



GANDHI RATHI & CO.
CHARTERED ACCOUNTANTS

**3RD FLOOR, PAREKH CENTRE, OPP. DAGA
HOSPITAL, GANDHIBAGH, NAGPUR-440002**
Mob No. : 9823055302
E-mail : ca.cnrathi@gandhirathi.in

Private and Confidential

The Board of Directors
Solar Industries India Limited
Solar House, 14, Kachimet,
Amravati Road,
Nagpur
Maharashtra 440023

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Report on audit of Special Purpose FFC Consolidated Financial Statements of Emul Tek Private Limited as at and for the year ended March 31, 2024

1. This report is issued in accordance with the terms of our agreement dated December 20, 2023.
2. We have audited the accompanying Special Purpose Fit-For-Consolidation consolidated financial statements (herein referred to as "Special Purpose FFC Consolidated Financial Statements"), expressed in INR, of Emul Tek Private Limited (the "Company") and its subsidiary (Company and its subsidiary together referred to as the "Group") which comprise the Special Purpose Consolidated Balance Sheet as at March 31, 2024, the Special Purpose Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), Special Purpose Consolidated Cash Flow Statement and Special Purpose Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records by the Management of the Company and Solar Industries India Limited - hereinafter referred to as the "Management", which we have signed for identification purposes. The details of subsidiary are as below:

Sr. No.	Name of entity	Relationship	Remarks
1	Rajasthan Explosives and Chemicals Limited	Subsidiary	Audited by other Auditors

Management's Responsibility for the special purpose FFC Consolidated Financial Statements

3. Management is responsible for the preparation of the Special Purpose FFC Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the Group in conformity with the group accounting policies of Solar Industries India Limited, including the creation and maintenance of all accounting and other records supporting its contents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Special Purpose FFC Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

4. Our responsibility is to express an opinion on this Special Purpose FFC Consolidated Financial Statements based on our audit. We conduct our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose FFC Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Special Purpose FFC Consolidated Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Special Purpose FFC Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the Special Purpose FFC Consolidated Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Special Purpose FFC 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 paragraph 10 in the Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in paragraph 11 in the Other Matters section 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 knowledge and according to the explanations given to us, the accompanying Special Purpose FFC Consolidated Financial Statements give a true and fair view in conformity with the group accounting policies of Solar Industries India Limited of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated total comprehensive income (comprising of profit and other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of matter

8. We draw attention to Note 2 to the Special Purpose FFC Consolidated Financial Statements, which describes the basis of its preparation. The special purpose financial statements are not the statutory financial statements of the Company, and are not intended to, and do not, comply with the disclosure provisions applicable to statutory financial statements prepared under the Companies Act, 2013.
Our opinion is not modified in respect of these matters.

Other Matter

9. The Special Purpose FFC Consolidated Financial Statements dealt with by this report, have been prepared only to enable Solar Industries India Limited to prepare its consolidated financial statements, and not to report on the Company as a separate entity or a group.
10. We did not audit the financial statements of subsidiary as mentioned in point no. 2 whose financial statements reflect total assets of Rs. 97.32 crores as at March 31, 2024, total revenue of Rs. 49.01 crores and Rs. 60.60 crores, net profit after tax of Rs. 7.52 crores and Rs. 7.62 crores and total comprehensive income of Rs. 7.52 crores and Rs. 7.32 crores for the quarter ended 31 March 2024 and the year ended on that date respectively, as considered in the Special Purpose FFC Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by them and our opinion on the Special Purpose FFC Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these entities is based solely on the reports of the other auditors..
11. Our opinion on the consolidated financial statements 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/ financial information certified by the Management.

Restrictions on Use

12. This report is addressed to the Board of Directors of the Solar Industries India Limited for onward submission to the statutory auditors of Solar Industries India Limited only for the purpose set out in paragraph 10 above. This report should not be otherwise used or shown to or otherwise distributed to any other party or used for any other purpose and no onward disclosure or sharing should be made of our report (or any part of it) in any form to any third party without our prior written consent.

13.

Nagpur
May 16, 2024

For Gandhi Rathi & Co.
Registration No.: 103031W



C.N. Rathi
Partner

Membership No. 039895
UDIN -24039895 BK ABFD 7140



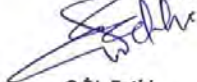
Emul Tek Private Limited (After Consolidation with RECL)
Balance Sheet as at March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at Mar 31, 2024	As at Mar 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	63.52	30.60
Capital work-in-progress	3	17.26	0.32
Right-of use assets	3a	0.16	0.17
Goodwill		19.00	-
Deferred tax assets	4	12.43	1.70
Financial assets			
Other Financial assets	5	3.40	0.07
Current tax assets (net)		1.45	-
Other non-current assets	9	8.68	-
Total non-current assets		125.90	32.86
Current assets			
Inventories	6	14.81	3.81
Financial assets			
Trade receivables	7	6.59	38.38
Cash and cash equivalents	8	5.54	2.19
Bank balances other than cash and cash equivalents	8	18.72	1.64
Other Financial assets	5	0.82	-
Other current assets	9	2.43	1.47
Total current assets		48.91	47.49
Total assets		174.81	80.35
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	5.97	5.97
Other Equity	11	15.10	(5.24)
Total equity		21.07	0.73
LIABILITIES			
Financial liabilities			
Borrowings	13	111.34	32.01
Total non-current Liabilities		111.34	32.01
Current liabilities			
Financial liabilities			
Borrowings	13	-	11.12
Trade payables	14		
a) total outstanding dues of micro and small enterprises		0.90	0.59
b) total outstanding dues of creditors other than micro and small enterprises		21.23	32.48
Other financial liabilities	15	14.03	1.03
Other current liabilities	16	4.01	0.88
Liability for current tax(net)		-	1.29
Provisions	12	2.23	0.22
Total current Liabilities		42.40	47.61
Total liabilities		153.74	79.62
Total equity and liabilities		174.81	80.35

Summary of significant accounting policies(Refer note 2)

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

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



C. N. Rathi
Partner
Membership No. 39895



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



P. P. Deotare
Director
DIN: 08225124



S. L. Mundhada
Director
DIN: 07112092

Place: Nagpur
Date: May 16, 2024



Emul Tek Private Limited (After Consolidation with RECL)
Statement of Profit and Loss for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Statement of Profit and Loss for the	Notes	Year ended Mar 31, 2024	Year ended Mar 31, 2023
Continuing operations			
Revenue from operations	17	217.15	199.27
Other income	18	3.91	0.07
Total income		221.06	199.34
Expenses			
Cost of materials consumed	19	49.80	78.50
Purchases of stock-in-trade		121.88	101.21
Changes in inventories of work-in-progress, stock-in-trade and finished goods	20	2.23	(1.04)
Employee benefit expense	21	6.36	1.85
Depreciation expense		1.47	0.39
Other expenses	22	7.56	3.84
Finance costs	23	7.60	3.87
Total expenses		196.90	188.64
Profit before tax		24.16	10.70
Tax expense	24		
- Current tax		2.54	1.49
- Taxes in respect of earlier years		0.08	(0.01)
- Deferred tax		0.87	0.61
Total tax expense		3.49	2.09
Profit for the year		20.67	8.61
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement (loss)/Income on defined benefit plans		(0.45)	0.04
Income tax relating to these items		0.12	(0.01)
		(0.33)	0.03
Total comprehensive income for the year		20.34	8.64
Earnings per equity share	25		
Basic earnings per share		34.64	14.43

Summary of significant accounting policies (Refer note 2)

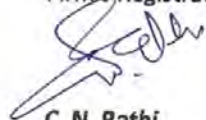
The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W



C. N. Rathi

Partner

Membership No.39895



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



P.P. Deotare

Director

DIN: 08225124



S.L. Mundhada

Director

DIN: 07112092

Place: Nagpur

Date: May 16, 2024



Emul Tek Private Limited (After Consolidation with RECL)
Statement of cash flows for the year ended March 31, 2024
(All amounts in ₹ Crores , unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
Cash flows from operating activities		
Profit before tax	24.16	10.70
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	1.47	0.39
Interest income	(3.71)	(0.07)
Finance costs	7.60	3.87
Impairment loss/(gain) on financial assets	(0.48)	(6.98)
Advances written off	-	0.03
Bad debts written off/(back)	(0.04)	7.48
Operating profit before working capital changes	29.01	15.42
Working capital adjustments :		
(Increase)/Decrease in trade receivables	34.31	(31.66)
(Increase)/Decrease in inventories	0.67	28.71
Increase/(Decrease) in trade payables	(19.99)	(0.51)
(Increase)/Decrease in other assets	(9.33)	0.48
Increase/(Decrease) in other liabilities	(0.23)	0.77
Cash generated from operations	34.44	13.21
Less : Income taxes paid	5.20	0.17
Net cash flows from operating activities	29.24	13.04
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(11.56)	(25.99)
Proceeds from disposal of property, plant and equipment	-	0.03
Investment in Fixed Deposits	2.82	(1.64)
Interest income received	3.71	0.07
Net cash flows used in investing activities	(5.03)	(27.53)
Cash flows from financing activities		
Proceeds from non-current borrowings	52.94	73.81
Repayment of non-current borrowings	-	(65.27)
Proceeds from / (Repayment of) current borrowings	(68.99)	11.12
Interest paid	(5.11)	(3.45)
Net cash flows used in financing activities	(21.15)	16.21
Net increase / (decrease) in cash and cash equivalents	3.06	1.72
Add:-Cash and cash equivalents at the beginning of the year	2.19	0.47
Add:- Cash and cash equivalents on account of merger	0.29	-
Cash and cash equivalents at end of the year (refer note 8)	5.54	2.19

Summary of material accounting policies (refer note 2.1)

The above statement of cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7, "Statement of Cash Flows".


The accompanying notes form an integral part of the financial statements

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


per C.N. Rathi
Partner
Membership No.- 39895



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


P.P. Deotare
Director
DIN: 08225124


S.L. Mundhada
Director
DIN: 07112092

Place : Nagpur
Date: May 16, 2024



Emul Tek Private Limited (After Consolidation with RECL)
Statement of changes in equity
(All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

	Number of shares	Amount
As at March 31, 2022	59,67,700.00	5.97
As at March 31, 2023	59,67,700.00	5.97
As at March 31, 2024	59,67,700.00	5.97

B Other equity

	Reserves and surplus		Total other equity
	Retained earnings	OCI	
Balance at March 31, 2022	(13.88)		(13.88)
Profit for the year	8.61		8.61
Other comprehensive Income for the year		0.03	0.03
Balance at March 31, 2023	(5.27)	0.03	(5.24)
Profit for the year	20.67		20.67
Other comprehensive Income for the year	-	(0.33)	(0.33)
Balance at March 31, 2024	15.40	(0.30)	15.10

Summary of significant accounting policies (Refer note 2)


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

As per our report of even date attached

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W




C. N. Rathi
Partner
Membership No.39895



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



P.P. Deotare
Director
DIN: 08225124



S.L. Mundhada
Director
DIN:07112092

Place: Nagpur
Date: May 16, 2024



Note 1: Corporate Information

Emul Tek Private Limited (After Consolidation with RECL) (the 'Company') is a company domiciled in India, with its registered office situated at 11, Bharat Nagar, Zade Layout, Amravati Road, Nagpur-440033. The Company has been incorporated under the provisions of Indian Companies Act and is a wholly owned subsidiary of Solar Industries India Limited, which is listed in India. The Company is primarily involved in the manufacturing of bulk explosives. It manufactures bulk explosives.

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 (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the periods mentioned in the financial statements.

The financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

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

All other liabilities are classified as non-current.

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

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



2.2 Summary of significant accounting policies

a. Use of estimates: -

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

b. Property, Plant and Equipment: -

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

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

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

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

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

c. Intangible assets:

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

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

d. Depreciation and amortization:

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



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

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

Leasehold Land is amortized over the period of the lease.

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

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

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

f. Borrowing costs:

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

g. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease



liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office Building 2 to 10 years
- Leasehold Land 30 to 99 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (e) Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use Assets.

The Company's lease arrangements do not contain an obligation to dismantle and remove the underlying asset, restore the site on which it is located or restore the underlying asset to a specified condition.

ii. Lease Liabilities:

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii. Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of vehicles, and office buildings (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



h. Financial instruments:

i) Investments and other financial assets

Classification

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

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

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

Measurement

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

A. Debt instruments:

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

1. Amortised cost:

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

2. Fair value through profit and loss:

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

B. Equity instruments:

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



ii) **Financial liabilities**

Classification

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

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

Measurement

A. Financial liabilities at amortised cost

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

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

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

iii) **Impairment of financial assets**

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

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

i. **Revenue:**

Revenue from Contract with Customer

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

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

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



i. Sale of products:

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

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

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

a. Variable consideration

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

• **Volume rebates and discounts**

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

b. Significant financing component

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

ii. Interest Income:

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



iii. **Dividend:**

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

j. **Inventories :-**

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

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

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

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



k. Retirement and other employee benefits :-

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund will be charged to the statement of profit and loss for the period / year when the contributions are due.

(ii) Gratuity

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

(iii) Leave encashment

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

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

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

l. 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.

m. Segment reporting:-

(i) Identification of segment

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

(ii) Segment accounting policies

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

n. 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.



o. 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.

p. 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.

q. Cash and cash equivalents :-

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)
Note 3 : Property, plant and equipment

	Freehold Land	Factory Building	Plant & Machinery	Office & Other Equipments	Furniture & Fixtures	Vehicles	Total
Period Ended 31 March 2023							
Gross carrying amount	1.77	2.11	2.36	0.09	0.01	0.63	6.97
Gross carrying amount as at April 1, 2022	24.32	0.03	1.42	0.01	0.01	0.04	25.83
Additions	-	-	(0.05)	-	-	-	(0.05)
Disposal	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2023	26.09	2.13	3.73	0.09	0.02	0.67	32.75
Accumulated depreciation							
Accumulated depreciation as at April 1, 2022	-	0.50	0.74	0.06	0.00	0.48	1.78
Depreciation/Amortization Charge during the Period	0.00	0.16	0.18	0.01	0.00	0.04	0.39
Disposal	-	-	(0.02)	-	-	-	(0.02)
Accumulated depreciation as at March 31, 2023	0.00	0.66	0.90	0.07	0.00	0.52	2.15
Net carrying amount as at March 31 2023	26.09	1.47	2.83	0.02	0.00	0.16	30.60
Period Ended 31 March 2024							
Gross carrying amount	26.09	2.13	3.73	0.09	0.02	0.67	32.75
Gross carrying amount as at April 1, 2023	0.04	13.48	14.73	0.26	0.10	0.07	28.67
Gross carrying amount (Business acquisition)	-	2.12	7.49	0.27	0.03	0.10	10.01
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2024	26.13	17.73	25.95	0.62	0.15	0.84	71.43
Accumulated depreciation							
Accumulated depreciation as at April 1, 2023	0.00	0.66	0.90	0.07	0.00	0.52	2.15
Accumulated depreciation (Business Acquisition)	0.00	1.63	2.52	0.12	0.02	0.01	4.30
Depreciation/Amortization Charge during the Period	-	0.48	0.90	0.03	0.01	0.05	1.47
Disposal	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2024	0.00	3.46	5.48	0.29	0.03	0.58	7.91
Net carrying amount as at March 31, 2024	26.13	14.27	20.47	0.33	0.12	0.26	63.52

Capital Work-in-Progress as at March 31, 2024
Capital Work-in-Progress as at March 31, 2023



17.26
0.32

Emul Tek Private Limited (After Consolidation with RECL)

Notes to Consolidated financial statements for the year ended March 31, 2024

(All amounts in ₹ Crores, unless otherwise stated)

Note 3A : CWIP Tangible Property, plant and equipment

	CWIP Freehold Land	CWIP Buildings	CWIP Furniture, fittings and Equipment	CWIP Plant and Machinery	CWIP Vehicles	CWIP Office Equipments	Total
Year Ended 31 March 2023							
Gross carrying amount	-	0.00	-	0.07	-	0.00	0.08
Opening Carrying Value	24.33	0.03	0.01	1.66	0.04	0.02	26.08
Additions	(24.33)	(0.03)	0.01	(1.41)	(0.04)	(0.02)	(25.83)
Less:- Capitalization	-	(0.00)	-	-	-	-	(0)
Asset Written off	-	-	-	-	-	-	-
CWIP Closing Carrying value as at 31st March 2023	-	-	-	0.32	-	0.00	0.32
Period Ended 31st Mar 2024							
Gross carrying amount	-	-	-	0.32	-	0.00	0.32
Opening Carrying Value	-	0.09	-	-	-	-	0.09
Opening Carrying Value of RECL (due to acquisition)	-	0.04	-	1.12	-	-	1.16
Additions	-	7.67	-	7.56	0.79	-	16.02
Less:- Capitalization	-	(0.04)	-	(0.29)	-	(0.00)	(0.33)
Asset Written off	-	-	-	-	-	-	-
CWIP Closing Carrying value as at March 31, 2024	-	7.76	-	8.71	0.79	-	17.26



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 3a. Right-of-use assets

Leases

Company as Lessee

The Company has lease contracts for Leasehold land. Leases of Lease hold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold land	Total
Year ended March 31, 2023		
As at April 1, 2022	0.17	0.17
Depreciation	0.00	0.00
As at March 31, 2023	0.17	0.17
Period ended March 31, 2024		
As at April 1, 2023	0.17	0.17
Depreciation	0.01	0.01
As at March 31, 2024	0.16	0.16

The following are the amounts recognised in profit or loss:

	Mar 31, 2024	Mar 31, 2023
Depreciation expense of right-of-use assets *	0.01	0.01
Total amount recognised in profit or loss	0.01	0.01

* Note: Amounts are below 1 lakh



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Capital Work in Progress (CWIP) Ageing Schedule

As at 31 March 2024

(a) CWIP ageing as on March 31, 2024

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	17.10	-	-	0.16	17.26
- Projects temporarily suspended	-	-	-	-	-

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	-	-	-	-	-

As at 31 March 2023

(a) CWIP ageing as on March 31, 2023

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	0.25	-	-	0.07	0.32
- Projects temporarily suspended	-	-	-	-	-

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
	-	-	-	-	-



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Deferred tax assets

The balance comprises temporary differences attributable to:

	March 31, 2024	March 31, 2023
Allowance for doubtful debts - trade receivables	0.24	0.20
Other	12.53	0.06
MAT Receivable	3.02	1.67
Total deferred tax assets	15.79	1.93
Property, plant and equipment.	(3.36)	(0.23)
Total deferred tax liabilities	(3.36)	(0.23)
Net deferred tax assets	12.43	1.70

Note 5 : Other financial assets (Non current)

	March 31, 2024	March 31, 2023
Security Deposits	0.93	0.06
Earnest Money Deposits	0.01	0.01
Fixed Deposits with maturity of more than 12 months	2.46	-
	3.40	0.07

Note 5 : Other Financial assets (Current)

	March 31, 2024	March 31, 2023
Security Deposits	0.32	-
Earnest Money Deposits	0.50	-
Interest accrued but not due on Fixed Deposits	0.00	-
	0.82	-

Note 6: Inventories

	March 31, 2024	March 31, 2023
Raw materials	10.24	2.11
Finished Goods	0.95	-
Stock-in-trade	0.57	0.77
Stock of semi finished goods	1.30	0.54
Stores and spares	1.75	0.39
Scrap	0.00	-
	14.81	3.81



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 7: Trade receivables

	March 31, 2024	March 31, 2023
Unsecured, considered good		
Trade receivables	7.36	39.01
Receivable from related party	0.12	0.14
Less: Allowance for doubtful debts	(0.89)	(0.77)
Total Trade Receivables	6.59	38.38

Break-up of security details

	March 31, 2024	March 31, 2023
Trade Receivables		
Unsecured, considered good	7.29	38.96
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	0.19	0.19
	7.48	39.15
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(0.70)	(0.58)
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	(0.19)	(0.19)
	(0.89)	(0.77)
Total Trade Receivables	6.59	38.38

TRADE RECEIVABLE

Particulars	Outstanding for following periods from due date of payment - March 31, 2024							Total
	Not Due	<6 month	6 m-1 Year	1-2 Years	2-3 Years	>3year		
(i) Undisputed Trade receivables - considered good	4.38	1.73	0.04	0.22	0.24	0.16	6.77	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.03	0.02	0.49	0.54	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	0.19	0.19	
Total	4.38	1.73	0.04	0.25	0.26	0.84	7.48	

Particulars	Outstanding for following periods from due date of payment - Mar 31, 2023							Total
	Not Due	<6 month	6 m-1 Year	1-2 Years	2-3 Years	>3year		
(i) Undisputed Trade receivables - considered good	22.88	16.02	0.00	0.06	-	-	38.96	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	0.19	0.19	
Total	22.88	16.02	0.00	0.06	-	0.19	39.15	

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

Trade receivables are non-interest bearing and are generally on terms of 0 to 60 days.

Set out below is the movement in the allowance for expected credit losses of trade receivables :

There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

	March 31, 2024	March 31, 2023
As at April 1, 2023	0.77	7.75
Addition due to Acquisition	0.61	-
Provision/(Reversal) during the year	(0.48)	(6.98)
As at March 31, 2024	0.89	0.77



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 8: Cash and bank balances

	March 31, 2024	March 31, 2023
Cash and cash equivalents		
Balances with banks		
- in current accounts	5.40	2.18
- Deposits with Bank	0.05	-
Cash on hand	0.09	0.00
	5.54	2.19
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	18.72	1.65
	18.72	1.64

Note 9 : Other current assets

	March 31, 2024		March 31, 2023	
	Current	Non-Current	Current	Non-Current
Advances to suppliers	1.64	-	1.24	-
Advances to Staff	0.07	-	0.06	-
Balances with Revenue Authorities	0.44	0.09	0.10	-
Sales Tax Refund Receivable	-	0.49	-	-
Capital Advance	-	7.95	-	-
Prepaid Expenses	0.28	0.16	0.07	-
	2.43	8.68	1.47	-



Note 10: Equity share capital

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Authorised equity share capital (Face Value @ Rs. 10 each)	2,00,00,000	2,00,00,000	20.00	20.00
	2,00,00,000	2,00,00,000	20.00	20.00
Issued, Subscribed and fully paid up share capital (Face Value @ Rs. 10 each)	59,67,700	59,67,700	5.97	5.97
	59,67,700	59,67,700	5.97	5.97

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Number of Shares at the beginning of the year	59,67,700	59,67,700	5.97	5.97
Add/Less: Change During the year	-	-	-	-
As at March 31, 2024	59,67,700	59,67,700	5.97	5.97

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by ultimate holding/ holding company

	Number of Shares		Amount	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Ultimate holding/ Holding Company Solar Industries India Limited				
Emul Tek Private Limited	59,67,700	59,67,700	5.97	5.97
	59,67,700	59,67,700	5.97	5.97

(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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Solar Industries India Limited	100	100	59,67,700	59,67,700



Emul Tek Private Limited (After Consolidation with RECL)
 Notes to Consolidated financial statements for the year ended March 31, 2024
 (All amounts in ₹ Crores, unless otherwise stated)

(e) Details of Shares held by promoters :-

As at March 31, 2024

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ₹ 10 each fully paid						
1	Solar Industries India Limited	59,67,700.00	-	59,67,700.00	100.00%	-
	Total	59,67,700.00	-	59,67,700.00		

As at March 31, 2023

S.No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ₹ 10 each fully paid						
1	Solar Industries India Limited	59,67,700.00	-	59,67,700.00	100.00%	0.00%
	Total	59,67,700.00	-	59,67,700.00		



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note: 11 Other equity

Retained earning	
As at March 31, 2022	(13.88)
Add : Profit for the year	8.61
Add : Other comprehensive Income for the year	0.03
As at March 31, 2023	(5.24)
Add : Profit for the year	20.67
Add : Other comprehensive Income for the year	(0.33)
As at March 31, 2024	15.10



Note 12 : Provisions

	March 31, 2024	March 31, 2023
Current		
Provision for employee benefits		
Gratuity	1.89	0.16
Leave obligations	0.35	0.06
	2.23	0.22

Note 13 : Borrowings

Non-Current borrowings

	March 31, 2024	March 31, 2023
Unsecured		
Related Party		
From Holding Company	95.11	32.01
Accrued Interest	0.96	0.61
Other than related party		
From Global Coal & Mining Pvt Ltd	16.23	-
	112.30	32.62
Less:- Amount shown under "Other current financial liabilities" (refer note 15)		
Interest accrued on non current borrowings	0.96	0.61
	111.34	32.01

Current borrowings

	March 31, 2024	March 31, 2023
Unsecured		
Related Party		
From Associate Company	-	11.12
From Holding Company	-	-
Accrued Interest	-	0.27
	-	11.39
Less:- Amount shown under "Other current financial liabilities" (refer note 15)		
Interest accrued on current borrowings	-	0.27
	-	11.12

Note 14 : Trade payables

	March 31, 2024	March 31, 2023
Current		
Trade payables		
a) total outstanding dues of micro and small enterprises	0.90	0.59
b) total outstanding dues of creditors other than micro and small enterprises	21.08	30.05
Related Party		
a) Holding Company	0.15	2.43
	22.13	33.07

Break up of trade payables

	March 31, 2024	March 31, 2023
Trade Payables other than related parties (including acceptances)	21.98	30.64
Trade payables to related parties (refer note 29C)	0.15	2.43
	22.13	33.07



Trade payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment - March 31, 2024				Total
		<1 Year	1 - 2 Years [#]	2 - 3 Years	> 3 Years	
(i) Undisputed dues - MSME	0.05	0.85	-	-	-	0.90
(ii) Undisputed dues -Others	17.80	3.43	0.00	-	-	21.23
Total						
Particulars	Not due	Outstanding for following periods from due date of payment - March 31, 2023				Total
		<1 Year	1 - 2 Years [#]	2 - 3 Years	> 3 Years	
(i) Undisputed dues - MSME	0.35	0.24	-	-	-	0.59
(ii) Undisputed dues -Others	28.44	4.04	0.00	-	-	32.48
Total						

*Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.

For trade payables due to Micro and Small enterprises development, refer note 34

For explanations on the Company's credit risk management processes, refer note 31

There are no "unbilled" trade payable hence the same are not disclosed in the ageing schedule.

[#]Amount is less than ₹ 0.01

Note 15 : Other financial liabilities

	March 31, 2024	March 31, 2023
Current		
Interest accrued on non current borrowing	0.95	0.61
Interest accrued on current borrowing	2.43	0.27
Employee related payables	0.65	0.08
Capital creditors - Others	0.74	0.03
Security Deposit	0.01	-
Deferred Purchase Consideration	8.00	-
Capital creditors - Related Party	1.25	0.04
	14.03	1.03

Note 16: Other current liabilities

	March 31, 2024	March 31, 2023
Statutory Dues Payables	4.01	0.88
	4.01	0.88



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 17: Revenue from operations

	March 31, 2024	March 31, 2023
Sale of products	215.64	199.25
Other operating revenue	1.51	0.02
	217.15	199.27

Note 18: Other income

	March 31, 2024	March 31, 2023
Interest Income		
On financial assets carried at amortised cost		
On Deposits with Bank	0.37	0.07
Income tax refund	0.03	-
Sales commission income	0.66	-
Income - Other Misc Income	(0.50)	-
Income - Interest On Loans Given - Others	3.31	-
Bad debts recovered	0.04	-
	3.91	0.07

Note 19 : Cost of materials consumed

	March 31, 2024	March 31, 2023
Raw materials at the beginning of the year	2.11	2.71
Add: Purchases (Including stock acquired of subsidiary)	57.93	77.90
Less: Raw material at the end of the year	10.24	2.11
	49.80	78.50

Note 20 : Changes in inventories

	March 31, 2024	March 31, 2023
Opening balance		
Stock of traded goods	0.77	-
Semi finished goods	0.54	0.27
Finished goods	-	-
Total opening balance	1.31	0.27
Closing balance		
Opening stock of Subsidiary acquired during the year	(3.74)	-
Stock of traded goods	0.57	0.77
Semi finished goods	1.30	0.54
Finished goods	0.95	-
Total closing balance	(0.92)	1.31
Changes in inventories of work-in-progress, stock-in-trade and finished goods	2.23	(1.04)

Note 21: Employee benefit expense

	March 31, 2024	March 31, 2023
Salaries, wages including bonus	4.35	0.67
Contribution to provident fund, gratuity & leave benefits	0.31	0.07
Staff welfare expenses	0.28	0.04
Total A	4.96	0.78
Labour charges (including bonus)	1.40	1.07
Total B	1.40	1.07
Total expenses (A+B)	6.36	1.85



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 22: Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spares	0.15	0.08
Repairs and maintenance		
Plant and machinery	0.59	0.22
Buildings	0.24	0.01
Others	0.76	0.12
Water and electricity charges	0.80	0.57
Rates and taxes	0.18	0.19
Legal and professional fees	0.45	0.15
Donation	0.04	0.00
Misc Sales Expenses	-	0.12
Foreign exchange loss	0.00	-
Miscellaneous expenses	(0.07)	-
Advertisement Expenses	0.00	-
Transportation charges	0.83	-
Travelling & Conveyance	0.36	-
Director's Sitting fees	0.01	-
Pump Truck Expenses	1.22	1.10
Security Service Charges	0.57	0.18
Insurance expenses	0.03	-
Late Deduction & Powder Factor Charges	1.11	-
Bad Debts Written-Off	-	7.48
Allowance for doubtful debts - trade receivables	(0.48)	(6.98)
Payments to auditors (refer note 22(a) below)	0.18	0.04
Miscellaneous Expenses (includes Printing , Communication , Postage , office expenses etc)	0.58	0.57
	7.56	3.84

Note 22a : Details of payments to auditors

	March 31, 2024	March 31, 2023
Payment to auditors		
Audit fees	0.18	0.04
In other capacities		
Certification fees	-	-
	0.18	0.04

Note 23: Finance costs

	March 31, 2024	March 31, 2023
Interest on Borrowings		
From related parties	7.60	3.87
	7.60	3.87

Depreciation and amortization expense

	March 31, 2024	March 31, 2023
Depreciation of property, plant & equipments (refer note 3)	1.47	0.39
Depreciation of Right-of-use Asset (refer note 3A)	0.00	0.00
	1.47	0.39

Note 24: Tax expense

	March 31, 2024	March 31, 2023
Current tax	2.54	1.49
Taxes in respect of earlier years	0.08	(0.01)
- Deferred tax	0.87	0.61
Total tax expense	3.49	2.09

Deferred tax

	March 31, 2024	March 31, 2023
(Increase) in deferred tax assets	(13.86)	(2.53)
Increase in deferred tax liabilities	3.13	0.21
Total deferred tax (benefit)	(10.73)	(2.32)

Note 25: Earnings per share (EPS)

	March 31, 2024	March 31, 2023
Basic and Diluted EPS		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	24.42	8.61
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	59,67,700.00	59,67,700.00
Basic and Diluted EPS attributable to the equity holders of the company (₹/-)	40.92	14.43



Note 26: Employee Benefit obligations

(I) Post-employment obligations

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 following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the 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, 2024	March 31, 2023
Service cost	0.05	0.01
Net Interest Cost	0.06	0.01
Expenses Recognized in the statement of Profit & Loss	0.11	0.02

Other Comprehensive Income

	March 31, 2024	March 31, 2023
Opening amount recognized in OCI outside of statement of profit or account		
Actuarial gain / (loss) on liabilities	(0.45)	0.04
Actuarial gain / (loss) on assets*	0.00	-
Closing of amount recognized in OCI outside of statement of profit and loss	(0.45)	0.04

The amount to be recognized in Balance Sheet Statement

	March 31, 2024	March 31, 2023
Present value of obligations	2.41	0.16
Fair value of plan assets	0.52	-
Net defined benefit liability / (assets) recognized in balance sheet	1.89	0.16

Change In Present Value of Obligations

	March 31, 2024	March 31, 2023
Opening of defined benefit obligations including business acquisition balance	3.23	0.17
Service cost	0.05	0.02
Interest Cost	0.06	0.01
Benefit Paid	(0.48)	-
Actuarial (Gain)/Loss on total liabilities:	(0.45)	(0.04)
Closing of defined benefit obligation	2.41	0.16

Change In Fair Value of Plan Assets

	March 31, 2024	March 31, 2023
Opening of defined benefit obligations including business acquisition balance	0.49	-
Actual Return on Plan Assets	0.01	-
Employer Contribution	0.50	-
Benefit Paid	(0.48)	-
Closing fair value of plan assets	0.52	-

The significant actuarial assumptions were as follows :

	March 31, 2024	March 31, 2023
Discount Rate	7.13% to 7.18% Per Annum	7.40% per annum
Rate of Increase in Compensation levels	7% to 8% Per Annum	5.50% per annum
Rate of Return on Plan Assets	NA	NA
Average future service (in Years)	16.81 to 16.96 Years	16.82 Years

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.

Sensitivity Analysis

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

	March 31, 2024	Impact (Absolute)	Impact (%)
Base Liability	2.41		
Increase Discount Rate by 0.50%	2.37	(0.04)	-2.72%
Decrease Discount Rate by 0.50%	2.44	0.03	2.87%
Increase Salary Inflation by 1%	2.47	0.06	5.79%
Decrease Salary Inflation by 1%	2.34	(0.07)	-5.32%
Increase in Withdrawal Assumption by 5%	2.40	(0.01)	-1.32%
Decrease in Withdrawal Assumption by 5%	2.41	0.00	2.03%

*Amount is less than ₹ 0.01

Notes :

1. The base liability is calculated at discount rate of 7.13% to 7.18 % per annum and salary inflation rate of 7.00% to 8.00% per annum for all future years.
2. Liabilities are very sensitive to salary escalation rate, discount rate & withdrawal rate.
3. Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.



Note:27 Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited India

II Key Management Personnel (KMP)

- 1 Shri Someshwar Lonkaran Mundhada (Director)
- 2 Shri Purushottam Pundlikrao Deotare (Director)
- 3 Shri Shyamsundar Mishra (Director)
- 4 Shri Sanjay Singh (Appointed as a Director w.e.f November 28, 2023)
- 5 Mr. Amit Ahuja (Resigned from post of Company Secretary w.e.f November 1, 2023)
- 6 Ms. Shruti Sohane [(Company Secretary) Appointed w.e.f November 1, 2023 and Resigned w.e.f February 20, 2024]

III Subsidiary of the Company

1 Rajasthan Explosives and Chemicals Limited -(Note-5), Refer Note- 35 : Business Combination India

IV Key Management Personnel of Holding Company

- 1 Shri Manish Nuwal (Managing Director & CEO)
- 2 Shri Suresh Menon (Executive Director)
- 3 Shri Milind Dashmukh (Executive Director)
- 4 Shri Moneesh Agrawal [Joint Chief Financial Officers (CFO)]
- 5 Smt. Shalinee Mandhana [Joint Chief Financial Officers (CFO)]
- 6 Smt. Khushboo Pasari (Company Secretary & Compliance Officer)

V Subsidiaries, step down subsidiaries and associates of Holding Company

Country of Incorporation

A. Indian Subsidiaries

- 1 Economic Explosives Limited India
- 2 Solar Defence Limited (Note-1) India
- 3 Solar Defence Systems Limited. - (Note 1) India
- 4 Solar Avionics Limited - (Note 1) India
- 5 Solar Explochem Limited India

B Indirect Subsidiary of Holding Company (Where Control exist)

1 Rajasthan Explosives and Chemicals Limited -(Note-5) India

C Overseas Subsidiaries

1 Solar Overseas Mauritius Limited Mauritius

Overseas Step Down Subsidiaries

- 1 Solar Overseas Netherlands B.V. - (a) Netherlands
- 2 Solar Explochem Zambia Limited - (a) Zambia
- 3 Solar Mining Services Pty Limited - (a) South Africa
- 4 Solar Nigachem Limited (Formerly known as Nigachem Nigeria Limited) - (a) Nigeria
- 5 P.T. Solar Mining Services - (b) Indonesia
- 6 Solar Madencilik Hizmetleri A.S. - (b) Turkey
- 7 Solar Nitro Ghana Limited - (b) Ghana
- 8 Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (b) Turkey
- 9 Solar Overseas Netherlands Cooperatie U.A - (c) Netherlands
- 10 Solar Overseas Singapore Pte Ltd. - (c) Singapore
- 11 Solar Industries Africa Limited - (c) Mauritius
- 12 Solar Nitro Zimbabwe (Private) Limited - (Note 1) & (c) Zimbabwe
- 13 Solar Venture Company Limited - (c) Tanzania
- 14 Solar Nitrochemicals Limited - (d) Tanzania
- 15 Solar Mining Services Burkina Faso SARL - (Note 1) & (d) Burkina Faso
- 16 Solar Mining Services Pty Ltd. - (e) Australia
- 17 Solar Mining Services Cote d'Ivoire Limited SARL - (Note 1) & (e) Ivory Coast
- 18 Solar Nitro SARL - (Note 1) & (e) Ivory Coast
- 19 Solar Mining Services, Albania - (e) Albania
- 20 PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi - (Note 3) Turkey
- 21 Solar Nitro (SL) Limited (Note-1 and Note-2) & (e) Sierra Leone
- 22 Solar Nitro Kazakhstan Limited (Note-1 and Note-4) & (e) Kazakhstan
- 23 Limited Liability Partnership of Solar Nitro Kazakhstan Limited Power Blast LLP (Note-1 and Note-6) Kazakhstan

D Associates

- 1 Zmotion Autonomous Systems Private Limited India
- 2 Astra Resources (pty) Limited South Africa
- 3 Solar United Company Limited (Formerly Known as Solar AGC Limited Liability) (Note-1 and 7) Saudi Arabia
- 4 Ortiz Investments (pty) Limited (Note-8) South Africa

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

Note 1: The Entity has not commenced its business operations.

Note 2: The Entity was incorporated on November 7, 2023

Note 3: Entity under Liquidation

Note 4: Entity incorporated on May 5, 2023

Note 5: Subsidiary of Emul Tek Private Limited with effect from December 16, 2023

Note 6: Acquired by Solar Nitro Kazakhstan Limited with effect from October 1, 2023

Note 7: The entity incorporated on July 18, 2023

Note 8: The entity incorporated on May 9, 2023

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



Note 28 : Transactions with related parties during the year

Nature of Transaction	March 31, 2024	March 31, 2023
Purchase of raw material and components		
Solar Industries India Limited	4.81	5.41
Economic Explosives Limited	1.22	-
Total	6.03	5.41
Commission on Sales (Income)		
Solar Industries India Limited	0.26	-
Total	0.26	-
Sale of input material		
Solar Industries India Limited	0.01	0.09
Total	0.01	0.09
Loans (repaid) / taken during the year		
TAKEN		
Solar Industries India Limited	63.10	73.81
Economic Explosives Limited	154.10	64.02
REPAID		
Solar Industries India Limited	-	(65.27)
Economic Explosives Limited	(165.22)	(52.90)
Total	51.98	19.66
Other Expenditure		
Solar Industries India Limited	1.00	-
Total	1.00	-
Interest on inter-corporate loans Paid (net)		
Solar Industries India Limited	3.22	2.90
Economic Explosives Limited	3.84	0.97
Total	7.06	3.87
Cross Charges (Insurance)		
Solar Industries India Limited	0.14	0.03
Total	0.14	0.03
Sale of Asset		
Solar Industries India Limited	-	0.03
Total	-	0.03

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2024	March 31, 2023
Borrowings		
Solar Industries India Limited (Non-Current)	95.11	32.01
Economic Explosives Limited (Current)	-	11.12
Total	95.11	43.13
Accrued Interest Payable		
Solar Industries India Limited	0.96	0.61
Economic Explosives Limited	-	0.27
Total	0.96	0.88
Trade receivables/ Other Receivables		
Solar Industries India Limited	0.12	0.14
Total	0.12	0.14
Trade payables/ Other payables		
Solar Industries India Limited		
- Capital Creditors	1.25	0.04
- Trade Payables	0.15	2.43
Total	1.40	2.47

Note 29: Segment Information

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

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



Note 30: Fair Value Measurements

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

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

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

A. Fair Value Hierarchy

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

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

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2024 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Trade receivables	6.59	7	-	-	-
Cash and cash equivalents	5.54	8	-	-	-
Bank balances other than cash and cash equivalents	18.72	8	-	-	-
Other financial assets					
- Non-current	3.40	5	-	-	-
- Current	0.82	5	-	-	-
Total Financial assets	35.06		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
- Non-current	111.34	13	-	-	-
- Current	-	13	-	-	-
Trade payables	22.13	14	-	-	-
Other financial liabilities	14.03	15	-	-	-
Total Financial liabilities	147.49		-	-	-

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, 2023 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Trade receivables	38.38	7	-	-	-
Cash and cash equivalents	2.19	8	-	-	-
Bank balances other than cash and cash equivalents	1.64	8	-	-	-
Other financial assets					
- Non-current	0.07	5	-	-	-
- Current	-	5	-	-	-
Total Financial assets	42.28		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
- Non-current	32.01	13	-	-	-
- Current	11.12	13	-	-	-
Trade payables	33.07	14	-	-	-
Other financial liabilities	1.03	15	-	-	-
Total Financial liabilities	76.20		-	-	-

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



Note 31: Financial risk management objectives and policies

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

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

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

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

Market Risk

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

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

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

Interest Rate Risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company has mainly borrowed the funds from its holding company and others which are at fixed rate of interest and hence not much sensitive to the market interest rates. The Company's investments 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 fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investments in subsidiaries.

(a) Foreign currency risk exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is as follows:

	As at March 31, 2024	As at March 31, 2023
	USD	USD
Trade Payable	0.71	-

(b) Sensitivity analysis:

	Impact on profit before tax	
	Year ended March 31, 2024	Year ended March 31, 2023
USD sensitivity		
INR/USD -Increase by 10% (31 March 2023 - 10%)	(0.01)	-
INR/USD -Decrease by 10% (31 March 2023 - 10%)	0.01	-

Equity price risk

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

Credit risk

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

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

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

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, 2024	6.12	0.00	1.36	7.48
As at March 31, 2023	38.81	0.03	0.31	39.15



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

	March 31, 2024	March 31, 2023
Opening balance	0.77	7.75
Provided/Reversal during the year	(0.48)	(6.98)
Addition due to acquisition	0.61	-
Closing balance	0.89	0.77

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

Liquidity risk

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

Maturity profile of financial liabilities

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

	On demand	less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
March 31, 2024						
Non-Current Borrowings						
From related party	-	-	-	111.34	-	111.34
From others	-	-	-	-	-	-
Current Borrowings						
From related party	-	-	-	-	-	-
From others	-	-	-	-	-	-
Trade payables	-	22.13	-	-	-	22.13
Other financial liabilities	-	5.99	8.04	-	-	14.03
March 31, 2023						
Non-Current Borrowings						
From related party	-	-	-	32.01	-	32.01
From others	-	-	-	-	-	-
Current Borrowings						
From related party	11.12	-	-	-	-	11.12
From others	-	-	-	-	-	-
Trade payables	-	33.07	-	-	-	33.07
Other financial liabilities	0.27	0.73	0.03	-	-	1.03



Note 32: Capital Management

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

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

	March 31, 2024	March 31, 2023
Net Debt	105.80	40.94
Equity	21.07	0.73
Capital and net debt	126.87	41.67
Gearing ratio	83%	98%

Calculation of Net Debt is as follows:

	March 31, 2024	March 31, 2023
Borrowings		
Current	-	11.12
Non-Current	111.34	32.01
	111.34	43.13
Cash and cash equivalents	5.54	2.19
	5.54	2.19
Net Debt	105.80	40.94

Note 33: Commitments and contingencies

Capital Commitments

	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-

Contingent liabilities

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts (Note a)		
VAT related matters	7.72	-
Other If any (PF)	0.68	-

Note a .

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



Emul Tek Private Limited (After Consolidation with RECL)
Notes to Consolidated financial statements for the year ended March 31, 2024
(All amounts in ₹ Crores, unless otherwise stated)

Note 33: Revenue from operations

a. Disaggregated Revenue information

The Company's disaggregate revenue by geographical location.

	March 31, 2024	March 31, 2023
India	215.64	199.27
Rest of the World	-	-
Total	215.64	199.27

b. Contract balances

	March 31, 2024	March 31, 2023
Trade Receivables	6.59	38.38

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

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

	March 31, 2024	March 31, 2023
Revenue as per contracted price	215.73	199.53
Adjustments for:		
Rebates, Testing charges and Powder Factor deductions	0.09	0.26
Revenue from contract with customers	215.64	199.27

d. Transaction price allocated to the remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2024 is ₹ Nil



Note 34: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	31-Mar-24	31-Mar-23
Principal amount outstanding (whether due or not) to micro and small enterprises	0.90	0.59
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Note: Dues to Micro & Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditors.

Note 35: Business Combination

a) Acquisition of Rajasthan Explosives and Chemicals Limited

During the year ended March 31, 2024, pursuant to the Business Acquisition Agreement dated April 10, 2023 ('BAA') entered between Emul Tek Private Limited, a wholly-owned subsidiary of the Company, ('ETPL'), Rajasthan Explosives and Chemicals Limited ('RECL') and its shareholders for acquiring the entire business and undertaking of RECL through scheme of merger, ETPL on December 16, 2023, acquired control of RECL ("acquisition date"). The said control is acquired by appointing majority of directors on the board of RECL, appointing and designating representatives of ETPL as the Key managerial personnel and governing policy decisions of RECL by a person or persons acting individually or in concert, including by virtue of management rights of RECL as set out in the BAA.

ETPL has filed the scheme of merger with National Company Law Tribunal ('NCLT') dated February 26, 2024 and is pending for approval.

Pursuant to obtaining control, the Holding Company has accounted the fair value of the assets acquired and liabilities assumed as at the acquisition date as per the requirements of Ind AS 103.

The consolidated financial statements for the year ended March 31, 2024 include the financial statements of RECL from the acquisition date.

b) Summary of RECL assets acquired and liabilities assumed at fair value on the acquisition date:

(₹ in Crore)

Particulars	As at acquisition date
Assets	
Non- Current Assets	
Property, Plant and Equipment*	31.68
Right of Use Assets	-
Other Intangible assets	-
Capital Work-In-Progress	6.17
Deferred Tax Assets (net)	11.48
Current Tax Asset (net)	0.39
Other non current assets	0.21
Other Financial Asset	1.86



Current Assets

Inventories	11.68
Financial Assets	
(i) Trade Receivables	2.07
(ii) Cash and Cash Equivalents	0.29
(iii) Bank balances other than (iii) above	19.90
(iv) Other Financial Assets	0.39
Other Current Assets	2.00
Total Assets Acquired (i)	88.12

Non- Current Liabilities

Financial Liabilities	
(i) Borrowings	26.39
(ia) Lease liabilities	-
(ii) Other Financial Liabilities	-
Deferred Tax Liabilities (net) (refer (e) below)	-
Provisions	1.31

Current Liabilities

Financial Liabilities	
(i) Borrowings	57.87
(ii) Lease liabilities	-
(iii) Trade Payables	9.05
(iv) Other Financial Liabilities	1.20
Other Current Liabilities	2.63
Provisions	0.66
Total Liabilities Assumed (ii)	99.11
Total identifiable net assets at fair value (i-ii) (A)	(11.00)

c) Goodwill arising on acquisition has been determined as follows:

Particulars	Amount
(* in Crore)	
Purchase Consideration:	
Deferred Purchase Consideration (A)	8.00
Net Assets Acquired:	
Fair value of assets acquired*	88.12
Fair value of liabilities assumed	(99.11)
Deferred tax liability on fair value adjustments	-
Subtotal (B)	(11.00)
Goodwill on acquisition (A-B)	19.00

*Includes fair market value of Rs.3.31 Cr as on date of acquisition.

d) **Impact of acquisition on the financial statements**

Since the acquisition date, revenue from operations of Rs. 60.60 Crore and profit after tax of Rs. 7.63 Crore has been included in the consolidated statement of profit and loss.

Had the business combination occurred at the beginning of the year, the revenue and profit at the consolidated level would have increased and decreased by Rs. 197.26 Crore and Rs. 10.92 Crore respectively for the year ended March 31, 2024

Impact of Deferred tax liabilities amounting to Rs. 0.90 Crore, has been recognised on business combination, on acquisition date fair values and

e) adjusted in Goodwill as per Ind AS - 12 Income Taxes.

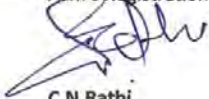


Note 36 : Previous year figures have been reclassified, as considered necessary, to confirm with current year presentation, wherever applicable

Note : 37 Other Statutory Information:

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.)
- (viii) The Company has not been declared as Wilful defaulter by any Banks, Financial Institution or Other lenders.

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 Director of
Emul Tek Private Limited



P.P.Deotare
Director
DIN:08225124



S.L.Mundhada
Director
DIN: 07112092

Place : Nagpur
Date: May 16, 2024

