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INDEPENDENT AUDITOR'S REPORT

To the Members of

Blastec (India) Private Limited

Report on the Audit of the Financial Statements

Opinion

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

Basis for Opinion

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

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.
5. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



6. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies



Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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



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

- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its financial statements
- ii. The Company did not have any long-term contracts for which there were any material foreseeable losses
- iii. There were no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W



C.N. Rathi
Partner

Membership No. 39895

Place: Nagpur

Date: May 6, 2019



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

Re: Blastec (India) Private Limited (“the Company”)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets have been physically verified by the management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) According to the information and explanation given by the management, the title deeds of immovable properties included in Property, plant and equipment/fixed assets are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. According to information and explanations given to us, the Company has granted loan to one body corporate covered in the register maintained under section 189 of the Act.
 - (a) In respect of aforesaid loan, the terms and conditions under which such loan was granted is not prejudicial to the Company’s interest. The borrowers have been regular in the payment of interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. At year end there is no outstanding loan.
 - (b) There are no overdue amounts in respect of the loan granted to the body corporate listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loans. There are no investments made or guarantees or securities granted in respect of which provisions of section 185 and 186 of the Act are applicable.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits within the provisions of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the books of accounts maintained by the company, and are of opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues with respect to provident fund, employees’ state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, local body tax, goods & service tax, income tax and cess have generally been regularly deposited with the appropriate authorities.



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

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


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



"Annexure B" referred to in the Independent Auditor's report of even date on the financial statements of Blastec (India) Private Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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



Meaning of Internal Financial Controls Over Financial Reporting

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


Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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


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



1. Corporate Information

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

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

Statement of compliance

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

Current and non-current classification

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

2.2 Summary of significant accounting policies

a. Use of estimates:-

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



b. Property, Plant and Equipment :-

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

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

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

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

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

c. Intangible assets :

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

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

d. Depreciation and amortization :

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

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

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

Leasehold Land is amortized over the period of the lease.

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



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

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

f. Borrowing costs :

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

g. Financial instruments :

i) Investments and other financial assets

Classification

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

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

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

Measurement

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

A. Debt instruments:

Subsequent measurement of debt instruments 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 are 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 recognized in the statement of profit and loss.

iii) Impairment of financial assets

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

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



for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

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

h. Revenue:

Revenue 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 32.

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.

• **Powder Factor**

The Company estimates provision for powder factor on revenue from sale of products to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer' site. Powder factor is based on the agreement with customer, volume of output achieved at the site, which is measured at a later date. Accordingly, the provision is made based on the likely powder factor to be achieved on current sales of products, which is reduced from the revenue for the period.

b. **Significant financing component**

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

ii. **Interest Income:**

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

iii. **Dividend:**

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

Contract balances

Contract assets

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

Trade receivables

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

Contract liabilities

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

i. **Inventories :-**



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

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

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

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

j. Retirement and other employee benefits :-

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are 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 are recognized in full in the statement of other comprehensive income in the reporting period in which they occur and are not reclassified to profit and loss.

(iii) Leave encashment

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

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



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

k. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

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

l. Segment reporting:-

(i) Identification of segment

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

(ii) Segment accounting policies

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

m. Earnings per share (EPS)



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

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

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

n. Provisions :

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.



o. Contingent liability :-

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably.

p. Cash and cash equivalents :-

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

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

q. Recent accounting pronouncements

Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Economic Explosives Limited ("Company") financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

Ind AS 116 Leases

Ind AS 116 Leases replaces Ind AS 17 Leases, including appendices thereto and is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees-leases of "low-value" assets (e.g. personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the re-measurement of the lease liability as an adjustment the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases : operating and finance leases.

Ind AS 116, which is effective for annual periods beginning on or after 1 April 2019, requires lessees and lessors to make more extensive disclosures than under Ind AS 17.



The Company will adopt Ind AS 116 from financial year beginning April 1, 2019. On adoption, the Company expect to recognise lease liabilities with corresponding ROU assets for certain leases where the company is a lessee. The single lessee accounting model of Ind AS 116 will result in a front-loaded lease expense pattern. While the Company continues to evaluate certain aspects of Ind AS 116, it does not expect Ind AS 116 adoption to have a material effect on its financial statements.

The Company is analyzing potential changes to the current accounting practices and are in the process of implementing the same in connection with the adoption of Ind AS 116.

In addition to Ind AS 116, the MCA has also notified the following changes which are effective from financial year beginning April 1, 2019. The Company will adopt these changes from the date effective; however, the adoption of these changes is unlikely to have any impact on the financial statements.

- Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- Amendments to Ind AS 109: Prepayments Features with Negative Compensation
- Amendment to Ind AS 19: Plan Amendments, Curtailment or settlement
- Amendment to Ind AS 28: Long-term interests in associates and joint ventures
- Annual improvement to Ind AS (2018);

These improvements include:

- Amendments to Ind AS 103: Party to a Joint Arrangements obtains control of business that is a Joint Operation
- Amendments to Ind AS 111: Joint Arrangements
- Amendments to Ind AS 12: Income Taxes

Amendments to Ind AS 23: Borrowing Costs



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

Balance Sheet as at	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,13,45,582	3,00,51,341
Capital work-in-progress	3	1,17,34,275	38,81,270
Deferred tax assets	4	2,14,93,826	2,07,66,613
Loans	5(a)	21,63,179	32,63,179
Current tax asset (net)		1,82,596	1,82,596
Total non-current assets		7,69,19,458	5,81,44,999
Current assets			
Inventories	6	2,32,21,624	1,43,94,375
Financial assets			
Trade receivables	7	6,10,88,654	8,76,93,639
Cash and cash equivalents	8	31,86,015	35,15,780
Bank balances other than cash and cash equivalents	8	-	1,27,83,216
Other financial assets	9	-	1,21,113
Other current assets	5(b)	93,03,136	71,01,752
Total current assets		9,67,99,429	12,56,09,875
Total assets		17,37,18,887	18,37,54,874
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	9,90,00,000	4,98,76,600
Other equity			
Reserves and surplus		(7,07,24,367)	(5,91,89,581)
Total equity		2,82,75,633	(93,12,981)
LIABILITIES			
Non-Current liabilities			
Provisions			
	12	15,42,054	18,19,973
Total non-current Liabilities		15,42,054	18,19,973
Current liabilities			
Financial liabilities			
Borrowings			
Trade payables	14	8,30,19,134	16,12,34,998
a) total outstanding dues of micro enterprises and small enterprises		3,89,923	2,81,588
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,11,86,533	1,64,83,884
Other financial liabilities	15	75,90,062	48,99,352
Other current liabilities	16	9,03,487	34,63,125
Liability for current tax(net)		1,85,354	43,05,187
Provisions	10	6,26,707	5,79,748
Total current Liabilities		14,39,01,200	19,12,47,882
Total liabilities		14,54,43,254	19,30,67,855
Total equity and liabilities		17,37,18,887	18,37,54,874

Summary of significant accounting policies 2

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

As per our report of even date attached

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W

C. N. Rathi
 Partner
 Membership No. 39895



Place: Nagpur
 Date: May 06, 2019




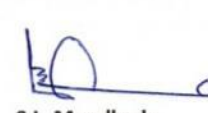

For and on behalf of the Board of Directors of
 Blastec (India) Private Limited

P.P.Deotare
 Director
 DIN: 08225124

S.L. Mundhada
 Director
 DIN:07112092

Anand Chure
 Company Secretary

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

Statement of Profit and Loss for the	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Continuing operations			
Revenue from operations	17	42,91,70,075	44,91,73,430
Other income	18	7,97,291	16,69,976
Total income		42,99,67,366	45,08,43,406
Expenses			
Cost of materials consumed	19(a)	35,63,10,785	34,51,21,824
Changes in inventories of work-in-progress, stock-in-trade and finished goods	19(b)	(11,37,114)	(5,71,261)
Excise duty		-	1,92,24,669
Employee benefit expense	20	2,06,52,635	2,17,30,902
Depreciation expense		29,36,031	30,66,907
Other expenses	21	4,96,92,501	4,84,39,218
Finance costs	22	1,41,04,116	1,36,82,051
Total expenses		44,25,58,955	45,06,94,310
Profit before tax		(1,25,91,589)	1,49,097
Tax expense	23		
- Current tax		1,69,414	23,85,310
- Taxes in respect of earlier years		39,313	25,36,000
- Deferred tax		(8,67,175)	(77,23,461)
Total tax expense		(6,58,448)	(28,02,151)
Profit for the year		(1,19,33,140)	29,51,247
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement loss/(Income) on defined benefit plans		(5,38,316)	-
Income tax relating to these items		1,39,962	-
		(3,98,354)	-
Total comprehensive income for the year		(1,15,34,786)	29,51,247
Earnings per equity share	24		
Basic earnings per share		- 19.93	5.92
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the standalone financial statements			
As per our report of even date attached For Gandhi Rathi & Co. Chartered Accountants Firm's Registration Number: 103031W		For and on behalf of the Board of Directors of Blastec (India) Private Limited	
 C. N. Rathi Partner Membership No.39895		 P.P. Deotare Director DIN: 08225124	 S.L. Mundhada Director DIN:07112092
Place: Nagpur Date: May 06, 2019		 Anand Chure Company Secretary	

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

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Profit before income tax from Continuing operations	(1,25,91,589)	1,49,097
Profit before income tax including discontinued operations	(1,25,91,589)	1,49,097
Adjustments for		
Depreciation and amortisation expense	29,36,031	30,66,907
Dividend and interest income classified as investing cash flows	(7,97,291)	(16,69,976)
Remeasurement loss on defined benefit plans	3,98,354	-
Finance costs	1,41,04,116	1,36,82,051
Bad Debts Written-Off	19,94,713	-
Change in operating assets and liabilities, net of effects from	60,44,335	1,52,28,078
(Increase) / Decrease in trade receivables	2,46,10,271	(1,43,33,972)
(Increase)/Decrease in inventories	(88,27,248)	6,27,821
Decrease / (Increase) in other financial assets	1,21,113	6,82,102
(Increase) / Decrease in other non-current assets	11,00,000	(8,30,343)
(Increase)/Decrease in other current assets	(22,01,384)	1,61,39,765
(Decrease) / Increase in trade payables	3,48,10,984	(2,11,35,009)
Increase / (Decrease) in other current liabilities	(25,59,638)	8,07,477
(Decrease)/Increase in provisions - Non current	(2,77,919)	4,98,237
Increase in provisions - current	46,960	5,79,748
(Decrease) / Increase in other financial liabilities	47,36,407	2,28,016
Cash generated from operations	5,76,03,880	(15,08,079)
Income taxes paid (net)	41,88,598	3,41,551
Net cash (outflow) / inflow from operating activities	5,34,15,282	(18,49,630)
Cash flows from investing activities		
Payments for property, plant and equipment	(1,42,30,273)	(11,82,115)
Payments for CWIP	(78,53,005)	(24,89,484)
Repayment / (Loan given) to Fellow Subsidiary	-	25,04,252
Interest received	7,97,291	16,69,976
Net cash Inflow / (outflow) from investing activities	(2,12,85,986)	5,02,630
Cash flows from financing activities		
Proceeds from current borrowings Related party	60,18,83,252	49,10,82,448
Repayment of current borrowings to related party	(65,81,59,567)	(49,47,86,121)
Repayment of /Proceeds from borrowings Other -current	(1,40,43,015)	-
Interest paid	(2,40,46,347)	(95,26,533)
Issue of Shares	4,91,23,400	-
Net cash (outflow) from financing activities	(4,52,42,277)	(1,32,30,206)
Net (decrease) / increase in cash and cash equivalents	(1,31,12,981)	(1,45,77,205)
Cash and cash equivalents at the beginning of the financial year	1,62,98,996	3,08,76,201
Cash and cash equivalents at end of the year	31,86,015	1,62,98,996
Reconciliation of cash and cash equivalents as per the cash flow statement	March 31, 2019	March 31, 2018
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents (as per note 8)	31,86,015	35,15,780
Bank balances other than cash and cash equivalents (as per note 8)	-	1,27,83,216
	31,86,015	1,62,98,996

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

C. N. Rathi
Partner
Membership No.39895



Place: Nagpur
Date: May 06, 2019

For and on behalf of the Board of Directors of
Blastec (India) Private Limited

P.P.Deotare
Director
DIN: 08225124

S.L. Mundhada
Director
DIN:07112092

Anand Chure
Company Secretary

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

A. Equity share capital

	Notes	Number of shares	Amount
As at April 1, 2017	11	4,98,766	4,98,76,600
Changes in equity share capital		-	-
As at March 31, 2018	11	4,98,766	4,98,76,600
Changes in equity share capital		4,91,234	4,91,23,400
As at March 31, 2019	11	9,90,000	9,90,00,000

B. Other equity

	Reserves and surplus			Total other equity
	Securities premium reserve	Retained earnings	Capital Reserve	
Balance at April 1, 2016	3,29,50,000	(10,32,81,585)	7,00,000	(6,96,31,584)
Total comprehensive Income for the year		74,90,756		74,90,756
Balance at April 01, 2017	3,29,50,000	(9,57,90,829)	7,00,000	(6,21,40,828)
Total comprehensive Income for the year		29,51,247		29,51,247
Balance at March 31, 2018	3,29,50,000	(9,28,39,582)	7,00,000	(5,91,89,581)
Total profit for the year		(1,19,33,140)		(1,19,33,140)
other comprehensive Income for the year		3,98,354		3,98,354
Balance at March 31, 2019	3,29,50,000	(10,43,74,368)	7,00,000	(7,07,24,367)

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

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

For and on behalf of the Board of Directors of
Blastec (India) Private Limited


C. N. Rathi
Partner
Membership No.39895


P.P. Deotare
Director
DIN: 08225124


S.L. Mundhada
Director
DIN:07112092



Place: Nagpur
Date: May 06, 2019


Anand Chure
Company Secretary

Blastec (India) Private Limited
Notes to Financial Statements
Note 3 : Property, plant and equipment

	Freehold Land	Lease Hold Land	Factory Building	Plant & Machinery	Office & Other Equipments	Furniture & Fixtures	Vehicles	Total	Capital Work-In-progress
Net carrying amount as at March 31, 2016	6,89,755	2,46,939	39,41,224	1,80,33,117	2,09,032	39,976	50,26,894	2,81,86,936	37,48,370
Year ended 31 March 2017									
Gross carrying amount	6,89,755	2,46,939	41,58,819	1,94,06,693	3,54,140	43,881	59,21,719	3,08,21,945	37,48,370
Additions	-	-	42,49,156	25,75,266	37,352	-	-	68,61,773	-
Disposals	-	-	-	(4,87,256)	-	-	-	(4,87,256)	-
Transfers	-	-	-	-	-	-	-	-	(23,56,583)
Gross carrying amount as at March 31, 2017	6,89,755	2,46,939	84,07,974	2,14,94,703	3,91,491	43,881	59,21,719	3,71,96,462	13,91,787
Accumulated depreciation	-	-	2,17,595	13,73,576	1,45,108	3,905	8,94,826	26,35,010	-
Accumulated depreciation as at April 1, 2016	-	-	2,18,073	17,37,810	87,195	3,905	8,67,911	29,14,894	-
Depreciation charge during the year	-	-	-	(2,89,575)	-	-	-	(2,89,575)	-
Disposals	-	-	-	28,21,812	2,32,302	7,811	17,62,737	52,60,329	-
Accumulated depreciation as at March 31, 2017	-	-	4,35,668	28,21,812	2,32,302	7,811	17,62,737	52,60,329	-
Net carrying amount as at March 31, 2017	6,89,755	2,46,939	79,72,306	1,86,72,891	1,59,189	36,070	41,58,983	3,19,36,133	13,91,787
Year ended 31 March 2018									
Gross carrying amount	6,89,755	2,46,939	84,07,974	2,14,94,703	3,91,491	43,881	59,21,719	3,71,96,462	13,91,787
Gross carrying amount as at April 1, 2017	-	-	2,72,326	7,91,053	1,08,431	10,305	-	11,82,115	24,89,484
Additions	-	-	86,80,300	2,22,85,756	4,99,922	54,186	59,21,719	3,83,78,577	38,81,270
Gross carrying amount as at March 31, 2018	6,89,755	2,46,939	86,80,300	2,22,85,756	4,99,922	54,186	59,21,719	3,83,78,577	38,81,270
Accumulated depreciation	-	-	4,35,668	28,21,812	2,32,302	7,811	17,62,737	52,60,329	-
Accumulated depreciation as at April 1, 2017	-	-	4,08,082	18,38,125	41,774	3,625	7,28,013	30,66,907	-
Depreciation/Amortization Charge during the year	-	-	8,43,750	46,59,937	2,74,026	11,435	24,90,750	83,27,236	-
Accumulated depreciation as at March 31, 2018	-	-	8,43,750	46,59,937	2,74,026	11,435	24,90,750	83,27,236	-
Net carrying amount as at March 31, 2018	6,89,755	1,99,600	78,36,550	1,76,25,819	2,25,896	42,751	34,30,970	3,00,51,341	38,81,270
Year ended 31 March 2019									
Gross carrying amount	6,89,755	2,46,939	86,80,300	2,22,85,756	4,99,922	54,186	59,21,719	3,83,78,577	38,81,270
Gross carrying amount as at April 1, 2018	1,14,97,170	-	-	19,33,880	-	-	8,18,635	1,42,49,685	78,53,005
Additions	-	-	86,80,300	2,03,46,876	4,99,922	54,186	3,88,253	3,88,253	-
Transfer	-	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2019	1,21,86,925	2,46,939	86,80,300	2,42,19,636	4,99,922	54,186	63,52,101	5,22,40,010	1,17,34,275
Accumulated depreciation	-	47,339	8,43,750	46,59,937	2,74,026	11,435	24,90,750	83,27,236	-
Accumulated depreciation as at April 1, 2018	-	2,497	4,08,394	17,89,294	41,567	1,864	6,92,415	29,36,031	-
Depreciation/Amortization Charge during the year	-	-	12,52,144	64,49,231	3,15,593	13,300	3,68,840	3,68,840	-
Transfer	-	49,836	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	-	49,836	12,52,144	64,49,231	3,15,593	13,300	28,14,324	1,08,94,427	-
Net carrying amount as at March 31, 2019	1,21,86,925	1,97,103	74,28,156	1,77,70,405	1,84,329	40,886	35,37,777	4,13,45,582	1,17,34,275



Note 4 : Deferred tax assets

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Allowance for doubtful debts - trade receivables	1,82,10,385	1,75,74,432
Other	5,63,878	7,41,513
MAT Receivable	45,55,897	43,86,483
Total deferred tax assets	2,33,30,160	2,27,02,428
Property, plant and equipment.	(18,36,334)	(19,35,816)
Total deferred tax liabilities	(18,36,334)	(19,35,816)
Net deferred tax assets	2,14,93,826	2,07,66,613

Note 5(a): Loans

	March 31, 2019	March 31, 2018
Security Deposits	10,03,179	10,03,179
Earnest Money Deposits	11,60,000	22,60,000
	21,63,179	32,63,179

Note 5(b): Other current assets

	March 31, 2019	March 31, 2018
Prepaid Expenses	-	1,42,781
Advances to suppliers	50,70,313	57,02,447
Advances to Staff	6,858	-
Balances with Revenue Authorities	42,22,605	12,55,068
Deposit with insurance company	3,360	1,456
	93,03,136	71,01,752

Note 6: Inventories

	March 31, 2019	March 31, 2018
Raw materials	1,48,41,182	85,56,081
Stock in transit	22,30,050	17,24,188
Stock of semi finished goods	35,93,896	24,56,782
Stores and spares	25,56,496	16,57,324
	2,32,21,624	1,43,94,375



Note 7: Trade receivables

	March 31, 2019	March 31, 2018
Unsecured, considered good		
Trade receivables	13,11,28,598	14,45,68,823
Less: Allowance for doubtful debts	(7,00,39,944)	(5,68,75,184)
Total Trade Receivables	6,10,88,654	8,76,93,639

Break-up of security details

	March 31, 2018	March 31, 2018
Trade Receivables		
Unsecured, considered good	6,79,53,027	14,45,68,823
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	6,31,75,571	-
	13,11,28,598	14,45,68,823
Impairment allowance (allowance for bad and doubtful debts)		
Unsecured, considered good	(68,64,373)	(5,68,75,184)
Trade Receivable which have significant increase in credit risk	-	-
Trade Receivable - credit impaired	(6,31,75,571)	-
	(7,00,39,944)	(5,68,75,184)
Total Trade Receivables	6,10,88,654	8,76,93,639

Note 8: Cash and bank balances

	March 31, 2019	March 31, 2018
	Current	Current
Cash and cash equivalents		
Balances with banks		
- in current accounts	30,97,823	34,95,116
Cash on hand	88,192	20,664
	31,86,015	35,15,780
Other bank balances		
Deposit accounts - with remaining maturity of less than 12 Months	-	-
Deposit accounts - held as margin money	-	1,27,83,216
	-	1,27,83,216

Note 9 : Other financial assets (current)

	March 31, 2019	March 31, 2018
Interest accrued but not due on Fixed Deposit	-	1,21,113
	-	1,21,113



Note 11: Equity share capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Authorised equity share capital (face value Rs.100 each)	10,00,000	5,80,000	10,00,00,000	5,80,00,000
	10,00,000	5,80,000	10,00,00,000	5,80,00,000
Issued, Subscribed and fully paid share capital (face value Rs.100 each)	4,98,766	4,98,766	4,98,76,600	4,98,76,600
Changes in equity share capital	4,91,234	-	4,91,23,400	-
	9,90,000	4,98,766	9,90,00,000	4,98,76,600

(a) Movements in equity share capital

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Number of Shares at the beginning of the year	4,98,766	4,98,766	4,98,76,600	4,98,76,600
Add: Issued during the year	4,91,234	-	4,91,23,400	-
Number of Shares at the end of the year	9,90,000	4,98,766	9,90,00,000	4,98,76,600

(b) Terms/ rights attached to equity shares

The Company has one class of equity shares having a par value of Rs.100 per share. Each shareholder is eligible for one vote per share held.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	Number of Shares		Amount	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Ultimate holding/ Holding Company				
Solar Industries India Limited (par value Rs.100 each fully paid)	9,90,000	4,98,766	9,90,00,000	4,98,76,600
	9,90,000	4,98,766	9,90,00,000	4,98,76,600

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

Name of the shareholder	% holding		No of shares	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Solar Industries India Limited	100	100	9,90,000	4,98,766

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.



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

Note 12 : Provisions

	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits - Gratuity	15,42,054	18,19,973
	15,42,054	18,19,973

Note 10 : Provisions

	March 31, 2019	March 31, 2018
Current		
Provision for employee benefits		
Gratuity	1,63,696	1,44,691
Leave obligations	4,63,011	4,35,057
	6,26,707	5,79,748

Note 13 : Current borrowings

	March 31, 2019	March 31, 2018
Unsecured		
From Holding Company	8,51,28,957	15,13,47,503
From Others	-	1,40,43,015
	8,51,28,957	16,53,90,518
Less: Accrued Interest (included in note 15)	21,09,823	41,55,520
	8,30,19,134	16,12,34,998

Note 14 : Trade payables

	March 31, 2019	March 31, 2018
Current		
Trade payables		
a) total outstanding dues of micro enterprises and small enterprises	3,89,923	2,81,588
b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,05,01,261	1,64,52,396
Related Party		
a) Holding Company	2,06,02,876	31,488
b) Associates	82,396	-
	5,15,76,456	1,67,65,472

Note 15 : Other financial liabilities

	March 31, 2019	March 31, 2018
Current		
Interest accrued on Current Borrowing	21,09,823	41,55,520
Employee related payables	21,76,239	7,43,832
Capital creditors	33,04,000	
	75,90,062	48,99,352

Note 16: Other current liabilities

	March 31, 2019	March 31, 2018
Statutory Dues Payables	9,03,487	34,63,125
	9,03,487	34,63,125



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

Note 17: Revenue from operations

	March 31, 2019	March 31, 2018
Sale of products (including excise duty)	42,61,93,836	44,61,36,127
Other operating revenue	29,76,239	30,37,303
	42,91,70,075	44,91,73,430

Note 18: Other income

	March 31, 2019	March 31, 2018
Interest Income		
On financial assets carried at amortised cost		
On Deposits with Bank	7,70,175	14,50,151
On loans given to Fellow Subsidiary	10,604	2,19,825
Interest Received on Income Tax Refund	16,512	-
	7,97,291	16,69,976

Note 19(a): Cost of materials consumed

	March 31, 2019	March 31, 2018
Raw materials at the beginning of the year	1,02,80,269	1,12,63,590
Add: Purchases	36,31,01,748	34,41,38,503
Less: Raw material at the end of the year	1,70,71,232	1,02,80,269
	35,63,10,785	34,51,21,824

Note 19(b): Changes in inventories

	March 31, 2019	March 31, 2018
Opening balance		
Semi finished goods	24,56,782	18,85,521
Total opening balance	24,56,782	18,85,521
Closing balance		
Semi finished goods	35,93,896	24,56,782
Total closing balance	35,93,896	24,56,782
Total changes in inventories of semi finished goods	(11,37,114)	(5,71,261)

Note 20: Employee benefit expense

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	1,95,68,842	1,98,47,523
Contribution to provident fund, gratuity & leave benefits	6,58,005	14,12,417
Staff welfare expenses	4,25,788	4,70,962
	2,06,52,635	2,17,30,902



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

Note 21: Other expenses

	March 31, 2019	March 31, 2018
Consumption of stores and spares	15,49,626	19,03,800
Repairs and maintenance		
Plant and machinery	18,00,830	26,58,387
Buildings	85,692	9,32,166
Others	38,21,063	33,35,948
Water and electricity charges	51,85,088	68,98,663
Rates and taxes	16,41,360	21,30,327
Legal and professional fees	10,41,630	40,680
Consultancy Charges	8,23,860	1,30,820
Donation	29,216	19,356
Misc Sales Expenses	-	1,00,040
Outward Delivery Freight	-	15,419
Pump Truck Expenses	1,32,31,466	1,35,51,017
Sales Tax Expenses	97,075	49,578
Security Service Charges	12,02,806	11,52,444
Bad Debts Written-Off	19,94,713	-
Allowance for doubtful debts - trade receivables	1,31,64,760	98,67,946
Payments to auditors (refer note 21(a) below)	4,00,000	4,00,000
Miscellaneous Expenses (includes Printing , Communication , Postage , office expenses etc)	36,23,317	52,52,626
	4,96,92,501	4,84,39,218

Note 21(a): Details of payments to auditors

	March 31, 2019	March 31, 2018
Payment to auditors		
As auditor:		
Audit fee	4,00,000	4,00,000
	4,00,000	4,00,000

Note 22: Finance costs

	March 31, 2019	March 31, 2018
Interest on Borrowings		
From Banks	-	-
From Holding Company	1,23,68,553	1,20,47,680
From Others	17,35,563	16,34,371
	1,41,04,116	1,36,82,051

Note 23: Tax expense

	March 31, 2019	March 31, 2018
Current tax	1,69,414	23,85,310
Taxes in respect of earlier years	39,313	25,36,000
Total tax expense	2,08,727	49,21,310
Deferred tax		
(Increase) in deferred tax assets	(6,27,732)	(81,77,191)
Increase in deferred tax liabilities	(99,481)	4,53,731
Total deferred tax (benefit)	(7,27,213)	(77,23,461)



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

Note 24: Earnings per share (EPS)

	March 31, 2019	March 31, 2018
Basic and Diluted EPS		
Profit attributable to the equity holders of the company used in calculating basic and diluted EPS:	(11,534,786)	2,951,247
Weighted average number of equity shares used as the denominator in calculating basic and diluted EPS	578,781	498,766
Basic and Diluted EPS attributable to the equity holders of the company (Rs.)	- 19.93	5.92



Note 25: 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, 2019'	March 31, 2018
Service cost	1,28,319	5,50,406
Net Interest Cost	1,51,083	92,522
Expenses Recognized in the statement of Profit & Loss	2,79,402	6,42,928

Other Comprehensive Income

	March 31, 2019'	March 31, 2018
Opening amount recognized in OCI outside of statement of profit or account	-	-
Actuarial gain / (loss) on liabilities	5,38,316	-
Actuarial gain / (loss) on assets	-	-
Closing of amount recognized in OCI outside of statement of profit and loss	5,38,316	-

The amount to be recognized in Balance Sheet Statement

	March 31, 2019'	March 31, 2018
Present value of obligations	17,05,750	19,64,664
Fair value of plan assets	-	-
Net defined benefit liability / (assets) recognized in balance sheet	17,05,750	19,64,664

Change in Present Value of Obligations

	March 31, 2019'	March 31, 2018
Opening of defined benefit obligations	19,64,664	13,21,736
Service cost	1,28,319	5,50,406
Interest Cost	1,51,083	92,522
Benefit Paid	-	-
Actuarial (Gain)/Loss on total liabilities:	(5,38,316)	-
Closing of defined benefit obligation	17,05,750	19,64,664

Change in Fair Value of Plan Assets

	March 31, 2019'	March 31, 2018
Opening fair value of plan assets	-	-
Actual Return on Plan Assets	-	-
Employer Contribution	-	-
Benefit Paid	-	-
Closing fair value of plan assets	-	-

The significant actuarial assumptions were as follows :

	March 31, 2019'	March 31, 2018'
Discount Rate	7.05% per annum	7.69% per annum
Rate of increase in Compensation levels	5% per annum	11.44% per annum
Rate of Return on Plan Assets	NA	NA



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, 2019'	Impact (Absolute)	Impact (%)
Base Liability	17,05,750		
Increase Discount Rate by 0.50%	16,73,859	(31,891)	-1.87%
Decrease Discount Rate by 0.50%	17,39,332	33,582	1.97%
Increase Salary Inflation by 1%	17,75,457	69,707	4.09%
Decrease Salary Inflation by 1%	16,41,807	(63,943)	-3.75%
Increase in Withdrawal Assumption by 5%	17,33,252	27,502	1.61%
Decrease in Withdrawal Assumption by 5%	16,57,191	(48,559)	-2.85%

Notes :

1. The base liability is calculated at discount rate of 7.05% per annum and salary inflation rate of 5.00% 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 26: Commitments and contingencies

Contingent liabilities

Particulars	March 31, 2019	March 31, 2018
Performance guarantees given by the Company	-	19,03,01,121

Note 27: Related Party Disclosures

A Names of related parties and related party relationship :

I Holding Company

Solar Industries India Limited

II Key Management Personnel (KMP)

- 1 Shri Someshwar Lonkaran Mundhada (Executive Director)
- 2 Shri Purushottam Pundlikrao Deotare (Executive Director)
- 3 Shri Sarajit Kumar Pathak (Executive Director)
- 4 Shri Anand Deepak Chure (Company Secretary)

III Key Management Personnel of Holding Company

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

IV Subsidiaries, step down subsidiaries and associates of Holding Company

A. Indian Subsidiaries

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

B. Overseas Subsidiary

- 1 Solar Overseas Mauritius Limited

Overseas Step down Subsidiaries

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

C. Associates

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

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

- 1 Solar Synthetics Private Limited



VI Enterprises, over which control or significant influence is exercised by individuals listed in 'II' or 'III' above (other than those disclosed in V above)

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

VII Entities with joint control or significant influence over the entity

- 1 Astra Resources (Pty) Limited

Note 1: The Entity has not commenced its business operations

Note 2: The entity is under liquidation

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

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

Note 5: The entity is under Process of Striking Off

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



Blastec (India) Private Limited
Notes to Financial Statements for the year ended March 31, 2019
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The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Enterprises, over which control or significant influence is exercised by individuals listed in 'ii' or 'iii' above	
	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018
a. Transactions with related parties								
Other operating income	-	-	10,604	2,19,825	-	-	-	-
Purchase of raw material and components	2,01,42,100	1,90,49,176	-	-	-	-	82,396	80,503
Loan Taken	60,18,83,252	(10,19,086)	-	-	-	-	-	-
Loan Given	-	-	7,71,259	-	-	-	-	-
Loan (repaid)	(65,81,59,567)	-	(7,71,259)	(25,04,252)	-	-	-	-
Interest on Inter-corporate loans (net)	1,23,68,553	1,20,47,680	-	-	-	-	-	-

b. Balances as at the year end

Nature of Transaction	Holding Company		Fellow Subsidiaries		Key Management Personnel		Enterprises, over which control or significant influence is exercised by individuals listed in 'ii' or 'iii' above	
	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018	March 31, 2019'	March 31, 2018
Loans	8,30,19,134	15,13,47,503	-	-	-	-	-	-
Trade payables	2,06,02,876	31,488	-	-	-	-	82,396	-
Accrued Interest	21,09,823	-	-	-	-	-	-	-



Transactions with related parties during the year

Nature of Transaction	March 31, 2019	March 31, 2018
Other operating income		
Emul Tek Private Limited	10,604	2,19,825
Total	10,604	2,19,825
Purchase of raw material and components		
Solar Industries India Limited	2,01,42,100	1,90,49,176
Solar Synthetics Private Limited	82,396	80,503
Total	2,02,24,496	1,91,29,678
Loans (repaid) / taken during the year		
Solar Industries India Limited-Taken	60,18,83,252	-
Solar Industries India Limited-Repaid	(65,81,59,567)	(10,19,086)
Total	(5,62,76,315)	(10,19,086)
Loan (repaid) / Given during the year		
Emul Tek Pvt Ltd-Given	7,71,259	-
Emul Tek Pvt Ltd-Repaid	(7,71,259)	(25,04,252)
Total	-	(25,04,252)
Interest on inter-corporate loans Paid (net)		
Solar Industries India Limited	1,23,68,553	1,20,47,680
Total	1,23,68,553	1,20,47,680
Cross Charges		
Solar Industries India Limited	1,78,499	-
Total	1,78,499	-

Balance outstanding at the year end were as follows:

Balances as at year end	March 31, 2019	March 31, 2018
Loan		
Solar Industries India Limited	8,30,19,134	15,13,47,503
Total	8,30,19,134	15,13,47,503
Trade payables		
Solar Industries India Ltd	2,06,02,876	31,488
Solar Synthetics Private Limited	82,396	-
Total	2,06,85,272	31,488
Accrued Interest		
Solar Industries India Limited	21,09,823	-
Total	21,09,823	-

Note 28: Segment Information

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108. The CODM evaluates the Company's performance and allocates the resources. The Company is exclusively engaged in the business of manufacturing of explosives and its accessories. The entire operation is governed by the same set of risk and returns confirmed as representing a single operating segment and not analysed separately.

Geographical Information

The Company caters mainly to the needs of Indian Markets. Hence, there are no reportable geographical

The revenue from a single customer in excess of 10% of total revenue of the Company is Rs. 511744229 (March 31, 2018: Rs. 265,257,099)



Note 29: 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, 2019 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Trade receivables	61,088,654	7	-	-	-
Cash and cash equivalents	3,186,015	8	-	-	-
Bank balances other than above	-	8	-	-	-
Total Financial assets	64,274,669		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	83,019,134	13	-	-	-
Trade payables	51,576,456	14	-	-	-
Other financial liabilities	7,590,062	15	-	-	-
Total Financial liabilities	142,185,652		-	-	-

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2018 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Other financial assets	121,113	9	-	-	-
Trade receivables	87,693,639	7	-	-	-
Cash and cash equivalents	3,515,780	8	-	-	-
Bank balances other than above	12,783,216	8	-	-	-
Total Financial assets	104,113,748		-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Current	161,234,998	13	-	-	-
Trade payables	16,765,472	14	-	-	-
Other financial liabilities	4,899,352	15	-	-	-
Total Financial liabilities	182,899,822		-	-	-

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



Note 30: 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

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

Equity price risk

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

Credit risk

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

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

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

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

Loans: The Company has given loans to certain related and unrelated parties. However there is no counter party risk.

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, 2019	2,98,80,242	37,17,544	9,75,30,813	13,11,28,599
As at March 31, 2018	3,54,00,390	46,27,858	10,45,40,575	14,45,68,823



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

	March 31, 2019	March 31, 2018
Opening balance	5,68,75,184	4,70,07,238
Provided during the year	1,31,64,760	98,67,946
Amounts written off	-	-
Reversals of provisions	-	-
Closing balance	7,00,39,944	5,68,75,184

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, 2019						
Borrowings						
From related party	8,30,19,134	-	-	-	-	8,30,19,134
From others	-	-	-	-	-	-
Trade payables	-	5,13,62,977	2,13,478	-	-	5,15,76,455
Other financial liabilities	21,09,823	47,08,833	7,71,407	-	-	75,90,062
March 31, 2018						
Borrowings						
From related party	15,13,47,503	-	-	-	-	15,13,47,503
From others	1,40,43,015	-	-	-	-	1,40,43,015
Trade payables	-	1,62,94,652	4,70,820	-	-	1,67,65,472
Other financial liabilities	41,55,520	4,44,451	2,99,381	-	-	48,99,352



Blastec (India) Private Limited**Notes to Financial Statements for the year ended March 31, 2019****(All amounts in Rupees , unless otherwise stated)****Note 31: Capital Management**

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

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

	March 31, 2019	March 31, 2018
Net Debt	7,98,33,119	14,90,91,522
Equity	2,82,75,633	(93,12,981)
Capital and net debt	10,81,08,752	13,97,78,541
Gearing ratio	74%	107%

Calculation of Net Debt is as follows:

	March 31, 2019	March 31, 2018
Borrowings		
Current	8,30,19,134	16,53,90,518
	8,30,19,134	16,53,90,518
Cash and cash equivalents	31,86,015	35,15,780
Bank balances other than cash and cash equivalents	-	1,27,83,216
	31,86,015	1,62,98,996
Net Debt	7,98,33,119	14,90,91,522



Blastec (India) Private Limited
Notes to Financial Statements for the year ended March 31, 2019
(All amounts in Rupees , unless otherwise stated)

Note 32. Revenue from operations:

A Disaggregated Revenue Information

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

Particulars	March 31, 2019	March 31, 2018
India	42,61,93,836	44,61,36,127
Rest of the World	-	-
Total	42,61,93,836	44,61,36,127

B Contract balances

Particulars	March 31, 2019	March 31, 2018
Trade Receivables	6,10,88,654	8,76,93,639
Contract Assets	-	-
Contract Liabilities	-	-

C Set out below is the amount of revenue recognised from

Particulars	March 31, 2019	March 31, 2018
Amounts included in contract liabilities at the beginning of the year	-	-
Performance obligation satisfied in previous years	50,79,129	-

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

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

Particulars	March 31, 2019	March 31, 2018
Revenue as per contracted price	43,14,74,207	44,80,86,944
Adjustments for:		
Rebates, Discounts and powder factor	52,80,370	19,50,818
Others	-	-
Revenue from contract with customers	42,61,93,837	44,61,36,126

E 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, 2019 amounts to Rs. 609,878,663/-



Note 33: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	31-Mar-19	31-Mar-18
Principal amount outstanding (whether due or not) to micro and small enterprises	3,89,923	2,81,588
Interest due thereon	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

As per our report of even date attached

For Gandhi Rathi & Co.

Chartered Accountants

Firm's Registration Number: 103031W


C. N. Rathi

Partner

Membership No. 39895

For and on behalf of the Board of Directors of
Blastec (India) Private Limited

P.P. Deotare

Director

DIN:08225124


S.L. Mundhada

Director

DIN:07112092


Anand Chure

Company Secretary

Place: Nagpur

Date: May 6, 2019