business acquisition. The same is recognized in the other comprehensive income.



**Note 27: Employee Benefit obligations****(i) Post-employment obligations****a) Gratuity**

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

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

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

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

	March 31, 2017	March 31, 2016
Service cost	67,08,942	50,89,000
Net Interest Cost	(9,91,607)	-
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>57,17,335</b>	<b>50,89,000</b>

**Other Comprehensive Income**

	March 31, 2017	March 31, 2016
Opening amount recognized in OCI outside of statement of profit or account	-	-
Actuarial gain / (loss) on liabilities	(1,66,99,315)	5,26,000
Actuarial gain / (loss) on assets	(2,25,260)	-
<b>Closing of amount recognized in OCI outside of statement of profit and loss</b>	<b>(1,69,24,575)</b>	<b>5,26,000</b>

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

	March 31, 2017	March 31, 2016
Present value of funded obligations	7,88,61,288	5,40,45,000
Fair value of plan assets	8,08,81,260	6,64,40,080
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>(20,19,972)</b>	<b>(1,23,95,080)</b>

**Change in Present Value of Obligations**

	March 31, 2017	March 31, 2016
Opening of defined benefit obligations	5,40,45,000	5,02,85,000
Service cost	67,08,942	50,89,000
Interest Cost	43,23,600	40,23,000
Benefit Paid	(29,15,569)	(48,26,000)
Actuarial (Gain)/Loss on total liabilities:	1,66,99,315	(5,26,000)
<b>Closing of defined benefit obligation</b>	<b>7,88,61,288</b>	<b>5,40,45,000</b>



**Change in Fair Value of Plan Assets**

	March 31, 2017	March 31, 2016
Opening fair value of plan assets	6,64,40,080	6,33,73,933
Actual Return on Plan Assets	50,89,947	51,53,147
Employer Contribution	1,22,66,804	27,39,000
Benefit Paid	(29,15,569)	(48,26,000)
<b>Closing fair value of plan assets</b>	<b>8,08,81,262</b>	<b>6,64,40,080</b>

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

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

The significant actuarial assumptions were as follows :

	March 31, 2017	March 31, 2016
Discount Rate	6.8% per annum	8% per annum
Rate of increase in Compensation levels	7.5% per annum	5% per annum
Rate of Return on Plan Assets	8% per annum	8.10% per annum

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

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

**Sensitivity Analysis**

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

	March 31, 2017	Impact (Absolute)	Impact (%)
Base Liability	7,88,61,288		
Increase Discount Rate by 0.50%	7,59,62,253	(28,99,035)	-3.68%
Decrease Discount Rate by 0.50%	8,19,76,275	31,14,987	3.95%
Increase Salary Inflation by 1%	8,47,90,867	59,29,579	7.52%
Decrease Salary Inflation by 1%	7,35,61,282	(53,00,006)	-6.72%
Increase in Withdrawal Assumption by 5%	7,69,24,739	(19,36,549)	-2.46%
Decrease in Withdrawal Assumption by 5%	8,16,91,717	28,30,429	3.59%

Notes :

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





**Note 28: Commitments and contingencies**

**Capital and other Commitments**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Estimated amount of contracts remaining to be executed on capital account (net of advances)	86,150,350	57,849,676	112,301,585

**Contingent liabilities**

Particulars	March 31, 2017	March 31, 2016	April 1, 2015
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	1,021,308,750	1,043,437,500	656,197,500
Performance and financial guarantees given by the Company	1,064,273,657	618,732,587	1,072,170,747
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	1,069,942,500	1,192,500,000	124,990,000
Excise demands- matters under dispute (net of deposit made)*	63,163,238	62,391,688	70,620,240
Sales tax deferment	94,700,000	94,700,000	94,700,000
Sales tax demands- matters under dispute*	116,214,202	84,408,646	59,905,044
Income tax demands- matters under dispute*	55,226,183	58,482,456	43,886,817

\*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.



**Note 29: 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 S.N. Nuwal  
Shri K.C. Nuwal  
Shri Manish Nuwal  
Shri R D Vakil  
Shri Anil Kumar Jain  
Shri Nilesh Panpaliya  
Smt Khushboo Pasari  
Shri Rahul Nuwal  
Shri K S Talesra  
Shri S L Mundhada

**III Non executive directors\***

Shri Anant Sagar Awasthi  
Shri Dillip 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 2016-17.

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  
Solar Initiating Systems Limited

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

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

**VI Other related party**

Solar Industries India Limited employee group gratuity assurance scheme  
(Post employment benefit plan of the Company)

Economic Explosives 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







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Transactions with related parties during the year

Nature of Transaction	March 31, 2017	March 31, 2016
<b>Purchase of raw material and components</b>		
Solar Synthetics Private Limited	19,70,863	9,93,262
Solar Initiating Systems Limited	-	74,08,156
<b>Total</b>	<b>19,70,863</b>	<b>84,01,418</b>
<b>Rent paid</b>		
Solar Synthetics Private Limited	4,67,947	2,07,798
Solar Initiating Systems Limited	12,00,000	10,00,000
<b>Total</b>	<b>16,67,947</b>	<b>12,07,798</b>
<b>Loans given/ (repaid) during the year (net)</b>		
SMS Bhatgaon Mines Extension Private Limited	10,51,302	7,72,263
Solar Bhatgaon Extension Mines Private Limited	1,50,950	1,02,080
<b>Total</b>	<b>12,02,252</b>	<b>8,74,343</b>
<b>Loans taken/ repaid during the year (net)</b>		
Commercial Sales Corporation	4,65,42,984	16,31,20,414
<b>Total</b>	<b>4,65,42,984</b>	<b>16,31,20,414</b>
<b>Interest received</b>		
SMS Bhatgaon Mines Extension Private Limited	9,57,182	8,54,737
Solar Bhatgaon Extension Mines Private Limited	1,34,645	1,10,089
<b>Total</b>	<b>10,91,827</b>	<b>9,64,826</b>
<b>Interest paid</b>		
Commercial Sales Corporation	3,00,63,214	1,07,56,000
<b>Total</b>	<b>3,00,63,214</b>	<b>1,07,56,000</b>
<b>Remuneration to KMP*</b>		
Shri S.N. Nuwal	2,70,00,000	2,25,00,000
Shri K.C. Nuwal	2,70,00,000	2,25,00,000
Shri Manish Nuwal	2,70,00,000	2,25,00,000
Shri R D Vakil	25,93,200	24,84,000
Shri Anil Kumar Jain	28,05,360	14,51,000
Shri Nilesh Panpaliya	27,31,320	25,98,180
Mrs. Khushboo Pasari	7,80,387	6,60,323
Shri Rahul Nuwal	12,00,000	12,00,000
Shri K S Talesra	24,00,000	20,00,000
<b>Total</b>	<b>9,35,10,267</b>	<b>7,78,93,503</b>



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Nature of Transaction	March 31, 2017	March 31, 2016
Sitting fees	2,15,000	2,00,000
Shri Anant Sagar Awasthi	2,55,000	1,80,000
Shri Dilip Patel	1,60,000	1,40,000
Shri Ajai Nigam	1,50,000	1,50,000
Shri Amrendra Verma	1,00,000	1,60,000
Smt Madhu Vij		
<b>Total</b>	<b>8,80,000</b>	<b>8,30,000</b>

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

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2017	March 31, 2016	April 1, 2015
<b>Loans given</b>			
SMS Bhatgaon Mines Extension Private Limited	89,45,296	78,93,994	71,21,731
Solar Bhatgaon Extension Mines Private Limited	12,36,030	10,85,080	9,83,000
<b>Total</b>	<b>1,01,81,326</b>	<b>89,79,074</b>	<b>81,04,731</b>
<b>Loans taken</b>			
Commercial Sales Corporation	21,83,65,751	17,18,22,767	87,02,353
<b>Total</b>	<b>21,83,65,751</b>	<b>17,18,22,767</b>	<b>87,02,353</b>
<b>Trade payables/ Other payables</b>			
Solar Synthetics Private Limited	46,606	1,36,273	-
Solar Initiating Systems Limited	1,03,500	10,25,000	2,56,426
Shri S.N.Nuwal	-	83,40,385	-
Shri Manish Nuwal	(60,774)	42,83,277	-
Shri K.C. Nuwal	-	38,62,270	-
Shri S.V. Kannan	-	1,05,000	-
Shri K.S.Talesra	1,38,000	-	-
Shri Rahul Nuwal	-	70,000	-
<b>Total</b>	<b>2,27,332</b>	<b>1,78,22,204</b>	<b>2,56,426</b>



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**Note 30: Segment Information**

In accordance with paragraph 4 of Ind AS 108 "Operating Segments", the Group has presented segmental information only on the basis of the Consolidated financial statements which are presented together with the unconsolidated financial statements. The Board of Directors of the Holding Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. The CODM evaluates the Group's performance and allocates the resources. The Group is exclusively engaged in the business of manufacturing of explosives and its accessories. The entire operation is governed by the same set of risk and returns confirmed as representing a single operating segment and not analysed separately.

**Geographical Information**

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

Revenue from external customers	March 31, 2017	March 31, 2016
India	11,76,87,24,274	10,58,22,21,001
Rest of the World	4,75,47,74,473	4,63,32,19,939
<b>Total</b>	<b>16,52,34,98,747</b>	<b>15,21,54,40,940</b>





**Note 31: Fair Value Measurements**

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

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

- The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, bank deposits, trade receivables, other financial assets (except derivatives), trade payables, other financial liabilities (except derivatives) and current borrowings, 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.
- The Group has not disclosed the fair value of investments in subsidiaries which are not consolidated, since the same are valued at cost. For carrying values refer note 4 of the financial statements.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.
- The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date.
- The fair values for loans given were calculated based on cash flows discounted using a current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values. They are classified as level 3 fair values in the fair value hierarchy.
- Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. The non-current borrowings are classified as level 3 fair values in the fair value hierarchy due to inclusion of unobservable inputs including own credit risk. The own non-performance risk was assessed to be insignificant.

**A. Fair Value Hierarchy**

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

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

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

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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,030,817,724	5	-	-	1,030,817,724
Other financial assets (except derivatives)	727,884,969	6	-	-	-
Trade receivables	3,137,622,640	7	-	-	-
Cash and cash equivalents	259,333,470	8	-	-	-
Bank balances other than cash and cash equivalents	134,563,776	8	-	-	-
Investment in government securities (NSC)	10,000	4	-	10,000	-
<b>Fair value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	1,100,000	4	-	-	1,100,000
Investment in Venture Capital Fund (unquoted)	33,118,555	4	-	33,118,555	-
Investment in equity instruments (quoted)	5,598,303	4	5,598,303	-	-
Investment in mutual funds	492,692,593	4	492,692,593	-	-
Derivative instruments	111,038,558	6	-	111,038,558	-
<b>Total Financial assets</b>	<b>5,933,780,588</b>		<b>498,290,896</b>	<b>144,167,113</b>	<b>1,031,917,724</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	1,479,559,783	13	-	-	1,479,559,783
Current	2,632,709,750	13	-	-	-
Trade payables	927,208,873	16	-	-	-
Other financial liabilities	1,068,590,615	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative instruments	80,891,894	17	-	80,891,894	-
<b>Total Financial liabilities</b>	<b>6,188,960,915</b>			<b>80,891,894</b>	<b>1,479,559,783</b>

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



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

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,115,203,342	5	-	-	1,115,203,342
Other financial assets (except derivatives)	562,334,796	6	-	-	-
Trade receivables	2,709,848,611	7	-	-	-
Cash and cash equivalents	254,397,619	8	-	-	-
Bank balances other than cash and cash equivalents	112,734,289	8	-	-	-
Investment in Government securities	40,000	4	-	40,000	-
<b>Fair Value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	1,100,000	4	-	-	1,100,000
Investment in Venture Capital Fund (unquoted)	49,438,347	4	-	49,438,347	-
Investment in equity instruments (quoted)	4,827,265	4	4,827,265	-	-
Investment in mutual funds	304,402,322	4	304,402,322	-	-
Derivative Instruments	227,652,941	6	-	227,652,941	-
<b>Total Financial assets</b>	<b>5,341,979,532</b>		<b>309,229,587</b>	<b>277,131,288</b>	<b>1,116,303,342</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					1,347,122,045
Non-current	1,347,122,045	13	-	-	-
Current	2,089,575,830	13	-	-	-
Trade payables	1,080,327,347	16	-	-	-
Other financial liabilities	674,291,286	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative Instruments	196,407,185	17	-	196,407,185	-
<b>Total Financial liabilities</b>	<b>5,387,723,693</b>			<b>196,407,185</b>	<b>1,347,122,045</b>

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at April 1, 2015 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Loans	1,057,731,980	5	-	-	1,057,731,980
Other financial assets (except derivatives)	499,033,518	6	-	-	-
Trade receivables	2,152,491,357	7	-	-	-
Cash and cash equivalents	146,111,689	8	-	-	-
Bank balances other than cash and cash equivalents	223,822,999	8	-	-	-
Investment in Government securities	40,000	4	-	40,000	-
<b>Fair Value through profit or loss</b>					
Investment in equity instruments of others (unquoted)	3,600,000	4	-	-	3,600,000
Investment in Venture Capital Fund (unquoted)	45,028,972	4	-	45,028,972	-
Investment in equity instruments (quoted)	2,266,927	4	2,266,927	-	-
Investment in mutual funds	321,127,455	4	-	-	-
Derivative Instruments	181,277,145	6	-	181,277,145	-
<b>Total Financial assets</b>	<b>4,632,532,042</b>		<b>2,266,927</b>	<b>226,346,117</b>	<b>1,061,331,980</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					1,558,044,130
Non-current	1,558,044,130	13	-	-	-
Current	1,721,978,114	13	-	-	-
Trade payables	756,522,244	16	-	-	-
Other financial liabilities	520,952,597	17	-	-	-
<b>Fair Value through profit or loss</b>					
Derivative Instruments	202,326,767	17	-	202,326,767	-
<b>Total Financial liabilities</b>	<b>4,759,823,851</b>			<b>202,326,767</b>	<b>1,558,044,130</b>

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





**Note 32: Financial risk management objectives and policies**

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

The 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 the derivative activities for risk management purposes are managed by experienced teams. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

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

Risk	Exposure arising from	Measurement	Management
Market Risk- Interest rate risk	Borrowings	Sensitivity Analysis	Interest Rate Swaps
	Term Deposits		
Market Risk- Foreign Exchange	Recognized financial assets and liabilities not denominated in INR	Cash Flow Analysis	Foreign-exchange forward 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 future value of a financial instrument will fluctuate due to moves in the market factors. The most common types of market risks include

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

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

**Interest Rate Risk**

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group manages its interest rate risk by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. 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.

0.5% changes in interest rate will increase/ decrease the borrowing cost by Rs 1.22 crore

The Group's investment in bank deposits are with fixed rate of interest with fixed maturity and hence not significantly exposed to Interest rate sensitivity.

**Foreign Currency Risk**

Foreign Currency risk is the risk that the future earnings or fair values of future cash flows will fluctuate because of changes in foreign exchange rates. The Group operates globally and portion of the business is transacted in USD and Euro. The Group evaluates exchange rate exposure and manages it by using derivatives like Foreign-exchange forward contracts and call spread to hedge the foreign exchange risk. Derivative instruments and unhedged foreign currency exposures

**a) Derivative outstanding as at the reporting date**

The Group has borrowings in foreign currency amounting to Rs. 4,286,109,300 (March 31, 2016: Rs. 3,471,177,923). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Group has taken foreign exchange forward contracts, which are as follows:

Name of the instrument	Currency	March 31, 2017	March 31, 2016
Forward contract to buy	USD	2,95,12,730	2,93,50,000





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

	March 31, 2017		March 31, 2016	
	USD	EURO	USD	EURO
	Trade Receivable	1,58,25,666	5,44,171	1,39,12,559
Loans and other receivable	47,53,104	-	21,73,976	-
Borrowings	2,35,56,409	-	70,75,487	-
Trade Payables	77,50,027	-	1,11,00,551	-

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

	In Rupees	
	March 31, 2017	March 31, 2016
USD	(69,56,355)	(13,48,565)
EURO	3,78,253	1,77,669

Equity price risk

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

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

	March 31, 2017	March 31, 2016
Investment in equity shares (quoted)	55,98,303	48,27,265
Investment in mutual funds	49,26,92,594	30,44,02,323

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. 4,982,909 (March 31, 2016: Rs. 3,092,296). 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 arises from the possibility that the counter party may not be able to settle their obligation as agreed. To manage this, the Group periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are periodically reviewed on the basis of such information.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the 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.

**Loans:** The Group has given loans to associates and certain unrelated parties. However there is no counter party risk. Except in case of some non-current loans where arbitration proceeding are on-going and the management believes that this amount would be recovered in full however the timing of recovery is uncertain.

Trade and other receivables:

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2017	1,79,44,52,161	64,48,49,294	1,04,27,88,760	3,48,20,90,215
As at March 31, 2016	1,53,73,01,476	64,69,98,250	81,13,49,213	2,99,56,48,939

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

	March 31, 2017	March 31, 2016
Opening balance	28,58,00,249	20,28,55,805
Provided during the year	7,82,89,995	8,97,61,982
Amounts written off	(77,51,506)	(68,17,454)
Reversals of provisions	(1,18,71,162)	-
Closing balance	34,44,67,575	28,58,00,333

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
<b>March 31, 2017</b>						
Borrowings	21,83,65,881	-	-	-	-	21,83,65,881
From related party	26,21,65,225	70,23,42,580	2,41,01,60,551	1,47,33,92,862	-	4,84,80,61,217
From Banks	1,25,72,084	-	5,71,166	50,38,608	5,51,538	1,25,72,084
From Others	-	-	5,53,86,400	-	-	61,61,312
Sales Tax Deferral Loan	-	87,18,22,473	5,53,86,400	-	-	92,72,08,873
Trade payables	76,65,336	5,16,69,154	3,50,43,427	-	13,21,736	9,56,99,653
Other financial liabilities	-	80,66,560	1,88,50,979	5,39,74,356	-	8,08,91,895
Derivative Instruments	-	-	-	-	-	-
<b>March 31, 2016</b>						
Borrowings	20,78,51,873	-	-	-	-	20,78,51,873
From related party	30,10,00,006	31,53,13,927	1,82,06,15,183	1,34,02,98,905	-	3,77,72,28,022
From Banks	1,68,96,925	-	-	-	-	1,68,96,925
From Others	-	2,59,990	-	48,96,504	12,64,809	64,21,303
Sales Tax Deferral Loan	-	1,06,09,83,235	1,93,44,112	-	-	1,08,03,27,347
Trade payables	13,76,578	6,29,68,044	3,68,22,988	-	10,37,389	10,22,04,999
Other financial liabilities	-	8,43,427	1,56,53,112	17,99,10,646	-	19,64,07,185
Derivative Instruments	-	-	-	-	-	-



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**Note 33: Capital Management**

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

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

	March 31, 2017	March 31, 2016	April 1, 2015
Net debt	3,71,83,72,287	3,06,95,65,968	2,91,00,87,555
Equity	9,28,58,64,168	8,05,44,41,170	7,35,60,01,707
<b>Capital and net debt</b>	<b>13,00,42,36,455</b>	<b>11,12,40,07,138</b>	<b>10,26,60,89,262</b>
<b>Gearing ratio</b>	<b>29%</b>	<b>28%</b>	<b>28%</b>

Calculation of net debt is as follows:

	March 31, 2017	March 31, 2016	April 1, 2015
Borrowings	1,47,95,59,783	1,34,71,22,045	1,55,80,44,130
Non Current	2,63,27,09,750	2,08,95,75,830	1,72,19,78,114
Current	<b>4,11,22,69,533</b>	<b>3,43,66,97,875</b>	<b>3,28,00,22,244</b>
Cash and cash equivalents	25,93,33,470	25,43,97,619	14,61,11,689
Bank balances other than cash and cash equivalents	13,45,63,776	11,27,34,289	22,38,22,999
	<b>39,38,97,246</b>	<b>36,71,31,908</b>	<b>36,99,34,688</b>
<b>Net Debt</b>	<b>3,71,83,72,287</b>	<b>3,06,95,65,968</b>	<b>2,91,00,87,555</b>





**Note 34: First-time adoption of Ind AS**

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

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

**A Exemptions and exceptions applied**

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

**A.1 Ind AS optional exemptions**

**A.1.1 Business Combinations (Ind AS 103)**

Ind AS 101 provides the option to apply Ind AS 103, prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in associates.

**A.1.2 Deemed cost**

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

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

**A.1.3 Use of deemed cost for investments in subsidiaries and associates**

Ind AS 101 permits a first-time adopter to elect to continue the previous GAAP carrying amount at the date of transition and use that as its deemed cost of investment as at the date of transition.

Accordingly, the Company has elected to measure all its investments in subsidiaries and associates at their previous GAAP carrying value.

**A.2 Ind AS mandatory exceptions**

**A.2.1 Estimates**

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

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

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

**A.2.2 Reconciliations between previous GAAP and Ind AS**

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

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

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



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

	Notes	March 31, 2016	April 1, 2015
Total Other equity as per Indian GAAP		8,49,47,18,347	7,57,78,49,044
<b>Adjustments:</b>			
Fair valuation of mutual fund and equity investments	1	2,27,85,634	3,59,44,860
Fair valuation of derivatives	2	3,12,45,757	(2,10,49,622)
Provision for expected credit losses on trade receivables	3	(14,29,98,554)	(14,42,85,967)
Proposed dividend and related taxes	4	-	19,60,41,064
Preoperative expenses written off	5	(15,27,50,064)	(15,27,50,064)
Deconsolidation of subsidiary and related foreign currency translations	6	(11,83,84,146)	(16,37,28,670)
Reclassification of Goodwill from capital reserve		12,62,00,045	15,62,12,875
Capital reserve created on acquisition		6,04,149	-
Others with respect to foreign currency translation on account of Ind AS adjustments		2,47,85,210	-
Tax effects of adjustments	7	(41,27,45,314)	(30,92,11,922)
<b>Total adjustments</b>		<b>(62,12,57,282)</b>	<b>(40,28,27,446)</b>
<b>Total Other equity as per Ind AS</b>		<b>7,87,34,61,065</b>	<b>7,17,50,21,598</b>

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

	Notes	March 31, 2016
Profit after tax as per Indian GAAP		1,66,13,89,143
<b>Adjustments:</b>		
Fair valuation of mutual fund and equity investments	1	(1,31,59,226)
Fair valuation of derivatives	2	5,22,95,379
Provision for expected credit losses on trade receivables	3	12,87,413
Goodwill written off in IGAAP now reversed since subsidiary deconsolidated	6	3,82,57,695
Tax effects of adjustments	7	(10,35,33,392)
<b>Total adjustments</b>		<b>(2,48,52,131)</b>
<b>Profit after tax as per Ind AS</b>		<b>1,63,65,37,012</b>

Notes to first-time adoption:

**Note 1 Fair valuation of mutual fund and equity investments**

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

**Note 2 Fair valuation of derivatives**

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



**Note 3 Trade receivables**

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

**Note 4 Proposed dividend**

Under Ind AS, dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity has been increased.

**Note 5 Preoperative expenses**

Preoperative expenses capitalised as per Indian GAAP have been written off to retained earnings since they are specifically excluded from capitalisation as per Ind AS.

**Note 6 Deconsolidation of subsidiary**

As per Ind AS 110, consolidation is based on control model. Accordingly if parent loses control of a subsidiary, the parent derecognises the assets and liabilities of the former subsidiary from the consolidated balance sheet. Hence, the Company has deconsolidated one of the step down subsidiary i.e. PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirket since the same is under liquidation process.

**Note 7 Deferred tax**

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

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

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

As per our report of even date attached

**For Gandhi Rathi & Co.**

Chartered Accountants

Firm's Registration Number: 103031W



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

Place: Nagpur  
Date: May 29, 2017



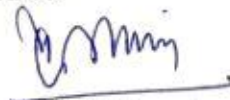
For and on behalf of the Board of Directors of  
**Solar Industries India Limited**



**S.N. Nuwal**  
Chairman &  
Executive Director



**Khushboo Pasari**  
Company Secretary



**Manish Nuwal**  
Managing Director  
& CEO



**Nilesh Panpaliya**  
Chief Financial Officer