



Safety • Quality • Reliability

May 29, 2023

To,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (E)
Mumbai - 400 051
Trading Symbol: "SOLARINDS"
Through NEAPS

To,
BSE Limited
Floor no.25, PJ Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 532725
Through BSE Listing Center

Sub: Integrated Annual Report for the financial year 2022-23 including Notice convening 28th Annual General Meeting (AGM) and Intimation of Record Date.

Dear Sir/Madam,

This is to inform you that, pursuant to Regulation 34(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), please find enclosed herewith Integrated Annual Report of the Company for the financial year 2022-23 including the Notice convening 28th Annual General Meeting ("Notice") sent to the members through electronic mode. The AGM of the Company will be held on Wednesday, June 21, 2023, at 11.30 a.m. (IST) through Video Conference ('VC')/Other Audio Visual Means (OAVM).

The Secretarial Audit Report of material unlisted subsidiary also forms part of this Annual Report.

The Notice of AGM along with the Annual Report for the financial year 2022-23 is also being made available on the website of the Company at: www.solargroup.com.

Further, to our letter dated May 6, 2023, wherein we had intimated details relating to Book Closure, please note that the Company has fixed Friday, June 09, 2023 as the Record Date for determining entitlement of members to final dividend for the financial year ended March 31, 2023. Payment of dividend will be made on Friday, June 30, 2023, subject to approval of the members at the ensuing AGM.

This is for your information and records.

Thanking you,

Yours Truly,

For Solar Industries India Limited


Khushboo Pasari
Company Secretary &
Compliance Officer

Solar Industries India Limited

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ENERGISED



Our continuous expansion has significantly broadened our path to success, giving us a clear sense of purpose, strategic business goals, and a relentless drive to pursue emerging opportunities in an ever-changing environment.

With this approach, we are now highly energised and confidently poised to drive sustainable value creation for our stakeholders in future.

ENERGISED

 From mining to defence and space applications, our products are catering to the diverse needs of customers across the globe.

About this Report

About the Report

This is Solar's Integrated Annual Report for FY 2022-23, providing a comprehensive assessment of financial and non-financial metrics. This report covers the financial year 2022-23 from April 01, 2022, to March 31, 2023.


This Report is prepared in accordance with the International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC). We have also followed guidelines and commitments outlined in the GRI Standards, Sustainable Development Goals (SDGs), and other relevant standards and frameworks.

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects, and are generally identified by forward-looking words such as 'believe,' 'plan,' 'anticipate,' 'continue,' 'estimate,' 'expect,' 'may,' 'will' or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



To know more about us in digital mode, scan this QR code in your QR mobile application.

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Integrated Thinking

Our pursuit of excellence involves the responsible utilization of our resources to strengthen value creation for our diverse stakeholders. By leveraging efficient financial strategies, exceptional manufacturing capabilities, a talented workforce, and innovative solutions for our customers, we are committed to promoting sustainable business development.

 See page no. 34 to 55 for more information



Financial Capital



Human Capital



Manufactured Capital



Social & Relationship Capital



Intellectual Capital



Natural Capital

About Solar Industries

We are Solar, a Dynamic & Energetic company that continues to grow sustainably over the years. Our integrated manufacturing processes and quality products play a crucial role in fulfilling this objective.



Our Vision

To emerge as a global leader in the manufacturing of industrial and military explosives and an innovative solution provider with a focus on safety, quality and reliability.



Our Mission

- To provide innovative technology and services through Research and Development.
- To contain product and service costs through constant re-engineering and improvement in all business processes.
- To ensure high quality delivery of services offering exemplary technical, safety, administrative and professional excellence with commitment to environmental safeguards.
- To forge and nurture alliances that are complimentary to the Company's global ambitions.
- To retain our responsive, efficient and effective processes and services to realise our vision at all times.



Milestones

A TALE OF ENERGETIC GROWTH

1996-2000

- ▶ Commenced production of **Packaged Explosives, Bulk Explosives and Detonators**

2001-2005

- ▶ Added **Detonating Cord, Cast-Boosters, PETN** to the Product Portfolio.
- ▶ **Expanded our footprint** to international markets

2006-2011

- ▶ Got Listed on **BSE & NSE**
- ▶ Esstablished facilities in **Zambia and Nigeria**
- ▶ Ventured into **Defence**

2012-2015

- ▶ Established **Turkey Plant**.
- ▶ Started Manufacturing **3-layer Shocktubes & Electronic Detonators**
- ▶ Commenced supply of **High Energy Materials**
- ▶ Established facilities for **Propellant / Ignitors**

2016-2018

- ▶ Established facilities for **Multi Mode Hand Grenade, Pyros, Ignitors, Warheads & Integration of Rockets**
- ▶ Large Scale capacity for **High Energy Materials** established
- ▶ Started **TNT Plant**
- ▶ Started production of **Solid Propellant Booster** for BrahMos Missiles
- ▶ Commenced operations at **South Africa**

2019-2022

- ▶ Solar reached the momentous **25 year milestone**
- ▶ Established Centre of Excellence for **Life Assessment**
- ▶ Manufacturing started at **Ghana, Tanzania & Indonesia**
- ▶ Enhanced **Detonator** capacities

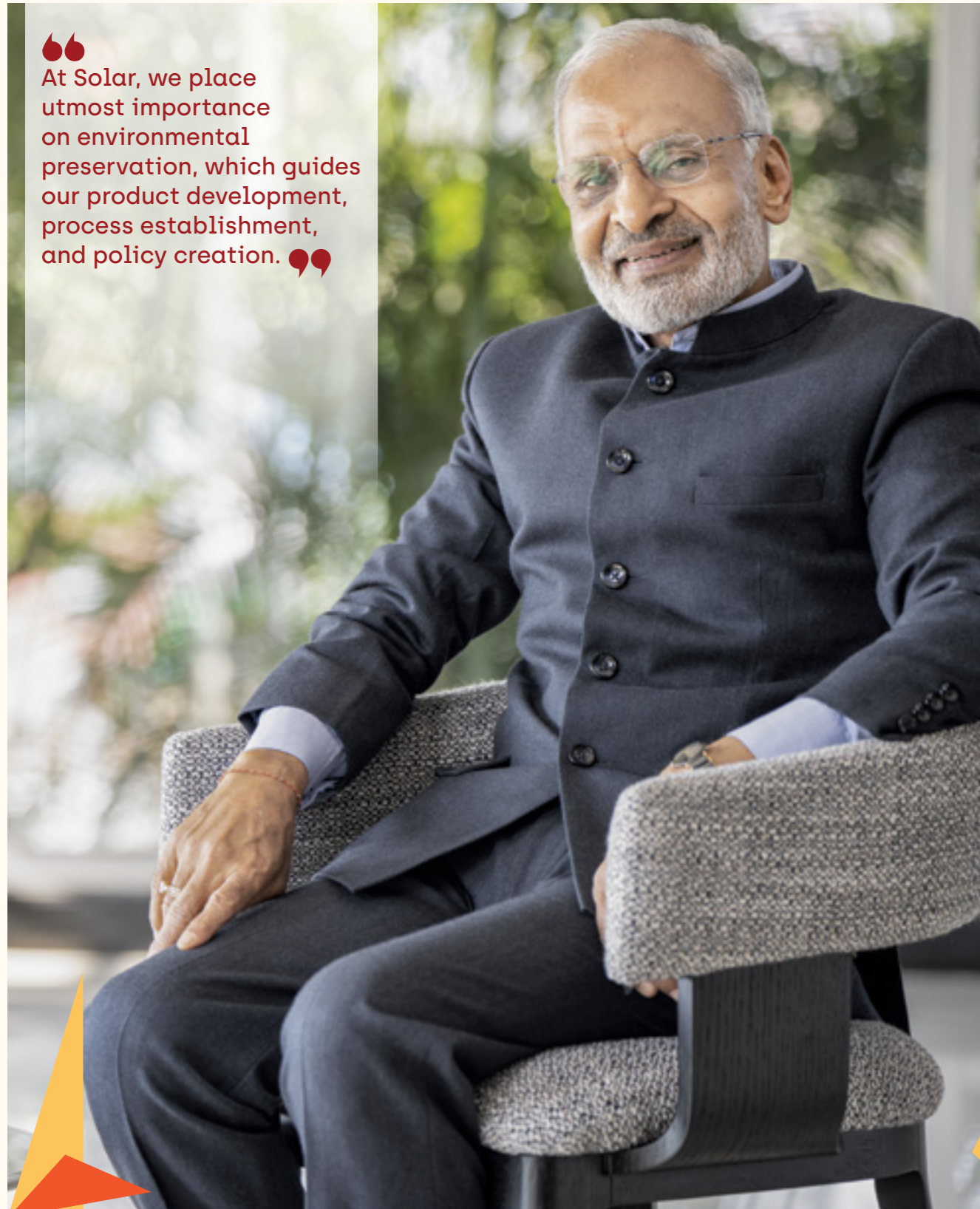
2023

- ▶ Ranked amongst the **TOP 5 Global Explosives companies**
- ▶ Annual revenue crossed **USD 840 Million**
- ▶ First private sector company to deliver **100% indigenous 30 mm ammunition** to the Indian Navy.
- ▶ Received the First ever order for Loitering Munition - **NAGASTRA-1** by a private company

Chairman's Communiqué



At Solar, we place utmost importance on environmental preservation, which guides our product development, process establishment, and policy creation.



Dear shareholders,

Looking back at the year with a sense of contentment, I am pleased to present the 28th annual report of our Company at the conclusion of the fiscal year 2022-23.

Despite the Russia-Ukraine war impacting the supply of essential commodities in the market, we maintained steady supplies and earned customer confidence across the globe. While the global challenges persisted, our team strived for excellence, introduced innovative products and processes and secured robust financial performance. It not only proves the merit of our growth-focused strategies but also demonstrates our commitment to leading responsible transformation.

Economic Overview

During the financial year 2022-23, the Government's emphasis on a favourable policy environment and the Central Bank's efforts to revive monetary policy bode well for the Indian economy.

Considering the facts that the country reported robust demand growth in the domestic market and the RBI policies helped tame inflation to a certain extent, the future economic outlook remains quite optimistic. While there is an impending recession in many parts of the world, India is expected

to retain its position as one of the fastest-growing economies in the world.

Growth Opportunities

The Indian government is seeking to strengthen an indigenous defence market. We believe that the emphasis on the Defence sector opens up numerous opportunities for us. To make India 'Atmanirbhar' in defence procurement, the Government has listed over Four thousand items that have to be procured from the domestic market instead of relying on imports.

As a domestic manufacturer, we are motivated to seize this opportunity. With the Government increasing private participation in the Defence sector our aim is to become an organisation that delivers value to our stakeholders, through manufacturing best-in-class and sustainable products. We are consistently investing in enhancing our capacities, adding new products to the defence portfolio, adopting new technologies, upgrading existing processes and hiring highly skilled manpower to create an organisation that can deftly deal with challenges in the future.

In line with India's aim of becoming a USD 5 trillion economy, huge capital investments are being made in sectors such as mining, road construction,

infrastructure, housing development, power and coal mining. The Government also aims to fulfil its coal production target of 1.23 billion tonnes by 2025, up from the current 900 million tonnes.

Moreover, the Government's plans to increase 4 lane highways from the current 2% to 10% of total roadways in the next decade are expected to create greater demand for explosives. In addition, the Government's decision to phase out electric detonators by March 2024 will help us expand our portfolio with value-added products.

Social Endeavours

At Solar, we place utmost importance on environmental preservation, which guides our product development, process establishment, and policy creation. We take pride in being more than just a business, as our corporate social responsibility initiatives encompass a wide range of activities, including education promotion, preventive healthcare efforts, sanitation advocacy, and skill development initiatives. Our CSR policy is therefore focused on uplifting the underprivileged and the underserved. Together, we are motivated to shape a future where more people will have access to the resources required for living independent lives.

Responsible Governance

Ethical governance holds a paramount position at Solar and is considered one of our most valuable assets. We are committed to enhancing our governance practices by incorporating principles of fairness, accountability, disclosure, and transparency into our business operations and work culture. Our management team comprises individuals with diverse experiences, knowledge, expertise, and skills that align perfectly with our governance and strategic requirements. We follow robust and equitable corporate governance practices and strive to maintain transparency across our operations. It is also our endeavour to include all our stakeholders in major business decisions.

Health and Safety

At Solar, we believe 'a healthy and safe worker is a productive worker'.

We, therefore, place great emphasis on workplace safety and employee wellness and are fully committed to achieving "Zero Harm" and prioritize a proactive approach to health and safety. To accomplish this, we employ various strategies aimed at identifying hazards more effectively, improving the adoption of contractor safety management standards, enhancing road and transportation safety, and promoting better health and hygiene practices. We continue to provide safety training across our sites and

regularly conduct safety awareness programmes. At Solar, our reliance on advanced technology enables us to take timely action and mitigate risks. Our Safety, Health and Environment management policies are based on ISO 14001:-2015 and ISO 45001:-2018 principles, complemented by stringent regulatory standards.

Future Outlook

As we approach FY 2023-24, we remain optimistic about our business growth. Besides offering cost-competitive and innovative products, we earnestly desire to enhance value creation for our diverse stakeholders. We also aim to expand our footprint in newer

geographies to considerably contribute to the overseas turnover. I am confident that our investments in technology and our passion for innovation and operational excellence will pay dividends and propel us to the path of glory and success.

The Indian economy, with its rapid growth, is offering a plethora of opportunities. We remain excited about these prospects and are prepared to capitalise on them. Going ahead, we see an ideal opportunity for being an integral part of Atmanirbhar Bharat.

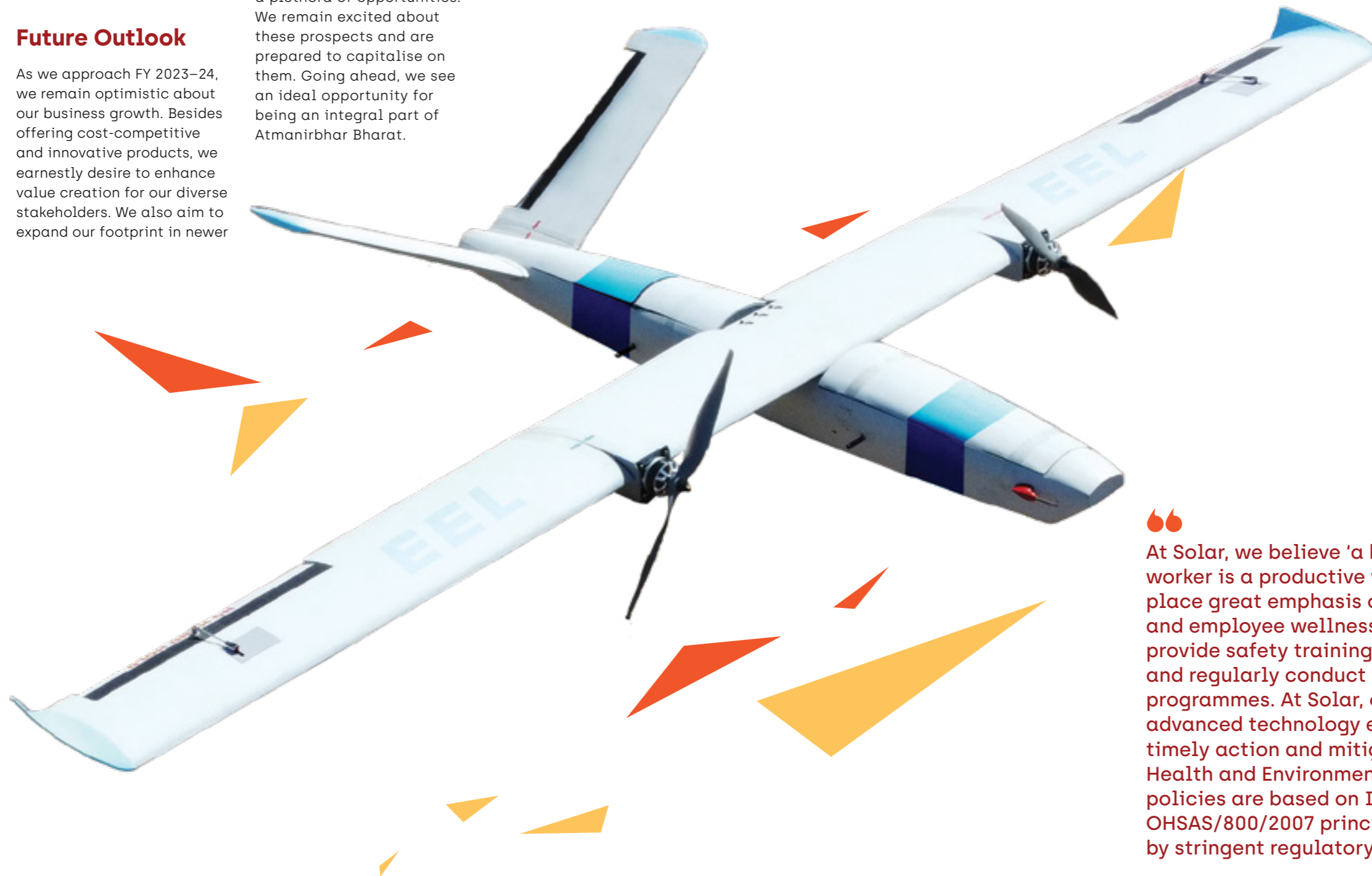
Gratitude

On behalf of everyone at Solar, I would like to extend my sincere gratitude to all our people, customers, the Management and our esteemed stakeholders for having faith in our vision and capabilities. In the upcoming years, we intend to continue creating sustainable value for all while delivering on stakeholder expectations.

We express our heartfelt gratitude to our dedicated team, customers, management, and stakeholders who have bestowed their unwavering trust and faith in our organisation.

Regards,

Satyanarayan Nuwal
Chairman



At Solar, we believe 'a healthy and safe worker is a productive worker'. We, therefore, place great emphasis on workplace safety and employee wellness. We continue to provide safety training across our sites and regularly conduct safety awareness programmes. At Solar, our reliance on advanced technology enables us to take timely action and mitigate risks. Our Safety, Health and Environment management policies are based on ISO 14001/2015 and OHSAS/800/2007 principles, complemented by stringent regulatory standards.

Managing Director's Message



Defence is a very different ballgame and solar has the necessary facilities for high-energy materials, propellants, storage, and testing. This makes us a one-stop-shop for most defence programs. To build on this strength, we require Capex to incorporate new technologies and develop new products

Dear Shareholders,

Another fortunate year for me to write to the stakeholders of Solar Group after an eventful year of robust results, which serve as a testament to our strategic clarity, the power of our brands, our exceptional execution capabilities, and our remarkable agility.

A year of exceptional financial achievements

The fiscal year 2023 started as a promising year and ended with record breaking performance as follows:

- Consolidated revenue of ₹ 6923 crore in 2022-23 over ₹ 3948 crore in 2021-22, registering a growth of 75%
- A record high EBITDA of ₹ 1320 crore, which was 72% up from the previous year
- A healthy operational net profit for the year stood at ₹ 811 crore which was up more than 78% compared with ₹ 455 crore in the previous year
- Our order book value stood at ₹ 2944 crore
- We also made solid progress on some of our key issues and continued to strengthen our balance sheet. Leveraging our

robust operating cash flows, we brought down our net debt to underlying EBITDA to 0.69 from 1.02

- The Board of Directors have recommended a dividend of 400% this year compared to 375% in the previous year which is ₹ 8 per share

An energised performance

Our business is powered by the continued trust that our investors place in us.

We achieve this through operational excellence, continued strengthening of our balance sheet, and efficient capital allocation that supports capex projects and new business ventures.

During the year, we have strengthened our market share across key customers in the mining sector, with products that continue to bring value to our customers. The export and overseas businesses have also recorded the highest sales ever and have contributed effectively to our excellent operational and financial performance for the year.

Defence is a very different ballgame and Solar has the necessary facilities for high-energy materials, propellants, storage, and testing. This makes us a one-stop-shop for most defence programs. To build on this strength, we require Capex to incorporate new technologies

and develop new products. We have already proven our capabilities with the successful launch of the Vikram S space rocket, the delivery of the first batch of Brahmos thrust motors and the much-coveted first batch of 100% indigenous 30 MM ammunition.

Our defence portfolio has secured export orders from several countries, highlighting our credibility as a trusted supplier of quality products. Having established ourselves in the Indian ammunition market, we have become the first private sector company in India to receive an export order for ready-to-use ammunition. Besides, we have received the first ever indigenous order for MMHG, from the Indian Army, further reiterating our commendable performance.

Energised to serve our customers in future

Our Strategic Business plans continue to steer our Company's growth. Simultaneously, it also responds with agility to flux in the business environment.

Our customers have bestowed trust and confidence upon us in lieu of our commitment towards quality & safety of the products

The Company's policy of aiming for wider geographic dispersal continues to yield positive results while

de-risking exposure. To achieve this, we plan to establish new manufacturing facilities in the southern and western regions of India, while concurrently improving and augmenting the facilities at our plant in North India. These measures will significantly enhance our production and supply capabilities in the domestic market.

Your Company has devised a global expansion plan to augment its presence in the international arena and has expanded its outreach in 75 Countries across the Globe. We have set up manufacturing facilities in 8 countries and we endeavor to enter 4 new geographies in the coming year.

Energised solar team

I am proud of the team of Solar group who are driving the chariot of triumphant journey with such a zeal and valour.

Our formidable talent pool works diligently to ensure sustained business growth. They uphold our guiding principles and are the true ambassadors for our brand. To give back to the teams that fuel our success, we empower them by providing an inclusive work environment and numerous opportunities to hone their capabilities further.

At Solar, employee safety is our foremost priority. We are consistently enhancing

our safety processes and standards to reduce the incidence of accidents on site.

In the years ahead, we intend to create a cooperative work environment where each of us feels empowered to contribute to our long-term progress. We nurture enduring bonds with all our people and are committed to developing high-performing individuals and future leaders. We envision building a workforce that is highly skilled, dedicated, and diverse, with a firm belief in the Solar culture of ethics and trust.

Energised to face the challenges.

The Indian economy's growth was steady in fiscal 2022-23, indicating strong signs of macroeconomic stability. However, the global economy faced multiple headwinds including high inflation, currency depletions, and supply disruptions due to the Russia-Ukraine conflict. We have been closely monitoring macroeconomic developments and adapting our strategies accordingly.

Despite these challenges, we have made significant progress in our business domains. We have achieved a new milestone in our growth journey with the highest ever output of commercial explosives and initiating systems. As a result, we are now recognised as one of the global leaders in this field. The exceptional performance despite supply

chain interruptions and market volatility has proven our commitment and tenacity in meeting our customers' demands.

Way forward

Looking ahead, I am more confident that Solar will continue delivering on all its stated commitments across financial, operational and sustainability parameters.

We are consistent with our CSR endeavours to make a lasting social impact by empowering our people and communities in the process. Our dedication to sustainability is a key component of our business strategy, and we work hard to make improvements to our methods on a regular basis.

The future is going to be catalyzed by the opportunities like the Government's emphasis on housing and infrastructure, the rise in India's coal demand and the Government's push towards the indigenization of defence products, we are strategically placed to capture these opportunities, with our operational expertise, integrated presence, and commitment to excellence.

The Government of India's "Make in India" and now "Make for World" is offering us a huge opportunity for scaling up our manufacturing sector.

By 2030, India's economy is expected to reach 7 trillion dollars and our country is on its path of becoming the 3rd economic superpower of the world.

In line with this ambition, the Government of India is doing a good job of developing policies aimed to boost industries' access to finance and encourage companies in advanced technology areas.

The government's focus on improving competitiveness, achieving international scale, integration with global supply chains, facilitating the movement of the local industry up the value chain, becoming an innovative knowledge economy, improving the ease of doing business, and creating skills and employment has given tremendous encouragement to industries.

I would like to thank our dedicated team for an extraordinary year and for maintaining their focus on serving the needs of our customers. Their commitment and engagement in building a strong, agile and responsible organisation is commendable.

Finally, I want to extend my gratitude to our customers and shareholders for their continuous support.

As we move forward, we remain committed to a high-performance culture that enables the Company to create value for all stakeholders. I hope you will continue to support us on our journey to achieve many more such milestones.

Regards,

Manish Nuwal
Managing Director and CEO

“The future is going to be catalyzed by the opportunities like the Government's emphasis on housing and infrastructure, the rise in India's coal demand and the Government's push towards the indigenization of defence products, we are strategically placed to capture these opportunities, with our operational expertise, integrated presence, and commitment to excellence.”

Keeping an Eye on the Evolving Landscape

At Solar, we believe that it is critical to effectively adapt to the changing operational environment, to facilitate growth and development. We need to keep a close watch on macroeconomic environment, to gear up for the future.

Indigenisation of the Defence Sector

Quite a few countries, including India, witnessed an increased government spending on the Defence sector, encouraging the growth of the explosives and armament industry. The hike in allocation reflects the Government's objective to achieve a sustainable progress in the field of infrastructure development and modernisation of the defence services. Following the 'Make in India' programme, several policy initiatives have been introduced in recent years that have reduced the import of defence equipment by promoting indigenous design, development and manufacturing.

Refer the defence sector of Management Discussion & Analysis for more details.

Our Strategic Response

Over the years, we have honed our capabilities to fulfil the demand for propellants and explosive-related requirements in the Defence industry. Increased allocation of government expenditure, greater thrust on privatisation and local sourcing for Defence sector supports our growth further.



Government Initiatives to Boost Explosives Industry

The Government has rolled out several infrastructure development initiatives resulting in an increased demand for stones. Government programmes such as 'Housing for All', which aims to provide affordable housing for everyone, and initiatives to provide electricity to 300 million people, are expected to contribute significantly to infrastructure development, further boosting the demand for explosives. Additionally, the 'Atmanirbhar Bharat' programme and other initiatives to promote the

indigenisation of defence products are anticipated to facilitate infrastructure development, leading to self-sufficiency and deglobalisation. Owing to its cost-efficient production facilities, India has the potential to become a global manufacturing hub in the years ahead. These developments are expected to result in increased demand for explosives to support construction and infrastructure projects.

Refer the Explosive industry of Management Discussion & Analysis for more details.

Our Strategic Response

We are poised to seize new opportunities in the domestic market by capitalising on the increased allocation of government expenditure in infrastructure development. We are well positioned in regard to our competitors because of our innovative strategy and strong position in the domestic industrial explosives market, which allows us to make the most of future growth opportunities. We are also future ready to meet the growing and diverse demands of indigenous products in the defence Sector.



Growth in Mining Sector



Several programmes have been introduced to achieve self-reliance in coal production, including increased use of mass production technologies, mechanisation of loading and the expansion of evacuation infrastructure. As part of this effort, the government has set a target to increase coal production to 1 billion tonnes thus reducing the reliance on imported coal and increasing the steel production to 300 million tonnes. This will lead to an increase in iron ore mining and other associated minerals. The mining industry has grown manifold as a result of higher technology investment targeted to enable effective exploration and

Refer the mining sector of Management Discussion & Analysis for more details.

commercially feasible processing of low grade and complex minerals. Going forward, the market is anticipated to be significantly driven by the expanding mining industry in India and other advanced economies.



Our Strategic Response

To make the most of this opportunity, we have incorporated coherent backward integration into our

operations. This ensures the availability of raw materials, enabling us to reduce operating costs, maintain industry-leading quality and ensure the on-time delivery of our products to our customers. We are constantly increasing our global footprints by setting up manufacturing units in various potential countries.

Accelerating Infrastructure Development



The number of infrastructure projects is on the rise, with plans to further expand the road network to 200,000 km. This resurgence of the construction and real estate industries bodes well for the industrial explosives market. Increased housing and infrastructure projects, as well as upgrades to the public transport services like trains and roadways, are expected to result in accelerated road construction, development of metro rails, new airports and expansion of sea ports capacities which would boost the demand for explosives.

Refer the roads and infrastructure sector of Management Discussion & Analysis for more details.

Our Strategic Response

We provide our customers with specialised, sector-specific solutions for the construction of roads and infrastructure, mining, quarrying, seismic exploration, tunnelling, defence and hydro projects. As one of the few players who can develop and deliver customised products on demand, we are well-positioned to make the most of the opportunities arising from the rapid development of infrastructure.



Focus on Product-led Innovation



The major players of the industrial explosives sector are now putting more emphasis on product differentiation to diversify their business portfolio. For this they are making pronounced investments in research and development, launching value-added products and exploring novel applications. Industry leaders are now focusing on providing high energy explosives, rock fragmentation explosives and explosives for underwater applications.

Our Strategic Response

At Solar, we are committed to investing in the right resources to comprehend

how the market is changing so that we can meet the demands of our customers. We have also streamlined our research and development initiatives in an effort to strengthen our value proposition and boost consumer confidence.



Adopting Eco-friendly Methods for Smart Blasting



To promote smart blasting and lessen the environmental impact of explosives, major companies dealing in explosives, are adopting a variety of eco-friendly initiatives. Mining will become more efficient and selective backed by automation and Industry 4.0, which might be further enhanced by developments in mining technology that are suited for extreme efficiency and specificity. As a result, one of the key trends encouraging the expansion of the explosives market is the development of environment-friendly techniques for smart blasting.

Our Strategic Response

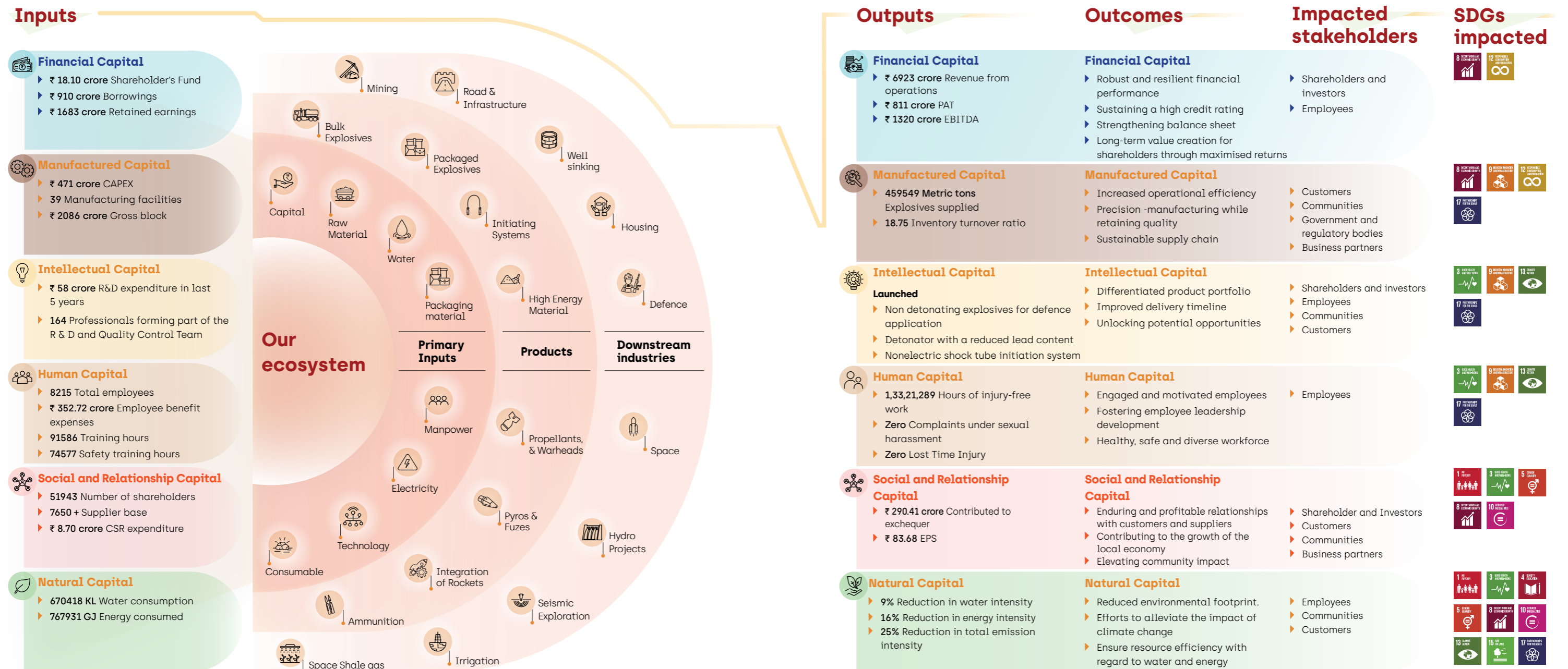
We are keen to establish ourselves as an environmentally responsible organisation and always strive to reduce our environmental footprint. To strengthen our operational efficiency and reduce the environmental impact of explosives, we are integrating state-of-the-art technologies in our manufacturing plants. Development of new products and providing controlled blasting services to customers helps mitigate environmental impact in the mines.



Ways We Create Value

Our business model is designed to create value for all stakeholders through an extensive presence across the entire value chain.

The elements of our business model enable us to tread on the path of transformation and capitalise on the opportunities in the explosives market.



Proactively Engaging with Our Stakeholders

To set priorities, assess risks, highlight opportunities and improve ethical business practices, we engage with our stakeholders. This participation is crucial to identify favourable outcomes for our businesses as well as our shareholders.

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	Capital linkages
Business partners Our business partners provide us operational leverage to strengthen the value chain, be cost-effective, sustainable, and meet customer expectations.	<ul style="list-style-type: none"> Fair and long-term business relations Timely payments Capacity building Transparency Value Creation 	<ul style="list-style-type: none"> E-mail communication Site visits One-to-one interactions Business partner surveys Structured meetings 	<ul style="list-style-type: none"> Financial capital Social and relationship capital
Customers Our customers provide revenue, shape our brand reputation, drive repeat business, offer feedback for innovation, and provide a competitive advantage in the market.	<ul style="list-style-type: none"> Product safety, quality and reliability Confidentiality in case of sensitive contracts Operational efficiency Innovation 	<ul style="list-style-type: none"> One-to-one interactions Site-visits Customer meetings E-mails Feedback Mechanism- Online Survey Digital Channels Trial and improvement programmes 	<ul style="list-style-type: none"> Financial capital Social and relationship capital Natural capital Manufactured capital Intellectual capital

N Need based P Periodic C Continuous A Annually E Event based Q Quarterly

Importance of stakeholders	Key material issues for stakeholders	Modes and frequency of engagement with stakeholders	Capital linkages
Employees Our employees are at the core of all our operations. With self-supervised structures, we seek to reward people fairly for their work, while assisting them in identifying their purpose so that they become the best they can be with the Company. Their knowledge and expertise in collaborating together are crucial to our development.	<ul style="list-style-type: none"> Wellbeing and safety Fair wages and compensation as per industry standards Occupational health and safety Growth opportunities Talent and skill management Diversity and inclusion Learning and development Job security 	<ul style="list-style-type: none"> Employee engagement surveys Joint consultation system Grievance mechanism Rewards and Recognition Face to Face interactions Cultural events Trainings and Workshops 	<ul style="list-style-type: none"> Human capital Manufactured capital Intellectual capital
Communities Since the communities in which we operate are our co-progress partners, maintaining a positive relationship with them is essential to preserving our social license to operate.	<ul style="list-style-type: none"> Community development Livelihood opportunities Health and sanitation initiatives 	<ul style="list-style-type: none"> CSR initiatives Field visits Face to face interactions Collaboration through NGOs 	<ul style="list-style-type: none"> Natural capital Social and relationship capital
Government and regulatory bodies Engagement with government and regulatory bodies ensures compliance and business continuity in accordance with legal requirements and evolving regulations.	<ul style="list-style-type: none"> Compliance with Industry Norms, Laws and Regulations in substance and spirit Transparent disclosures Participation in various industry forums and meetings Collaboration on National Agenda such as Make in India. 	<ul style="list-style-type: none"> Reports One-to-one interaction Events E-mail communication Letters 	<ul style="list-style-type: none"> Financial capital Natural capital Social and relationship capital
Shareholders & investors Funds raised from investors and financial institutions in the form of equity, debt and accruals are the growth drivers of our financial capital.	<ul style="list-style-type: none"> Consistent, competitive and profitable growth and returns Consistent dividend pay-outs Superior stakeholder returns through optimal utilization of resources Better disclosures, transparency and credibility of financials Effective risk management Wealth creation Sound governance practices 	<ul style="list-style-type: none"> Annual general meetings Conference call Press releases Annual reports News channels Website updates Stock Exchange releases Investors Grievances and Redressal Mechanism's 	<ul style="list-style-type: none"> Financial capital Social and relationship capital

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Risk Management

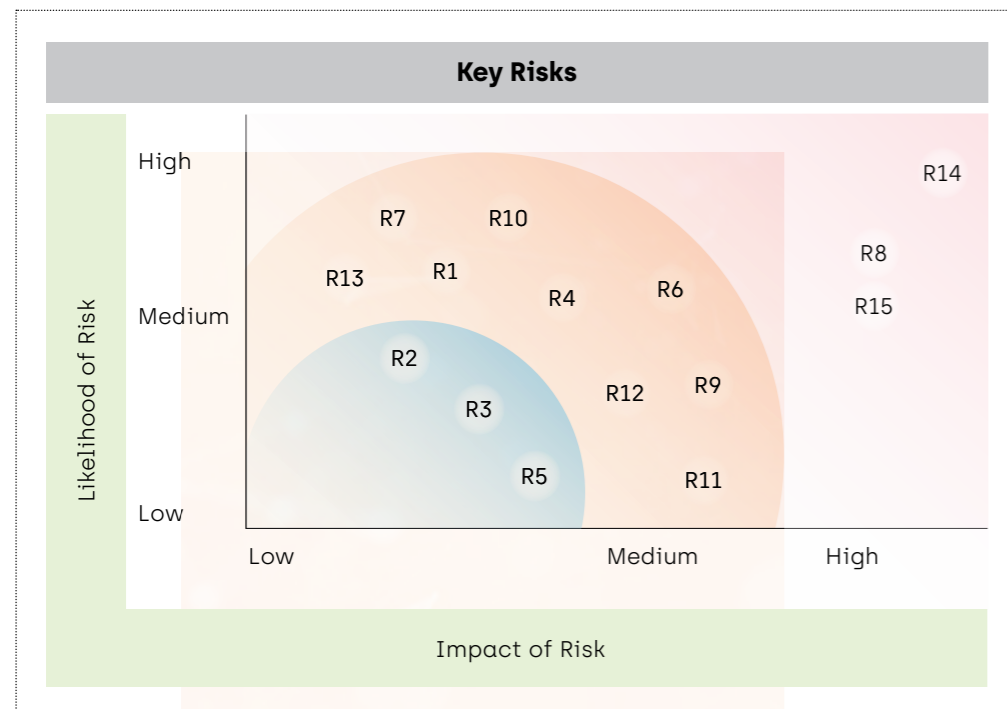
ENERGISED TO PRUDENTLY MITIGATE RISKS

The Company relies on a robust and integrated risk management process that enables timely analysis and evaluation of threats.

Our ability to comply with a regulatory framework empowers us to devise effective risk mitigation strategies that help to preserve the reputation and strength of our business.

Our capacity to anticipate and adapt to industry developments not only enables us to minimise adverse impacts on the organisation but also helps us to capitalise on emerging opportunities.

Risk Assessment Matrix




Financial Risks

R1	Material Availability and Inflation Risk	Capitals impacted				
	Unforeseen events that cause disruption along the value chain might cause bottlenecks and a rise in material prices. The explosives sector has material supply and volatility risks relating to chemicals, metals, minerals, and logistics.	FC				
	<table border="1"> <thead> <tr> <th>Response and mitigating actions</th> <th>Opportunities arising from this risk</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> We have a price escalation clause for our customers, which enables us to move past the impact of any price fluctuation of significant raw materials in our margins. We track raw material and packing material prices on a quarterly basis. We also undertake industry dynamics research by interacting with analysts to determine how the overall value of global capacity is estimated. Our strong and long-standing relationships with key suppliers enable us to ensure a consistent supply of essential raw materials at reasonable costs. </td> <td> <ul style="list-style-type: none"> Exploring the potential of setting up manufacturing plants and forming strategic alliances with critical raw material suppliers. Developing new materials, production technologies, and logistics solutions that can reduce risk and increase efficiency. </td> </tr> </tbody> </table>	Response and mitigating actions	Opportunities arising from this risk	<ul style="list-style-type: none"> We have a price escalation clause for our customers, which enables us to move past the impact of any price fluctuation of significant raw materials in our margins. We track raw material and packing material prices on a quarterly basis. We also undertake industry dynamics research by interacting with analysts to determine how the overall value of global capacity is estimated. Our strong and long-standing relationships with key suppliers enable us to ensure a consistent supply of essential raw materials at reasonable costs. 	<ul style="list-style-type: none"> Exploring the potential of setting up manufacturing plants and forming strategic alliances with critical raw material suppliers. Developing new materials, production technologies, and logistics solutions that can reduce risk and increase efficiency. 	
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R2	Liquidity Risk	Capitals impacted				
	Liquidity risk refers to the risk of not being able to meet short-term financial obligations. Liquidity risk can arise from unexpected expenses, delays in payments, or changes in market conditions.	FC				
	<table border="1"> <thead> <tr> <th>Response and mitigating actions</th> <th>Opportunities arising from this risk</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> To effectively manage our liquidity and funding needs, we rely on treasury management systems and effective financial control. To boost our profitability and improve margins, we regularly implement cost-optimisation measures across the entire organisation. </td> <td> <ul style="list-style-type: none"> Exploring new financing options such as asset-based lending or factoring, which can provide access to additional liquidity. We partner with leading financial institutions to borrow funds at competitive rates of interest. </td> </tr> </tbody> </table>	Response and mitigating actions	Opportunities arising from this risk	<ul style="list-style-type: none"> To effectively manage our liquidity and funding needs, we rely on treasury management systems and effective financial control. To boost our profitability and improve margins, we regularly implement cost-optimisation measures across the entire organisation. 	<ul style="list-style-type: none"> Exploring new financing options such as asset-based lending or factoring, which can provide access to additional liquidity. We partner with leading financial institutions to borrow funds at competitive rates of interest. 	
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Impact of the risk

- Low
- Medium
- High



R3 Interest Rate Risk		Capitals impacted
<p>The Company borrows funds from domestic and international market to meet its funding requirement.</p> <p>The Company is subject to risks arising out of the fluctuations in the interest rates.</p>		 FC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We are hedging against interest rate changes, diversifying investments, and managing debt levels. ▶ We are maintaining adequate cash reserves, managing accounts receivable and accounts payable, and developing contingency plans for cash flow disruptions. 	<ul style="list-style-type: none"> ▶ Optimising the Company's asset-liability mix to reduce interest rate risk while maximizing returns. ▶ Adopting innovative cash management practices, such as digital payment systems, to improve efficiency and reduce costs. 	



R4 Foreign Exchange [FX] Risk		Capitals impacted
<p>FX risk refers to the risk of volatility in currency exchange movements resulting in transaction and translation exposure. It can impact the cost of raw materials and the competitiveness of products in international markets.</p>		 FC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We implement regulated hedging strategies aligned with market best practices and our business needs to limit impact of exchange volatility on receivables, forecasted revenue and other current assets and liabilities. 	<ul style="list-style-type: none"> ▶ Hedging currency exposure using derivatives such as forward contracts and options. ▶ Explore opportunities in emerging markets to diversify currency risk exposure. 	

Impact of the risk

● Low ● Medium ● High

Strategic and Commercial Risks

R5 Macroeconomic Risk		Capitals impacted
<p>The explosives industry is highly cyclical, with demand typically linked to the mining, construction and infrastructure sectors. Economic downturns can reduce demand for Explosives impacting the operational and Financial performance of the Company.</p>		 FC  IC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We are diversifying the supply chain and investing in contingency plans. ▶ Our broad market reach enables us to reduce the risk of an economic slowdown in a certain area or geography. ▶ We have built a diverse product portfolio to meet the requirements of mining, defence and other downstream industries. ▶ The management of potential exposures is aided by ongoing analysis of country-specific risks. 	<ul style="list-style-type: none"> ▶ Developing new products and services that can be adapted to changing geopolitical conditions ▶ Expanding into new geographies or markets that are less susceptible to geopolitical risks. ▶ Building a flexible and robust business model. 	

R6 Customer Experience and Retention Risk		Capitals impacted
<p>Customer demand for explosives can be volatile and subject to fluctuations in commodity prices, global economic conditions, and other factors.</p>		 IC  S&RC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We have established our brand as a recognised player in the market owing to our experience in the industry, high-quality products and extensive product line. This has helped us to grow the market share and establish a formidable reputation among our customers. ▶ We are building stronger relationships with existing customers to increase loyalty, investing in data analytics to better understand market trends and customer behaviour, and developing innovative products that can better meet the needs of customers. 	<ul style="list-style-type: none"> ▶ Provide our existing customers with further customised products. ▶ Developing flexible production and pricing models ▶ Increase our presence in the existing geographies while expanding our operations into newer ones. ▶ Research and develop innovative products that enhance our revenue streams. 	

Impact of the risk

● Low ● Medium ● High

R7 Reputational Risk		Capitals impacted
<p>There is increasing pressure from society and investors to reduce environmental impact, improve safety, and demonstrate social responsibility. Failure to address these expectations can lead to reputational damage, regulatory scrutiny, and reduced investor confidence.</p>		FC S&RC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> We are investing in sustainable production technologies, improving safety standards, implementing ethical labour practices, and maintaining strong regulatory compliance. To understand the society's and investor group's emerging requirements and expectations, we regularly engage with them. We proactively share our strategy with our stakeholders, so they are aware of the actions we are taking to lessen our impact on the environment, improve our governance and benefit the communities in which we operate. 	<ul style="list-style-type: none"> Strengthen the platform for stakeholder engagement and create strategic differentiation. Developing new compliance technologies and systems that can streamline the regulatory process and reduce the risk of non-compliance. 	

Operational Risks

R8 Supply Chain Resilience Risk		Capitals impacted
<p>The Company is subject to a variety of supply chain risks related to raw material availability, transportation, regulatory compliance, and supplier relationships.</p>		MC S&RC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> We diversify the supply chain, invest in logistics and compliance processes, and maintain strong relationships with suppliers and regulatory agencies. We have an agreement with our logistic partners to ensure the prompt and secure delivery of our products to customers. We carry out extensive planning and forecasting to anticipate current and future demand. 	<ul style="list-style-type: none"> Developing new partnerships with suppliers that can provide added value, such as improved quality, greater efficiency, or new technologies. Enhancing the supply chain's overall effectiveness by deploying innovative technology and working with reliable partners. Developing new logistics solutions that can reduce transport costs and increase safety. 	

Impact of the risk

● Low ● Medium ● High

Operational Risks

R9 Supply Chain Resilience Risk		Capitals impacted
<p>The Company is subject to a variety of supply chain risks related to raw material availability, transportation, regulatory compliance, and supplier relationships.</p>		MC S&RC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> We diversify the supply chain, invest in logistics and compliance processes, and maintain strong relationships with suppliers and regulatory agencies. We have an agreement with our logistic partners to ensure the prompt and secure delivery of our products to customers. We carry out extensive planning and forecasting to anticipate current and future demand. We perform due diligence on suppliers, maintain open communication channels, and develop alternative supplier options. 	<ul style="list-style-type: none"> Developing new partnerships with suppliers that can provide added value, such as improved quality, greater efficiency, or new technologies. Enhancing the supply chain's overall effectiveness by deploying innovative technology and working with reliable partners. Developing new logistics solutions that can reduce transport costs and increase safety. 	

R10 Obsolescence Risk		Capitals impacted
<p>Technology is advancing at an unprecedented rate, and this creates the risk that existing technologies used in the production of explosives may become obsolete. This could lead to loss of productivity, higher costs and an inability to keep up with competition.</p>		IC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> We also keep a close eye on the rapidly evolving technological landscape and make investments in systems and procedures that help us increase operational efficiency. We are maintaining close relationships with technology providers and investing in R&D to identify new and innovative technologies. 	<ul style="list-style-type: none"> Increase our production and efficiency as a result of technological advancement. 	

Impact of the risk

● Low ● Medium ● High

R11 Cybersecurity Risk		Capitals impacted
<p>Cybersecurity risks are related to the unauthorized access to control systems, data breaches, and potential cyber-attacks targeting critical infrastructure.</p>		
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We are implementing robust cybersecurity protocols. ▶ As part of our cyber security plan, we regularly analyse and update our IT security procedures. 	<ul style="list-style-type: none"> ▶ Developing new cybersecurity technologies that can better protect the organisation from cyber threats. 	

ESG Risks

R12 People Risk		Capitals impacted
<p>People risk in the explosive industry refers to the risk of not having enough qualified and experienced employees available to perform critical tasks, which can lead to delays, increased costs, and reduced productivity.</p>		HC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We are developing recruitment and retention strategies to ensure an adequate supply of employees. ▶ We invest in training and development programs to enhance the skills and knowledge of their employees, making them more effective and efficient in their roles. 	<ul style="list-style-type: none"> ▶ Forward looking culture has been established in Solar. This gives an opportunity to nurture the talent pool and to do the strong succession planning. 	

R13 Safety, Health and Environment (SHE) Risk		Capitals impacted
<p>The nature of Company's business operations exposes its employees and society to a wide range of Health, Safety and Environmental risks. The Safety, Health and Environment includes safety lapses and technical complexity in Business operations.</p>		HC NC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We safely manage our activities using a robust and comprehensive safety, health and environment (SHE) framework. ▶ We continuously recognise risks associated with SHE and take actions to lessen them. ▶ We are investing in safety equipment and training, conducting regular safety audits, and implementing strict safety protocols. ▶ Systems and processes, such as Standard Operating Procedures and Work Instructions, are designed to minimise risks. ▶ We ensure that hazardous substances are handled cautiously and stored safely. 	<ul style="list-style-type: none"> ▶ Developing new safety technologies that can reduce the risk of accidents and improve response times in case of emergencies. ▶ Establishing global industry benchmarks for safety and health standards in our organisation. 	

Impact of the risk

● Low ● Medium ● High

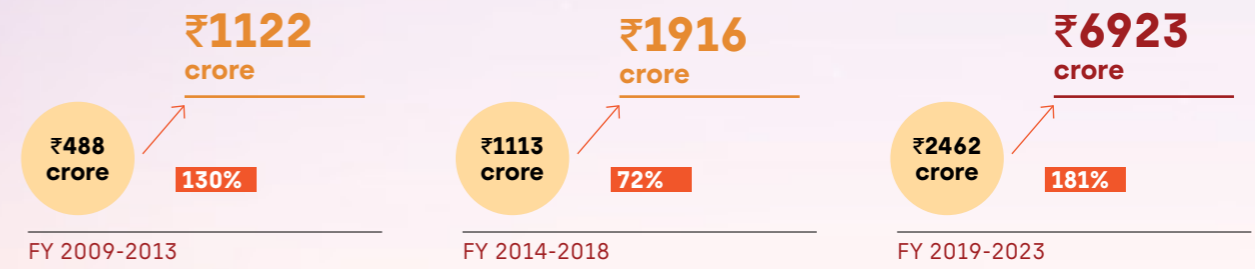
R14 Regulatory Compliance Risk		Capitals impacted
<p>The explosives industry is subject to strict regulations related to safety, environmental impact, and transportation. Poor ethical practices and governance can result in non-compliance with regulations and legal penalties. Risks of complying with international laws and regulations are increased by operational and market presence across several geographies.</p>		S&RC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ All of the employees receive training on our code of conduct and other important principles, including anti-corruption and anti-bribery. ▶ The Board of Directors has direct oversight over the effective corporate governance system that we have established. ▶ Our Compliance and legal team ensures proper, prompt, and transparent compliance with the various laws and regulations of many countries. ▶ We are also establishing independent oversight and auditing processes, and engaging with regulators and other stakeholders. 	<ul style="list-style-type: none"> ▶ Reinforcing the moral integrity of the business, the management and the workforce ensure that all of our activities and commercial operations adhere to our code of business ethics. ▶ To instil high discipline and code of conduct, we are striving to enact specific steps that are designed to integrate ethical concepts and behavioural norms across all the organisational levels. 	

R15 Carbon Intensive Material Risk		Capitals impacted
<p>As the world shifts towards a low-carbon economy, the organisation may face regulatory risks associated with climate change. These risks may include increased regulations on the use of carbon-intensive materials and technologies, as well as new regulations aimed at reducing greenhouse gas emissions.</p>		FC S&RC NC
Response and mitigating actions	Opportunities arising from this risk	
<ul style="list-style-type: none"> ▶ We are adopting more sustainable business practices and promoting transparency and accountability in the supply chain. ▶ We are constantly assessing our emissions and setting rigorous targets. ▶ An integrated production system that promotes resource recycling and waste reduction has been incorporated. ▶ We are implementing energy-saving measures to lower our overall energy consumption. 	<ul style="list-style-type: none"> ▶ Developing new, low-carbon products and technologies that can meet the demands of a changing regulatory landscape. ▶ Accelerating the process of decarbonisation and implementing initiatives along the value chain. ▶ Promoting the use of renewable energy sources to meet energy needs. ▶ Developing innovative ideas for reducing costs and emissions. 	

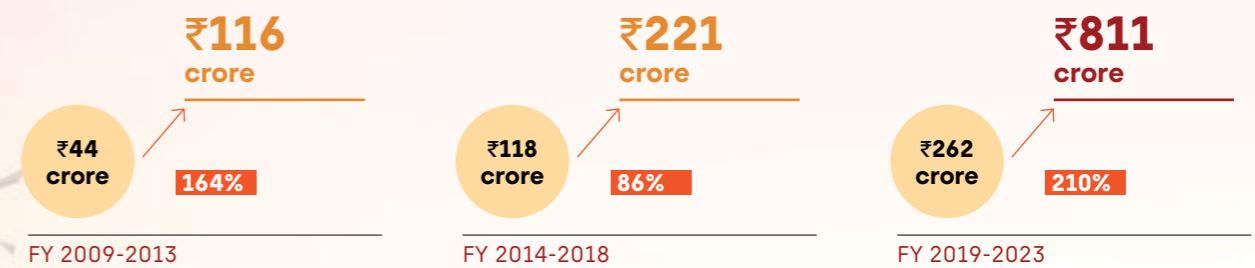
Impact of the risk

● Low ● Medium ● High

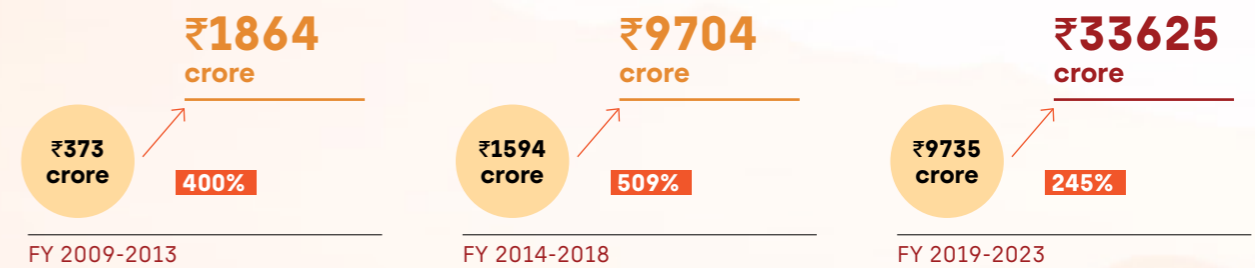
Revenue



PAT



Market Capitalisation



ENERGISED

↑ **522%**
Increase in revenue
in past 10 years

↑ **587%**
Increase in PAT
in past 10 years

↑ **2009%**
Increase in Market
Capitalisation in past 10 years

Graphical illustrations of numbers not to scale

Financial Capital

ENERGISED TO SUSTAIN OUR ROBUST GROWTH

At Solar, we are focused on enhancing stakeholder value through disciplined capital management and appropriate resource allocation. It enables us to drive revenue growth, optimise costs, enhance operational efficiency and retain a competitive edge.

Through prudent treasury management and agile efforts, we further aim to sustain profits in the long run and secure the foundation of a robust and dynamic organisation.

SDGs covered



Highlights for FY 2022-23

75%
Net Sales (Y-o-Y)

33%
Market Cap (Y-o-Y)

78%
PAT (Y-o-Y)

₹696 crore
Net Worth (Y-o-Y) ▲

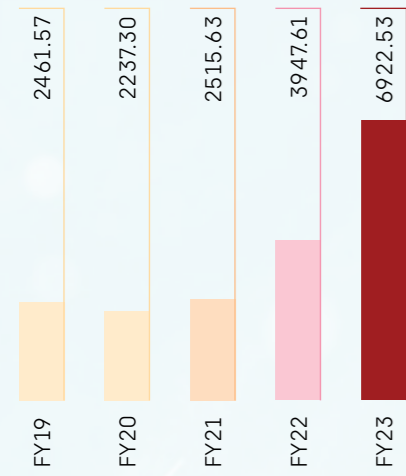
72%
EBITDA (Y-o-Y)

178 crore
CAPEX (Y-o-Y) ▲

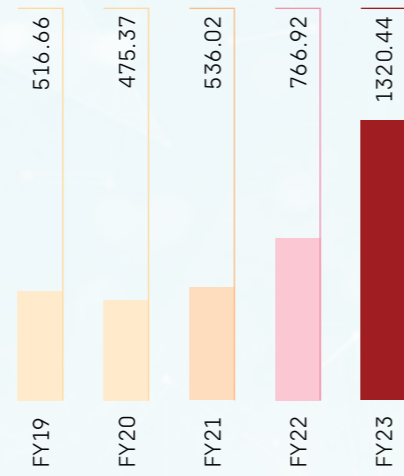
Way forward

To ensure sustainable growth, we rely on strategic financial decisions. In the days ahead, it is expected to diversify our revenue streams, enable us to capitalise on emerging opportunities, enhance our reach in newer markets and continue to fortify our position as a leading player in the explosives industry.

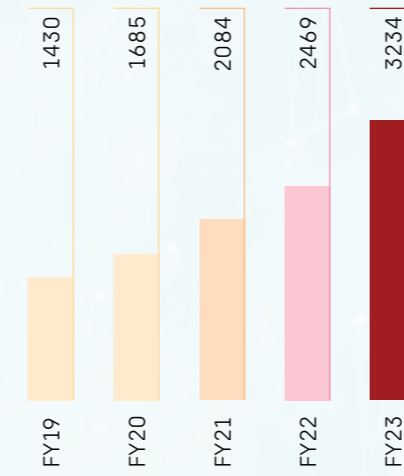
Net Sales (₹ in crore)



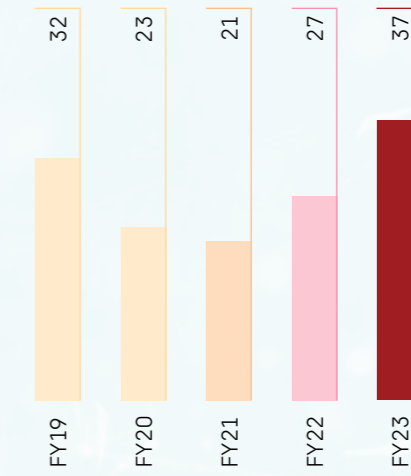
EBITDA (₹ in crore)



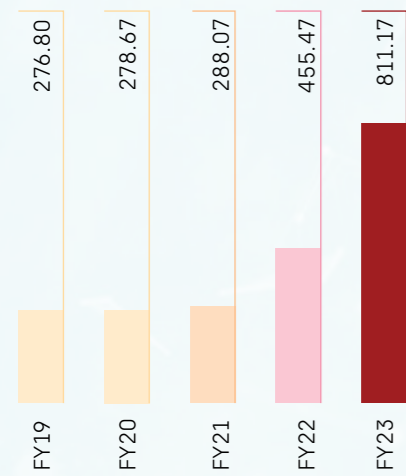
Capital Employed (₹ in crore)



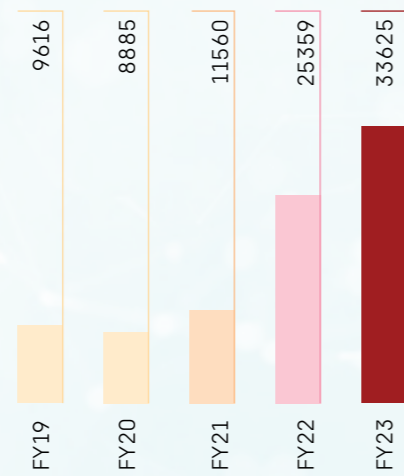
Return on Capital Employed (%)



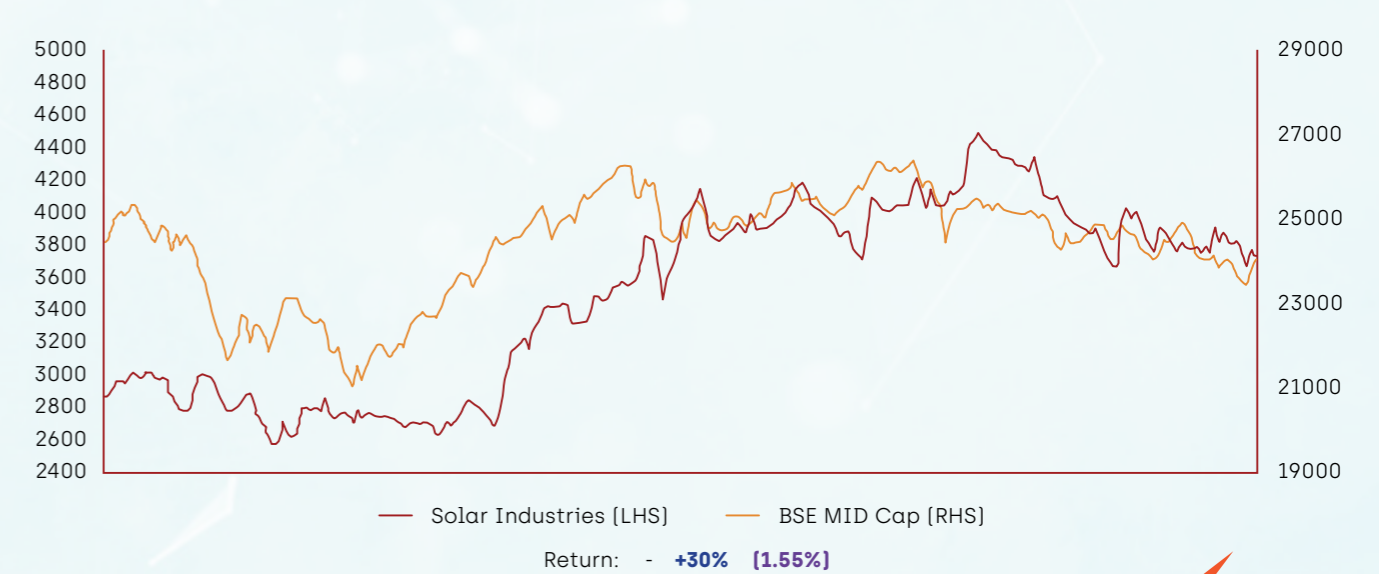
PAT (₹ in crore)



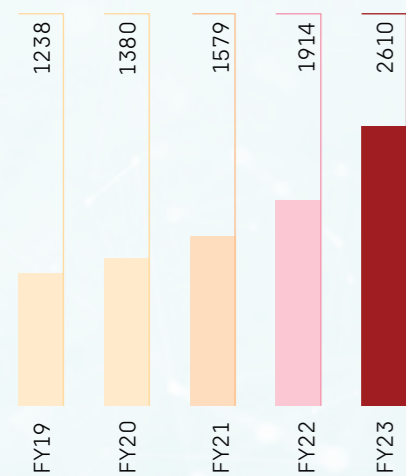
Market Cap (₹ in crore)



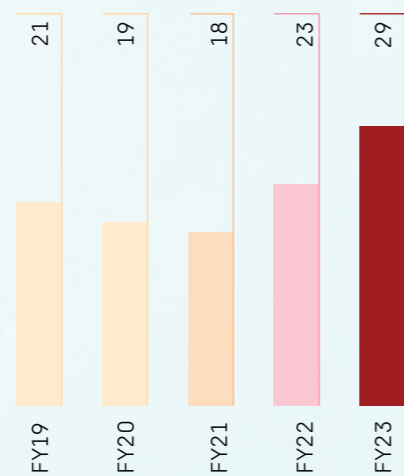
Solar v/s BSE Mid Cap Apr - Mar 2023



Net Worth (₹ in crore)



Return on Network (%)



Manufactured Capital

ENERGISED TO SCALE UP



Our commitment to enhance operational processes lies at the core of everything we do. At Solar, we deploy state-of-the-art infrastructure and adhere to stringent industry standards to build a futuristic organisation.

Highlights for FY 2022-23

39

Manufacturing facilities worldwide

459549 MT

Sales Volume

8,06,624

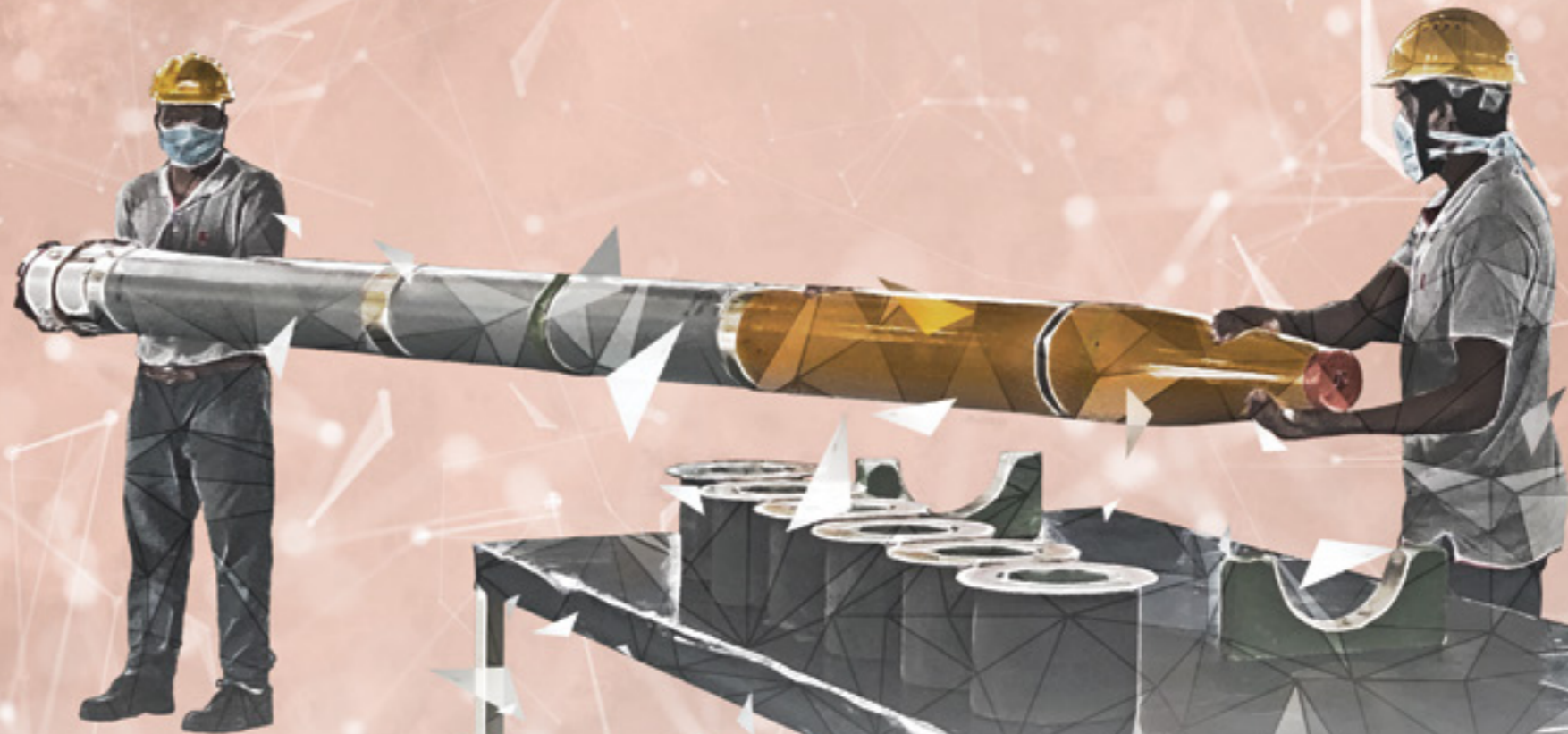
Multi-mode Hand Grenades (MMHG) supplied to Armed forces

4

Brahmos assembled Booster Motor supplied to BAPL

Way forward

We are continuously strengthening our capabilities through inorganic growth initiatives and remain dedicated to meeting the industry's requirements by focusing on high quality and safety standards. By optimizing our operational procedures and leveraging innovative technology, we are developing a seamless supply chain, improving efficiency, optimizing raw material mix, and reducing waste to achieve sustainable and profitable growth.



SDGs covered



We have leveraged our extensive knowledge and in-depth domain expertise to expand our business, boost capacity while creating incredibly effective and unique products. We have bulk plants in close proximity of mining locations, making us well positioned.

Our company has established itself as a trusted partner for the Mining, Infrastructure, and Defense industries, by consistently meeting their diverse and specialized demands with a comprehensive range of high-quality products. Over the years, we have expanded our offerings to include bulk explosives, packaged explosives, Initiating Systems and Products for defence applications. Thereby providing our customers with a one-stop solution for all their requirements.



Backward Integration

Our capability to integrate backwards, have helped us to create a dynamic business model, while offering innovative products to our customers.

Quality Assurance

We have garnered a reputation for delivering products of the highest quality constantly strive to provide value across our downstream industries. As an organisation with a quality management system (QMS) certification, we hold a Conformité Européenne (CE) accreditation for products being exported. In addition, our laboratory is accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) for TNT/HE Explosives.

By adopting state-of-the-art machinery and highly automated equipments, we have been able to create quality products. This has resulted in fewer defects at the manufacturing stage and a shorter testing period. Our standard operating procedures and quality assurance plan include detailed specifications for our raw materials (RM), packaging material (PM), finished product (FP), integrated product quality planning (IPQP) and process parameters.

Certified



ISO 17025-2017



ISO 9001-2015



Tech-enabled Excellence

We have installed advanced instruments and interlocks to keep a track on key parameters and control manufacturing processes. To ensure standard operating procedures and receive feedback from all levels.

The Industrial Internet of Things (IIoT) technology enables us to monitor all the critical manufacturing process metrics from control towers positioned in strategic locations, which are then communicated to the higher management. These measures help us to scale profits through operational efficiency, as well as ensure cross-functional synergies across the manufacturing units.

Responsible Production

We continue to strengthen our efforts to reduce the amount of waste generated and pursuing a zero-waste policy while improving resource efficiency and transitioning to a more circular economy. Recycling waste materials can significantly lessen environmental pressures and impacts when compared to other waste management methods such as landfilling or incineration.

While treating industrial effluents, we utilise the most effective and successful conventional evaporation

technology to achieve a complete zero-liquid discharge. Our operations are in compliance with the Laws and Regulation laid down by the regulatory bodies.

Enhancing Supply Chain Operations

In order to improve our operations, we have continued to invest in innovative supply chain technologies throughout the fiscal year. A scheduling and tracking solution for raw materials and packaging materials (RMPM) has been successfully implemented at a pilot site. This technology has improved visibility and accuracy throughout the supply chain by enabling us to schedule RMPM orders effectively and follow their delivery in real-time. As a result, we have been able to reduce costs, optimise inventory management, and ensure timely delivery of products to our customers.

Additionally, we intend to implement a Supply Chain

Planning Solution that will provide us better visibility and control over the entire supply chain process. Through the solution, we will be able to better meet customer requirements and expectations by streamlining our operations, reducing lead times, and improving forecasting accuracy.

We have been exploring the potential of machine learning-based data analysis to improve our ability to make informed decisions and take proactive steps to mitigate potential risks. We have improved supply chain performance and identified opportunities for improvement by utilising advanced analytics and machine learning algorithms.

For the delivery of finished products to our worldwide operations, we have deployed the Digital Systems. These systems offers extensive status tracking from the time an order is received from a distant location until it is delivered to the new destination. Our dispatch and transport department has also adopted robotic process automation (RPA), which has automated a number of non-value-added tasks, decreased lead times, and increased accuracy.

In addition, we developed the dashboards that provides us with detailed insight into the supply chain through drill-down functionality. We are continuously taking efforts for automation of various processes endeavoring to reduce costs, increase efficiency, and improve overall supply chain performance.



Intellectual Capital

ENERGISED TO DRIVE INNOVATION



At Solar, we stand out in the industry with exceptional intellectual capital. The intangible infrastructure of our business model includes steadfast dedication to innovation, an extensive range of superior technologies, meticulous R&D, and unparalleled technical expertise.

Our focus on innovation and forward-thinking strategies enables us to pioneer ground-breaking products that is shaping our growth story. Our dedicated team of experts focus on seizing opportunities to expedite the development and commercialization of new products and technologies, bolstering our market position. During the year, we expanded our capabilities and further strengthened our portfolio of offerings to provide our customers with industry-leading safe, reliable and quality products.

Way forward

Looking forward, we have a clear and ambitious roadmap that outlines our strategies for sustained growth. Adapting to advanced automation and robotics technologies, we are improving operational efficiencies and strengthening our competitive advantage.

Additionally, we are striving hard to build a collaborative workspace that will empower our team members to come up with innovative ideas. Our efforts in this regard are focused on building a future-ready talent pool that will help align our goals with the country's aspirations to make India 'Atmanirbhar' in our industry landscape.

Highlights for FY 2022-23

₹58 crore
R&D expenditure in last five years

165
R&D and Quality team strength

100+
Projects by Digitalization
Automation Research Team in last 3 years



SDGs covered



Incorporating Advanced Technologies

To gain an early-mover advantage, we at Solar have always proactively incorporated the latest technological advancements into our operations to improve product as well as process efficiency. Throughout our journey, we have promoted technological innovation to support cutting-edge processes and upgrade our infrastructure to meet the best industry standards. We have developed a unique digital B2B portal, ensuring logistics planning and the timely dispatch of our products.

Our future outlook remains promising, as we will be able to sustain our order flows for the next few years by leveraging the exclusive transfer of technology (Pinaka rocket, BrahMos propellant) to the leading providers of defence consumables. Moreover, we are zeroing in on innovative projects to encourage growth, such as the high-mobility LR precision rocket system and counter drone technologies, in addition to being a strategic investor in Skyroot (space) and ZMotion (UAV).

Proficient Research and Development Centre

Our exceptional R&D capabilities have served as the cornerstone of our growth story. With a dedicated team of skilled engineers, scientists and researchers, we are consistently raising the bar for ourselves, pushing the boundaries of innovation. By investing significantly in R&D, we also consistently build on our R&D capabilities, knowledge and expertise, staying ahead of the competition.

To create an efficient and technologically advanced R&D facility, we have developed a 'Centre of Excellence'. This is a sophisticated, state-of-the-art laboratory for high-energy materials. This centre has also been accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) to support our endeavours.



Innovative Launches

The expansion of our product portfolio has made us the preferred player across several key product categories. We adhere to stringent approval procedures, prompt delivery, confidentiality and seek to develop contemporary technology with multiple trials throughout the course of our product development processes.

Solar has launched several sustainable and innovative products, contributing to the creation of a diversified value proposition.

The development of these eco-friendly products facilitates our market presence in countries with stringent environmental regulations. We have launched new products for underground coal mines, blast initiations and seismic applications as part of an effort to phase out electric detonators from the market.

Curating a Distinctive Brand

We strive to maintain our reputation as the most preferred brand for industrial and military explosives. Over the years, our prudent investments to expand our product portfolio and improve the brand value have enabled us to earn the trust and loyalty of a diverse customer base in India and abroad. Our growing brand recall is reflected in a strong brand equity, driven by all-round excellence across our value-chain.

Solar's core marketing policy rests on four unique values:



Safety during production, transport and use



Quality of product



Reliability of service



One stop solution

Solar has an exceptional feedback mechanism in place to serve customers better. These measures have streamlined the process for client interaction, resulting in increased product customisation.

Human Capital

ENERGISED WITH A STRONGER TEAM

At Solar, our focus remains on creating a people-centric workplace where diversity and inclusion are prioritised. Keeping employee-wellness at the core of our efforts, we continue to nurture a harmonious work culture that fosters personal as well as professional development.



Highlights for FY 2022-23

1,33,21,289

Hours of injury free work

3035

Training and development sessions covered

Zero

Instances of Sexual Harassment

73414

Person-Hours of Safety training

Zero

Employee complaints under Vigil Mechanism

91586

Total Training hours

Way forward

Our focus is on empowering our employees to stay ahead of the curve through comprehensive training and development programs while creating a positive work culture that prioritizes employee engagement, well-being, work-life balance, and professional growth. By doing so, we aim to strengthen our human resources and achieve greater success

SDGs covered



Culture and Engagement

We seek to develop a flexible work culture and we have formed a cross-functional team to oversee the successful execution and communication of our HR policies. We continuously strive to undertake initiatives so that our people feel respected and heard.

Engagement Surveys

We prioritise fostering an environment that encourages people to succeed professionally while also ensuring work-life balance. Therefore, we engage our people through various events, initiatives and surveys. We conduct annual employee satisfaction (ESAT) surveys to understand employee satisfaction level and encourage suggestions for continuous improvement. We have an outcome-oriented approach to better understand our people.

Grievance Redressal

Our work culture encourages employees to communicate their concerns with immediate managers or supervisors. Every quarter, employees are given an opportunity to interact with the top management. We have also developed a robust grievance redressal procedure to manage workplace disputes and maintain a cordial environment.

Rewards and Recognition

We have also established a rewards and recognition programme to boost employee morale, encourage high performance and contribute to our business strategy. Employees are recognised at events such as Town Hall meetings and the Annual Day.

Building Learning Capabilities

We undertake several strategic initiatives for building a strong leadership pipeline. We introduced Learning Curve and E-learning modules for employees to provide training on technical, safety and health aspects.

Various training programmes were also conducted at regular intervals to develop non-technical skills, enabling our workforce to adapt to the evolving workplace dynamics. These programmes were conducted both physically and virtually. In addition, we invited internal and external industry experts for providing targeted skill enhancement programmes.

Talent Management

We have a robust talent management mechanism in place that helps us to create a strong leadership pipeline. At Solar, we prioritise onboarding fresh talent from reputed institutes for specific roles within the Company, where they are trained rigorously and placed internally as per requirement. Being an organisation that values its human capital as its most valuable asset, we are committed to nurture talent and guide them to flourish in their careers. We have also undertaken several strategic initiatives for leadership development to prepare the next generation of leaders from our talent pool.



Diversity and Inclusion

Solar's work culture welcomes people from diverse backgrounds and values their experiences and perspectives. Our HR policies are essentially designed to foster equality. We are continuing to build and manage a workforce with the requisite skills, culture and diversity to meet the expectations and demands of the rapidly evolving workforce.

We ensure that opportunities and remuneration are determined by a role, not by demographics. Our remuneration policies and opportunities for career growth are based on performance. All our employees are made aware of the Prevention of Sexual Harassment (POSH) guidelines and provision for parental leaves have been formalised within the organisation to increase greater participation of women in the workforce.

Employee Benefits

We believe that fostering a healthy work-life balance will ensure the wellbeing of our people, boost professionalism and encourage character-building, while leading to organisational growth. Following this, we have introduced numerous changes in work patterns. We offer our employees several benefits including a competitive compensation structure, on the job learning and development and exposure to diverse roles and opportunities.

Ensuring Employee Wellbeing

At Solar, we are making sincere efforts to abide by the highest safety parameters to create a safe workplace. We accord paramount importance to the health and safety of our workers by conducting safety drills and training sessions.

Considering the risks and dangers associated with working on our products, we have developed a comprehensive health and safety policy that allows us to take proactive measures.

To encourage sound business practices, higher productivity, reliability and prepare a more engaged workforce, it is important to cultivate

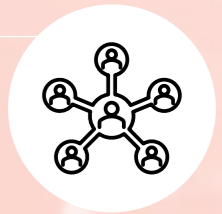
a culture where health and safety are seen as beneficial behaviours. Our facilities are designed and operated with the intention of preventing mishaps that might endanger our employees, external contractors or communities. We will continue to promote a culture where everyone recognises their respective roles, in making Solar a safer place to work.

Our safety governance system is supervised by a designated committee for ensuring the safety and health of our people. Through auditing and consultation with internal and external stakeholders, we work to continuously improve our H&S system. We have created a health and safety strategy that has helped us to implement preventive measures by considering all the hazards and dangers associated with working on our products. To safeguard our employees, we perform Job Safety Analysis (JSA) and Hazard Identification and Risk Analysis (HIRA).



Social & Relationship Capital

ENERGISED TO NURTURE ENDURING BONDS



Our company places a high priority on fostering positive and cooperative relationships with all stakeholders through the establishment of long-lasting partnerships built on trust, loyalty, and social responsibility. Our focus is on meeting the changing needs of our customers, promoting transparency and sustainability within our business, and driving inclusive growth in the communities we serve. We have developed a robust ecosystem that empowers us to deliver on our commitment to creating value for all our stakeholders.

Highlights for FY 2022-23

₹8.70 crore

Amount spent on CSR

₹34 crore

CSR Spent in last 5 years

Way forward

Effective stakeholder engagement has been integral to our continued success and growth. Prioritizing clear communication and transparency with stakeholders through regular engagement, surveys, meetings, and events has helped establish trust among all stakeholders. Moreover, our continued investment in social and economic development initiatives are strengthening strong relationships with our stakeholders.

SDGs covered



As part of our community development initiatives, we are focusing our efforts on three key areas:



Education

We believe that access to quality education is a fundamental right, and we are committed to providing the necessary resources to help bridge the education gap. By investing in the development of school infrastructure, we aim to create a conducive learning environment for children who are otherwise deprived of basic amenities. Through this approach, we hope to create a positive impact on the lives of these children and empower them with the tools to build a better future for themselves and their communities.



Healthcare

We have contributed for the up-gradation of Hospital infrastructure and provisioning of various medical equipments. We also organize free medical camps and support initiatives promoting preventative healthcare.



Women health and hygiene

We are committed to promoting women's hygiene and empowerment. We recognize that women face unique challenges when it comes to hygiene and sanitation, particularly in developing countries. To address this issue, we have launched initiatives that focus on improving access to sanitation facilities, as well as providing education on hygiene and menstrual health.

Customers

To ensure we meet our customers' needs, we prioritize product safety, quality, and reliability. We constantly strive to improve our products, services, pushing the boundaries of innovation to exceed our customers' expectations. By fostering a culture of excellence and a commitment to innovation, we aim to build long-lasting relationships with our customers, delivering exceptional value and unmatched customer service.

We have been able to establish strong relationships with customers who have been associated with us for over 10 years, which is a testament to the trust and loyalty they have in our brand.

200+

Customers with more than 10 years association

Suppliers

We place great importance on cultivating and strengthening our relationships with all our Suppliers. We strive to create mutually beneficial relationships that generate direct economic value for both the parties through out the business operations. We firmly believe in fair trade practices and uphold high ethical standards when dealing with our business partners.

Our commitment to building strong, long-term relationships with our business partners helps us to deliver exceptional value to our customers. By working closely together, we are able to identify new opportunities for growth and innovation.

7650+

No. of Suppliers across value chain

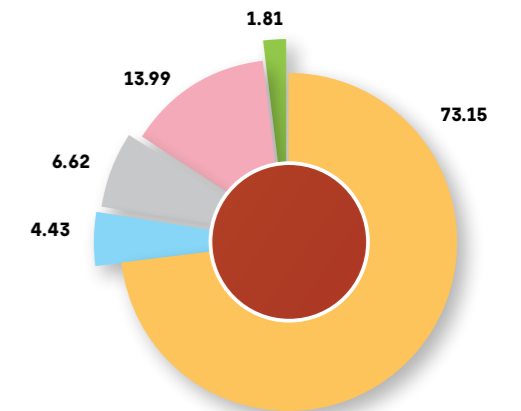
Shareholders

Our priority is to enhance the value of the Company and its shareholders. To achieve this, we are dedicated to sustaining a stable and predictable business growth trajectory and keeping our balance sheet robust and healthy. Moreover, we strive to achieve continuous year-on-year progress. In addition to our goal of enhancing value for our shareholders and investors, we are committed to delivering superior returns to all our stakeholders. To achieve this, we strive to optimize the utilization of our resources, ensuring that we are maximizing returns while minimizing waste and inefficiencies.

51943

Shareholder's Base as on March 31, 2023

Shareholder mix (%)



- Promoters
- Public
- Foreign Portfolio Investors
- Mutual Funds
- Others

Natural Capital

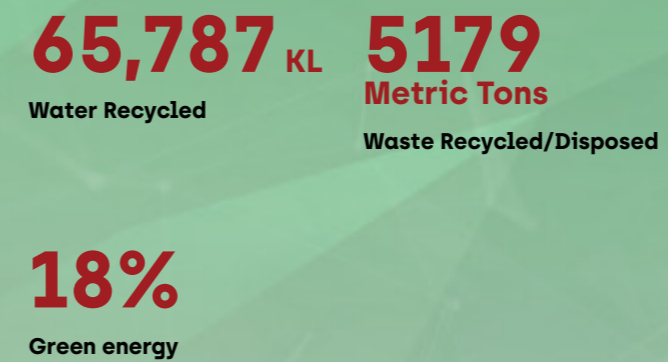
ENERGISED TO SAFEGUARD THE PLANET



Solar Industries is committed to prioritise environmental sustainability, while constantly focusing on efforts to reduce greenhouse gas emissions, conserve energy, water and minimise waste production.

To read more about environment and climate change efforts refer page no **60** of this report

Highlights for FY 2022-23



Way forward

We prioritize environmental sustainability and commit to implementing practices that promote ecological balance. This involves reducing our carbon footprint by minimizing energy consumption, switching to renewable energy sources, and adopting eco-friendly practices to reduce waste.

SDGs covered





Environment

Social

Governance

Our Approach to ESG

CREATING VALUE FOR EVERYONE

At Solar, we are committed to meeting the needs of our stakeholders and contributing to the development of our country. As our operations have expanded over the years, we have become increasingly focused on conducting our business responsibly and sustainably.

To this end, we have defined our purpose as 'Innovating a Sustainable Future' and we are progressive on our journey for identifying areas where we can improve our operations and create a positive impact on the environment and our people through ethical and transparent business practices. Thus, we are more **ENERGIZED** to create better value for our stakeholders and grow our operations further.

Our ESG Vision



Solar is resolute to integrate sustainability in its core and is striving to focus on safety, quality, reliability along with creating a positive effect on the environment and people.

We know the importance of sustainability in today's world with ever growing climate change issues and challenges. Our commitment to build such business can be seen through our alignment with United Nation's Sustainable Development Goals (UN SDGs).



We at Solar are paving our way to building a better approach to meet our commitment towards sustainability and with our identified key focus areas we have set specific goals and targets. We continuously improve our processes to achieve our goals and targets.



Materiality Assessment

UNDERSTANDING MATERIAL ISSUES OF OUR BUSINESS

Solar places a significant emphasis on conducting business responsibly. We recognize and address significant issues that are pertinent to our business and raised by our stakeholders to achieve long-term success.

Our sustainability strategy development process relies heavily on materiality assessments to identify, prioritize, track, and report the most important sustainability issues. This plays a critical role in our efforts to ensure responsible business practices.

We have aligned our material focus areas with United Nations Sustainable Development Goals (SDGs) to ensure long-term development and growth.

	Environment	Social	Governance
Material Issues	<ul style="list-style-type: none"> Climate Change, Energy and Emissions Environmental Risk and Compliance Water Conservation and Management Waste and Hazardous Materials Management Biodiversity 	<ul style="list-style-type: none"> Occupational Health and Safety Employee Health and Wellbeing Product Safety and Security Human Rights Diversity and Inclusion Customer Satisfaction Community Relations Skill Development Supply Chain Management and Materials Sourcing 	<ul style="list-style-type: none"> Economic Performance Business Resilience Regulatory Compliance Innovation R&D Ethical Business Conduct Critical Incident Risk Management
Impacted Capital	 Natural Capital	 Manufactured Capital  Human Capital  Social and Relationship Capital	 Financial Capital  Intellectual Capital
Impacted SDG's	    	    	 

ESG Strategy

OUR FOUR PILLARS OF RESPONSIBLE GROWTH

Our aim at Solar is to become an organisation that constantly delivers strong returns to all the stakeholders, through making best-in-class and sustainable products. To do so, we have come up with a robust ESG strategy.





We have four strategic pillars and 12 focus areas which guides us to contribute towards creating a positive impact on the environment and society and build a sustainable future for everyone.

<p>01</p> <p>Innovating Sustainable Operations</p> <ul style="list-style-type: none"> ▶ Climate Resilience ▶ Water Stewardship ▶ Waste Management ▶ Biodiversity 	<p>02</p> <p>Reinforcing Safety & Well-being</p> <ul style="list-style-type: none"> ▶ Product Safety and Ethics ▶ Employee Health and Safety
<p>03</p> <p>Sustaining Long Term Relationship</p> <ul style="list-style-type: none"> ▶ Value Chain Sustainability ▶ Community Development ▶ Stakeholder Relationship Management 	<p>04</p> <p>Enhancing Employee Growth</p> <ul style="list-style-type: none"> ▶ Human Capital Development ▶ Human Rights ▶ Diversity and Inclusion

Strategic Pillar 1: Innovating Sustainable Operations

We acknowledge the significant threat posed by climate change and we are dedicated to reducing our impact by decreasing emissions, conserving energy, and collaborating with diverse stakeholders. Our commitment to making the world a better place extends beyond a mere goal; it is a pledge we intend to keep.

Focus areas:

 <p>Climate Resilience</p>	 <p>Water Stewardship</p>
 <p>Waste Management</p>	 <p>Biodiversity</p>

Strategic Pillar 2: Reinforcing Safety & Well Being

We at Solar place our utmost importance on the health and safety of our employees and is steadfast in our resolve to uphold rigorous safety standards. Additionally, we are dedicated towards improving the safety and reliability of our products. To achieve this, we have established a network of business partners and customers to ensure the safety of our products at every stage of their lifecycle.

Focus areas:

 <p>Product Safety and Ethics</p>	 <p>Employee Health and Safety</p>
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Strategic Pillar 3: Enhancing Employee Growth

We recognize the vital role that employees play in the growth and success of our organisation. As such, we are resolute in our efforts to augment our human capital by promoting employee engagement, safeguarding human rights, and fostering a culture of diversity and inclusion.

Focus areas:

 <p>Human Capital Development</p>	 <p>Human Rights</p>	 <p>Diversity and Inclusion</p>
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Strategic Pillar 4: Sustaining Long Term Relationship

The inclusivity of stakeholders is a key component in achieving the objectives of sustainable business practices. We are dedicated to working in partnership with our value chain partners, local communities, and other essential stakeholders to promote inclusive and sustainable growth and development.

Focus areas:

 <p>Value Chain Sustainability</p>	 <p>Community Development</p>	 <p>Stakeholder Relationship</p>
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Environment

BEING RESPONSIBLE TOWARDS OUR PLANET

SDGs covered



Strategic Pillar Linkage:

1

Material issues Linkage:

- 1 Climate Change, Energy and Emissions
- 2 Environmental Risk and Compliance
- 3 Water Conservation and Management
- 4 Waste and Hazardous Materials Management
- 5 Biodiversity

At Solar, environmental protection is a central theme that is prioritized when developing products, establishing processes, and creating policies.

In order to achieve sustainable operations and development, we continually seek out new processes, invest in technologies, and pursue initiatives aimed at enhancing eco-efficiency. This helps us reduce our reliance on various resources, minimize our negative impact on the environment, and ultimately benefit our stakeholders.

Key Highlights FY 2022-23

16%

Reduction in Total Energy Intensity

25%

Reduction in Total Emissions Intensity

9%

Reduction in Total Water Emissions Intensity

Key Manufacturing Sites are **ISO 14001:2005, ISO 45001:2018** Certified

Our Sites are **Zero Liquid Discharge** Compliant

18%

Renewable Energy share in the total energy mix

Climate Resilience, Energy and Emissions

Our aspiration to become a pioneer in combating the adverse impacts of climate change while creating value for our stakeholders enables us to innovate, enhance and build better products. Our nature of operations requires us to monitor the potential impacts of climate change on our business and work towards reducing greenhouse gas (GHG) emissions. As part of our commitment to reducing GHG emissions, we have implemented various initiatives to minimize our carbon footprint from



our operating activities. We are continuously exploring innovative technologies and practices to reduce our energy consumption and increase our use of renewable energy sources. Additionally, we are collaborating with suppliers

and partners to implement sustainable solutions across our value chain.

The RE share against the total energy consumption was 18%. The energy intensity has decreased by 16% from FY 2021-22.

Our Initiatives

We carried out several initiatives which are enabling us to reduce our energy consumption and reduction in emissions.

01 Reducing Energy Loss and Carbon Footprint through Innovation and Process Re-engineering

The existing hot air blower curing room was not able to maintain the set point temperature due to maximum heat loss. We took initiative to minimize the heat loss and stabilize the temperature. This resulted in significant energy savings, and cost reduction, achieving a return on investment in four months. Furthermore, this led to reduction in CO2 emission enabling us to decrease our carbon footprint.

03 Switching to energy efficient LED Lights

In our facility, streetlamps with high electricity consumption and maintenance requirements were in use. To address this issue, the bulbs were replaced with energy-efficient LED lights. The replacement of incandescent bulbs with LED lights was a low-cost and time-efficient process. The replacement process was quick and cost-effective. After the replacement, the energy consumption was reduced by about 80%, and the LED lights required less maintenance and had a longer operating life. The switch to LED lights was highly effective and efficient for the facility, resulting in energy and cost savings.

02 Reduce electrical consumption in manufacturing processes

In a manufacturing process, a change was made to the electrical configuration of the motors. The change resulted in a reduction in energy consumption and a significant decrease in cost. In other processes we switched to more energy efficient pumps thus enabling us to reduce our electricity consumption.

04 Switching to EVs

We are aware that internal combustion (IC) engine vehicles contribute significantly to greenhouse gas (GHG) emissions. To mitigate our impact, we have begun phasing out the usage of IC engine vehicles and transitioning to electric vehicles (EVs). This transition has led to a reduction in emissions and has also resulted in cost savings for us.

Filter system enhancements for efficiency and emission reduction

The replacement schedule for filter system depends on various factors, such as operating conditions, fuel type, and filter quality. The filter would be replaced when it failed to meet emissions standards or when the pressure drops across the filter exceeded limits. To increase the overall efficiency of the system, data on operating conditions was analysed to identify the operating trend and a proactive maintenance program was implemented to prevent clogging and maintain performance, including regular inspections, cleaning, and component replacement.

Upgraded Agitators for Improved Efficiency and Sustainability in Sewage Treatment

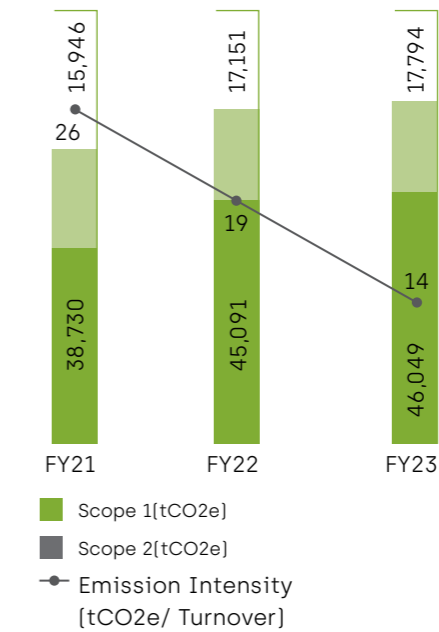
In the previous system, agitators were used for aeration in the bio-culture. However, mechanical breakdowns were frequently experienced, leading to costly repairs and system modification. To improve efficiency, advanced agitators were installed in the aeration system. The upgraded agitators have resulted in decreased energy consumption and emissions, improved plant efficiency, and proper bio-culture growth for effective waste degradation in water treatment. Moreover, the upgraded agitators have reduced power consumption and mechanical breakdown frequency. The utilization of advanced agitators has contributed to sustainable operation and water conservation in the treatment plant. Overall, this technological advancement has revolutionized the aeration system, resulting in efficient and sustainable water treatment operations.



Switching to clean fuel for a sustainable future

Biomass is a sustainable and environmentally friendly alternative to coal, made from green waste. Popular in developing countries, they emit low emissions and come with tax exemptions, making them attractive to those looking to reduce their carbon footprint. Solar is committed to reducing its carbon footprint by exploring the use of biomass fuel, conducting a feasibility study, and partnering with suppliers who specialize in renewable energy. The company is investing in new technologies and establishing a committee to oversee the transition to biomass fuel. By adopting biomass, we at Solar are taking significant steps towards resource efficiency and a sustainable future.

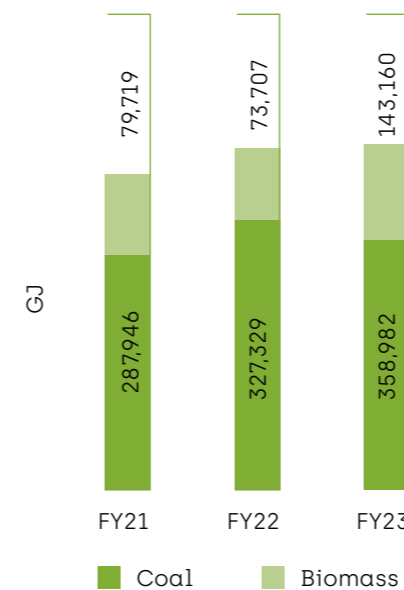
Carbon Emissions



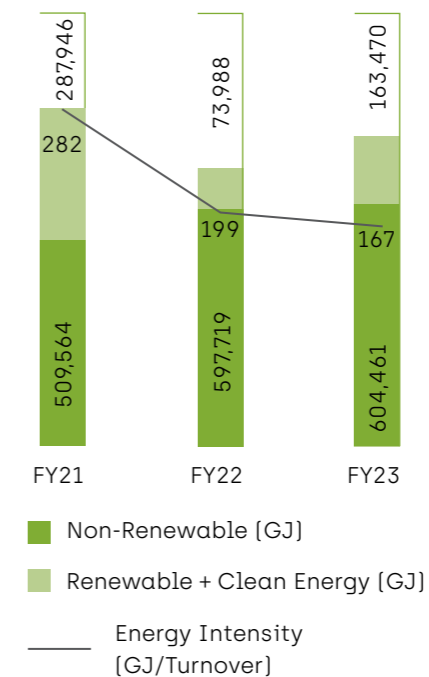
Climate Governance

Solar Industries India Limited places a strong emphasis on risk management, with a dedicated Risk Management Committee that carefully considers the nature, scale, and complexity of the business. The committee supports the Solar Group ESG by ensuring that all significant risks are identified, assessed, and that appropriate risk mitigations are implemented. One of the key risks that Solar has identified is "Climate Change," and we are committed to taking the necessary steps to address this risk. Our risk management efforts aim to ensure the sustainability of our operations and to minimize the impact of potential risks on our stakeholders, including our customers, employees, suppliers, shareholders, and the communities in which we operate. Effective risk management is critical to achieving our long-term growth and delivering value to our stakeholders.

Share of clean fuel



Total Energy Consumption



The consumption table towards biomass shows an increase of 29% in FY 2022-23 from 18% in FY 2021-22 in the consumption of biomass. This trend indicates a growing interest in renewable energy sources, which is a positive development for Solar.

Climate Strategy & Risk Management

Solar has identified "Climate Change" as Strategic Risk. We have outlined the detailed risks, mitigation strategy and key opportunities arising due to climate change.

Risk Mitigation Strategy and Key Opportunities

Risk Identified	Mitigation Strategy	Opportunity Identified
Our inability to reduce carbon emission, adhere to regulatory limits and undertake limiting measures may have an impact on our operations and reputation.	<ul style="list-style-type: none"> ▶ We are implementing various energy conservation initiatives to decrease our overall energy consumption. ▶ We are committed to accelerating decarbonisation efforts and driving action throughout our value chain. ▶ To ensure that we are meeting our sustainability goals, we regularly review our emissions and establish strict targets to reduce them. 	<ul style="list-style-type: none"> ▶ At two of our several sites, we have already implemented use of renewable energy additionally we are exploring the adoption of renewable energy sources to meet our energy requirements. ▶ We have implemented an integrated production system that promotes resource recycling and waste reduction. Our team is actively brainstorming innovative methods to decrease both our emissions and costs.

Decarbonisation

As the world becomes increasingly aware of the impact of climate change, many countries are making the shift towards a low-carbon economy. This has resulted in organisations making significant commitments to decarbonize and achieve net-zero emissions. The preference for electric vehicles and clean energy is growing, creating a sustainable future. The reduction in emissions has led to an increase in the use of electric vehicles, which in turn has led to a greater demand for electricity. India is being positioned as a global power hub, and the most reliable source of electricity in India is coal, which is advantageous for our company. To support decarbonization efforts in the chemical sector, we are focusing on low-carbon product development, energy management, and efficient manufacturing processes. Additionally, we are exploring the use of renewable sources such as hydrogen, solar energy, and biomass briquettes to reduce our carbon footprint.

Metrics & targets

In order to support India's commitment towards Net Zero and its Nationally Determined Contributions (NDCs), we are committed to transitioning to renewable energy sources. Specifically, we are increasing our use of solar energy and biomass briquettes in our overall energy consumption.

Currently, we have achieved an installed capacity of 5MW captive solar plant. We are working towards increasing the share of solar energy at our units and facilities. In addition, we will also focus on increasing the use of biomass to further reduce our reliance on non-renewable energy sources.



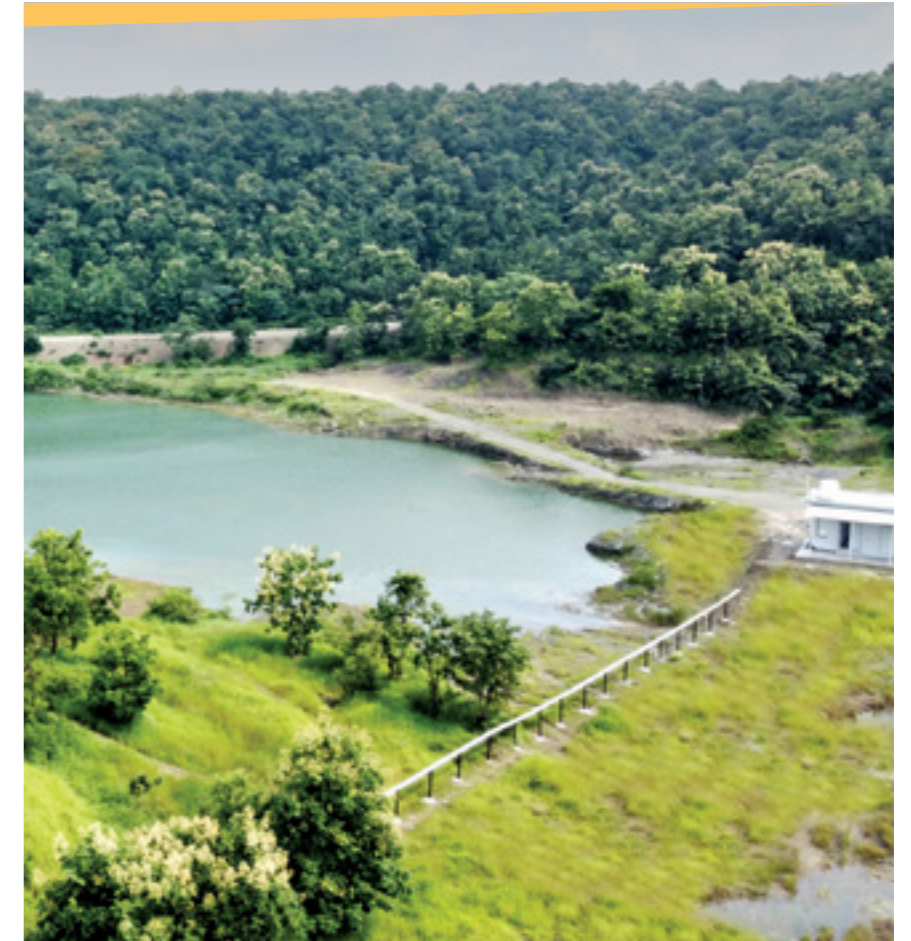
Water Stewardship

At Solar, we recognize the importance of water conservation and have implemented world-class systems to ensure responsible water usage in our operations. We continuously monitor and evaluate our water consumption and implement measures to reduce our usage and improve efficiency. Additionally, we are committed to protecting the quality of our water sources by implementing best practices to prevent contamination and minimize our impact on nearby water bodies. We believe that it is our responsibility to be good stewards of our natural resources, including water. Therefore, we strive to promote sustainable water management practices throughout our value chain, working collaboratively with our suppliers and partners to minimize water usage and protect water sources.

We have implemented Multi Effective Evaporator plant (MEEP) that has enabled us become to 'Zero Liquid Discharge' facility. We treat the wastewater in the ETP and reuse the water in the processes. Our key facilities has a Sewage Treatment Plant (STP) that uses MBBR technology to handle sewage effluents.

As a result of water conservation interventions, we have secured our water supply for our operations. We have not been subjected to any water-related incidents such as plant closures, or interruptions in operations that may have had substantial impacts on revenue or cost in the past four fiscal years.

When compared to FY 2021-22, we have reduced our water intensity by 9% in FY 2022-23.



Our Initiatives

We understand the importance of water and have identified areas where water wastage can occur. We have taken steps to fix issues such as overflowing tanks and leakages in our facilities. In addition to that, we have focused on creating more awareness among our employees about responsible water usage. These efforts have led to a reduction in our water consumption and cost savings.

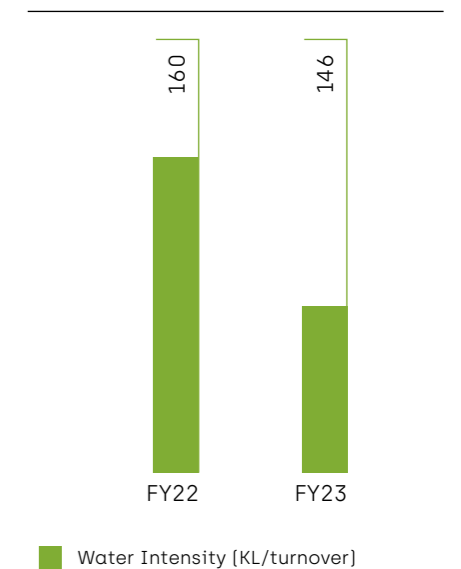
65,787

Water Recycled
FY 2022-23 (KL)

40,771

Water Recycled
FY 2021-22 (KL)

Water Intensity [KL/turnover]



Waste Management

At Solar, we are committed to minimizing the environmental impact of our operations through comprehensive waste management practices. Our team has implemented meticulously designed mechanisms to handle and dispose of both explosive and non-explosive waste generated from our operations. Responsible waste management is a crucial

part of our commitment, and we strive to incorporate the best practices to reduce waste generation, increase recycling and reuse, and ensure the safe and compliant disposal of any waste produced.

Our waste management process focuses on preventing and minimizing waste generation through source reduction and recycling efforts. We take

necessary measures to segregate, store, and dispose of waste in compliance with all applicable laws and regulations, including hazardous waste regulations. At Solar, we are continuously reviewing our waste management practices ensuring they are efficient, sustainable, and aligned with our commitment to reducing our environmental footprint.

Our Initiatives

01

Waste compactors are employed to reduce waste volumes. The machines push the waste together into smaller volumes that make it easier to recycle and reduces the number of waste collections needed to remove the materials.

02

At Solar, we have upgraded the effluent collection system to direct the effluent transfer to the collection tank which solved not only the clogging problem and rainwater load but also the trip/fall hazards can be avoided.

03

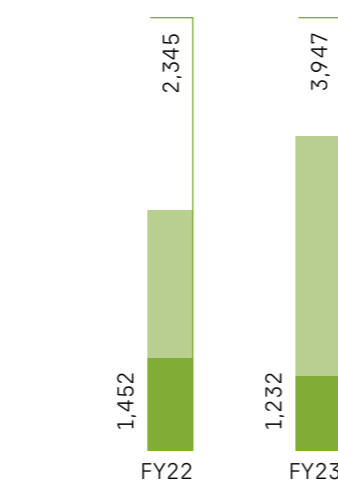
We have identified the waste materials that can be reused and recycled, leading to a reduction in waste generation. Additionally, we raised awareness among our employees regarding the importance of waste reduction. As a result of these efforts, we were able to reduce our resource consumption and ultimately saved costs with minimal effort.

Parameter	Units	FY 2021-22	FY 2022-23
Hazardous Waste Generated	MT	1,452	1,232
Total hazardous waste disposed	MT	941	655
Total Hazardous recycled / reused	MT	511	577

Parameter	Units	FY 2021-22	FY 2022-23
Non-Hazardous Waste Generated	MT	2,345	3,947
Total Non-hazardous waste disposed	MT	2,029	3,412
Total Non-Hazardous recycled / reused	MT	316	535

Waste Generation

MT



■ Hazardous Waste
■ Non-Hazardous Waste

Environmental Risk Compliance

We at Solar prioritize environmental compliance, managing regulatory risks responsibly, and we are dedicated towards improving our environmental performance. Our manufacturing sites in India have certified environmental and safety management systems (ISO 14001, ISO 45001) that identify, manage, and mitigate risks. We continuously monitor our performance, set goals, and take actions to decrease environmental impact and enhance safety culture. We aim to surpass regulatory requirements by adopting innovative and sustainable practices throughout our value chain to reduce environmental impact, promote sustainable development, and support future generations.

During the year we successfully managed to comply with state and national environmental laws and no fines were imposed by any regulatory bodies with regards to environmental compliance.

Product Stewardship

We at Solar Industries are committed to practicing product stewardship to ensure the safe and responsible use of our products throughout their lifecycle. This includes designing products with safety in mind, providing proper training and education to our customers, and implementing appropriate disposal methods to minimize any potential environmental impact. We take pride in our role as responsible stewards of our products and strive to continuously improve our practices to promote the safety of our employees, customers, and the environment.

Biodiversity

At Solar, we remain committed to preserving biodiversity and promoting sustainable development. We believe that protecting our planet's natural resources is essential for the well-being of our communities and future generations. We are committed to minimizing the impact of our operations on biodiversity and have taken several measures to achieve this.

In 2019, we received environmental clearance from the Ministry of Environment, Forest, and Climate Change (MoEFCC) for our key manufacturing site. As part of this clearance, we conducted a comprehensive environmental impact assessment to identify potential impacts on biodiversity and implemented measures to mitigate these impacts.

We also adhere to all relevant laws and regulations related to the protection of wildlife and their habitats. According to the Wildlife Protection Act of 1972, there are no endangered flora and wildlife species in the areas where we operate. However, we remain vigilant and conduct regular surveys to monitor any changes in the biodiversity of our operating areas.

Management Incentive to tackle Climate Change

We have reward and recognition policy in place to appreciate the efforts and contribution of the employees to achieve the organisation's goals. Additionally, the organisation is rewarding individuals who contribute to the excellence journey of the organisation which includes the identification and implementation of projects related to energy savings, water savings, emission reduction, operational efficiency, material and service replacements and other sustainability related projects as well.

Energy saving is one of the most important aspects for us. We have our Technical Heads at each plant unit and considering the importance of energy saving, we are giving targets to reduce energy consumption.

Social

BEING MORE RESPONSIBLE TOWARDS OUR PEOPLE

SDG Linkage



Strategic Pillar Linkage:

2 3 4

Material issues Linkage:

- 1 Occupational Health and Safety
- 2 Employee Health and Wellbeing
- 3 Product Safety and Security
- 4 Human Rights
- 5 Diversity and Inclusion
- 7 Customer Satisfaction
- 8 Community Relations
- 9 Skill Development
- 10 Supply Chain Management and Materials Sourcing

At Solar, we are dedicated to optimizing worker productivity and efficiency by implementing innovative concepts and cutting-edge technologies.

Our goal is to create a work environment that is not only productive but also promotes the physical, mental, and emotional well-being of our employees. We ensure that our employees are **ENERGIZED**, to be more productive, more co-operative and always ready for contributing their best to create value for all stakeholders.

In the past year, the company has remained committed to upholding Environmental, Social, and Governance (ESG) norms, particularly in Human Resources (HR) practices. We have made significant strides in promoting Diversity, Equity, and Inclusion (DEI) by implementing training programs, ensuring fair and equal opportunities, and regularly reviewing our hiring and retention practices.

Our company remains committed to promoting employee engagement and providing competitive compensation and benefits packages. Employee engagement is driven through several initiatives like annual ESAT surveys to track employee engagement levels, feedback mechanisms, two-way communication through quarterly townhalls, addressing employee grievance through dedicated

grievance redressal policy, skill enhancement through training and development, and so on. Our compensation and benefits approach ensures pay parity and covers benefits like medical insurance, group personal accident, parental leaves, etc.

We have a robust induction and training process, to ensure safety and quality standards are adhered to along with a focus of productivity. All new employees are required to go through detailed technical and behavioral trainings in their respective domain areas. We have a systematic and fair Performance Evaluation process for all employees, based on defined key results areas and key performance indicators. Employee performance is reviewed annually for all employees and quarterly for senior management.

We uphold high ethical standards and ensure compliance with all relevant laws and regulations. Our adherence to ESG HR norms has helped us create a positive workplace culture, attract and retain talent, and enhance our reputation and brand image.

Moreover, we are committed to making a positive impact on the community surrounding our operations. By fostering a healthy work environment, we aim to enhance the quality of life for those who live near our impact zones and to promote goodwill in society. At Solar, we are proud to be more than just a business; we are a force for positive change in our community and beyond.

Our Employees

Diversity and Inclusion

Diversity refers to the unique blend of similarities and differences that each employee brings to the workplace, while inclusion involves creating an environment where employees feel valued, respected, and supported by the company. Our commitment to non-discrimination extends to all aspects of diversity, including but not limited to gender, ethnicity, age, sexual orientation, language, religion, and any other characteristic.

Turnover Rate



Hiring and Retention

At Solar Group, we recognize the importance of attracting and retaining top talent in order to achieve our business goals. Our recruitment policies are designed to attract the brightest minds from vocational and university programs, with a focus on diversity and inclusion. Our compensation policies comply with all legal and regulatory requirements, and we uphold the highest ethical standards through effective risk management and controls. We also offer a comprehensive benefits package, including parental leave and insurance, to ensure that our employees are supported and valued.

Training and Development

At Solar, we prioritize the capabilities of our workforce in areas such as customer focus, organisational performance, innovation, environmental health and safety, and corporate ethics. In order to stay responsive to changing business needs, we regularly analyse and refine our training infrastructure, methodology, and programs. Our strong learning culture supports the implementation of top-notch learning and development programs that can be adapted to meet the evolving needs of our employees at all levels. We are proud to report that over 100% of our employees, including casual workers and those with disabilities who are exposed to hazardous manufacturing processes, received safety and skill-upgrading training from the company in the past fiscal year. As part of our people strategy, we place a strong emphasis on employee training and development, and continue developing our workforce for long-term relevance, competitive advantage, and growth, we prioritize flexible and adaptive training programs.



100%

Employees trained on Skill Development initiatives

100%

Employees trained on Health and Safety initiatives

Employee Engagement, Recognitions and Benefits

Our organisation is currently prioritizing digitalization and has implemented various robust human resource practices and

processes to improve employee experience, engagement, and enablement, thereby achieving outstanding outcomes. These initiatives encompass a structured talent management process, employee engagement surveys to monitor employee feedback, a performance management system, among others. We believe that these practices and processes will enable us to enhance our employees' productivity, job satisfaction, and retention rate, resulting in increased organisational growth and success. Moreover, we remain committed to continually improving these practices and processes to align with our evolving needs and the changing business environment.

Employee Remuneration

At Solar, we believe in providing equitable wages to all our employees as it is not only a matter of ethical and social responsibility but also essential for business success. We follow a comprehensive approach to determine wages, which includes factors such as industry standards, skill level, experience, and local cost of living. Providing fair wages not only fosters a positive work environment but also helps in attracting and retaining skilled employees, leading to increased productivity and profitability. By ensuring equitable wages, we strive to contribute towards reducing income inequality and improving the quality of life for our employees and their families.



Employee Health and Safety

Our main priority is health and safety management, and we're dedicated to getting to "Zero Harm." To accomplish this, we are developing a range of strategies.



Our organisational culture prioritizes the wellbeing, competency growth, and safety of all our employees. We provide a range of benefits to support our employees, including life insurance, health insurance, disability coverage, retirement provisions, and Mediclaim coverage. However, the availability of these benefits may vary depending on the operational region and employment level.

Occupational Health & Safety

Our Safety, Health, and Environment (SHE) committee manages our safety governance system. Through regular audits and consultation with both internal and external stakeholders, we strive to continuously improve our Health and Safety (H&S) system. Our objective is to foster a culture where H&S is viewed as a critical

component of ethical business practices, leading to higher levels of productivity, dependability, and motivation among our workforces.

We take a proactive approach to H&S by designing and operating our facilities with a focus on accident prevention. This includes minimizing risks that could harm our workers, contractors, or the local community, as well as mitigating any potential adverse effects on the environment.

Safety Incident/Number	Category	FY 2020-21	FY 2021-22	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) [per one million-person hours worked]	Employees	0	0	0
	Workers	0.06	0	0.01
Total Recordable Injury Rate	Employees	0	0	0
	Workers	0.06	0	0.01
No. of fatalities	Employees	0	0	0
	Workers	0	0	0
High consequence work-related injury or ill-health [excluding fatalities]	Employees	0	0	0
	Workers	0	0	1

Process Safety Event	Unit	FY 2020-21	FY 2021-22	FY 2022-23
Tier -1	Number per million hours worked	0.15	0.68	0.42

Emergency preparedness plans and mock drills

Emergency preparedness strategy comprises the following elements:

Risk Assessment: We conduct preliminary risk assessment to identify prospective dangers and their chance of happening.

Emergency Response Team: Our emergency response constitutes of trained personnel and their roles and duties that are well defined. First-aid providers, individuals in charge of evacuation, communication, and coordination will all fall under this category.

Communication Plan: We have well-defined plans for communicate in case of emergency. This covers how to communicate with employees and workers, vendors, clients, and the public.

Evacuation Procedures: Clearly outlined evacuation plan is available which includes the specifics related emergency exits, alternate routes, and designated assembly sites.

Drills and Exercises: We conduct regular mock drill to identify the gaps in the existing emergency preparedness plan and further improve the response process.



Our Initiatives

1 Eliminating human risks

We have identified several areas in our manufacturing facility where the potential for accidents exists. To mitigate this risk, we have implemented automation to reduce the need for human intervention.

2 Improvising on safety of our personals

We identified areas within the facilities where lighting was inadequate, and machinery posed potential risks to personnel carrying out manufacturing activities. As a result, we made improvements to the working conditions by installing systems to enhance personal safety.

Supply Chain Management

At Solar, we recognize the vital role of our supply chain partners in our business success. We prioritize engagement with all our suppliers through constant dialogue, cultivating strong relationships, and urging them to embrace responsible supply chain practices.

Supporting small and local businesses in the areas where our plants are located is important to us, as it creates jobs and builds stronger communities. External suppliers and contractors generally prefer hiring workers from nearby communities, further contributing to local economic growth.

We also prioritize the health and safety of our employees and partners. We work closely with our vendors to strengthen their occupational health and safety requirements across all our plants.

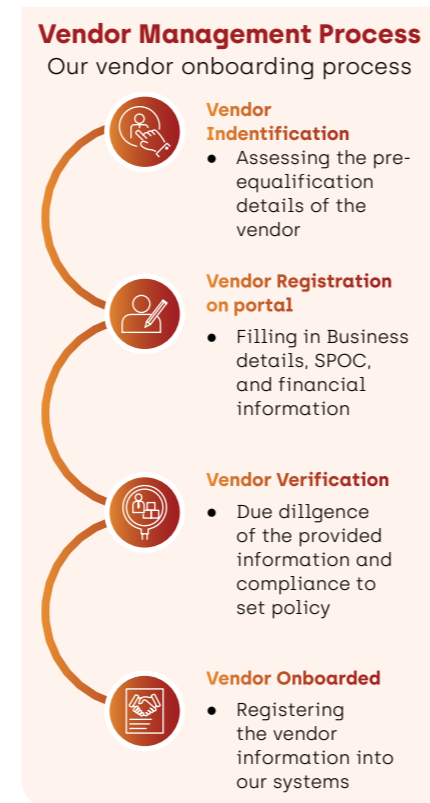
Some of our vendors have even customized their processes to meet our needs and supplied products that meet our specifications.

To further strengthen our supply chain management, we have significantly digitized our operations. This enables us to quickly evaluate, onboard, and validate suppliers at various stages of our value chain. Their knowledge, products, and services enable us to bring value to our customers.

Our aim is to have a deeper engagement with our suppliers to increase social and environmental awareness and continuously improve their sustainability performance. By collaborating closely with our suppliers, we can ensure that we meet our customers needs while contributing to a better world. We work with local vendors on our projects to ensure timely and efficient acquisition of supplies, improving the overall experience.

Vendor Management Process

Our vendor onboarding process



Innovation

Our ability to thrive and succeed in a highly competitive environment is primarily driven by our robust R&D expertise and technological capabilities. Our extensive industry experience over the years has enabled us to consistently deliver products that perform well in critical downstream industries.

At Solar, we foster an innovative culture that welcomes ideas that drive future growth. Our dedicated team continuously monitors the evolving industry and customer needs, gathering information and bringing new ideas to the table. Our innovative approach drives productivity, enhances operational performance, and enables us to create a differentiated value proposition.

We introduced several initiatives to improve our operational efficiency. We installed digital tools for vendor management, supply chain management, and distribution tools that enable better forecasting.

In addition to developing new products, our R&D team is striving to improve the quality, safety, and performance of our existing product range. The 'Centre of Excellence' at Solar features a sophisticated laboratory for High Energy materials accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL), supporting our efforts to create an efficient and technologically advanced R&D facility.

Our product development team constantly works towards coming up with new product range suitable for market demand, as well as economic and eco-friendly uses. Our subsidiary, Economic Explosives Limited, in collaboration with Terminal Ballistic Research Laboratory (TBRL), has designed and tested the advanced Multi-Mode Hand Grenades (MMHG). Our goal is to introduce sustainable products such as super green primary explosives and develop insensitive munitions (NTO), which will enhance the safety standards of our munition technology.

Our Customers

We are committed to enhancing customer satisfaction by providing safe, reliable, and high-quality products that add value to our customers. We engage with our customers through various channels, including client visits, technical seminars, and safety workshops, to understand their needs and deliver top-notch services. We conduct performance analyses to ensure that we provide the best-in-class solutions to our business partners.

To continuously improve, we regularly collect and analyse customer feedback. We handle customer complaints promptly and effectively, carefully analysing each complaint and taking corrective or preventative actions as necessary. Our dedicated technical team not only resolves customer problems but also ensures that customers are adequately trained on product usage and are compliant with statutory regulations related to transportation and storage.

Overall, our goal is to build strong relationships with our customers by providing outstanding products and services that meet their needs and exceed their expectations.

Our Community

Our CSR programs are aligned with our mission to support the socio-economic growth of the regions where we operate. Our community development initiatives are carefully planned and implemented in accordance with our strict CSR Policy. We offer a variety of organized interventions in fields such as education and infrastructure, striving towards inclusive development of communities in the vicinity of our operations and registered office.

At Solar, we believe that quality education is a fundamental human right that empowers individuals both socially and economically. Therefore, we provide education to young people from disadvantaged social groups. To this end, we have contributed to the growth of infrastructure and construction of local educational districts. We are also aiding indigenous and underprivileged students to support their education.

Our Initiatives

1. Promoting Education

We believe in right to education and strive to contribute to promoting this, we identified areas near to our sites and contributed towards construction of school and its facilities, providing supporting equipment and financially supporting underprivileged children.

2. Working towards preventive Healthcare

Our communities plays a vital role in our value creation and giving back to it is what we believe is our duty. In regards, with better healthcare, we contributed through constructing advanced OPD, provisioning medical equipment's to for the hospital and enabling the provision of low-cost services for the financially weaker section of the society.

3. Promoting Sanitation

We promoted better sanitation practices and provided a Sanitation Van to collect garbage from homes for better disposal and create cleaners, healthier and better surrounding for all. Furthermore, we worked towards promoting better menstrual hygiene practices among the under privileged girls and women of the community.

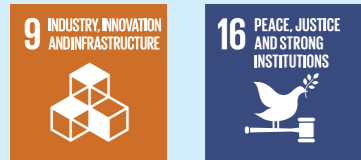
4. Working towards skill development

We continuously strive towards accomplishing the national objective of 'self-reliance' which includes making strides in enhancing the skill sets of the underprivileged youth. Our endeavours encompass not only the establishment of better infrastructure but also bringing skill development programs to the under-privileged section of the community to enhance their prospects of future employment.

Governance

DOING BUSINESS WITH ETHICS AND TRANSPARENCY

SDG Linkage



Strategic Pillar Linkage:

4 3

Material issues Linkage:

- 1 Economic Performance
- 2 Business Resilience
- 3 Regulatory Compliance
- 4 Innovation
- 5 R&D
- 6 Ethical Business Conduct
- 7 Critical Incident Risk Management

To achieve successful integration and management of sustainability in any organisation, committed leadership, clear direction, and strategic influence are crucial.

Elements like ethics and transparency cannot be established without a robust governance structure. At Solar, we have implemented a comprehensive sustainability governance framework that enables us to effectively execute our sustainability strategy throughout the organisation. This structure facilitates the management of goal setting and reporting processes, strengthens relationships with internal and external stakeholders, and ensures overall accountability for our sustainability efforts.

We are dedicated to enhancing good governance practices at Solar by integrating Fairness, Accountability, Disclosures, and Transparency into our

business practices and work culture. Our corporate governance model is built upon these essential pillars, demonstrating our unwavering commitment to responsible management.

Board Composition

The Board at Solar consists of members with diverse experiences, knowledge, expertise and skills that are best suited to meet the governance and strategic needs. Our Board members possess years of expertise and exposure in fields such as business, industry, finance, law, administration, economics, and others, which enhance the Board's overall performance and value.

To achieve a diverse board, we ensure that three factors are in place. They are as follows:

1 Optimum composition

This factor establishes guidelines for the number of independent, non-independent, executive, non-executive, and Women directors to ensure a well-rounded board.

2 Functional diversity

This factor considers directors who have knowledge and experience in different domains such as finance, legal, risk management, and other industries to bring a broad range of perspectives to the board.

3 Stakeholder diversity

This factor is concerned with having directors on the board who represent the interests of external stakeholders, such as customers, shareholders, and community members.

By ensuring these three factors are in place, we can build a board that is diverse in terms of composition, knowledge, and stakeholder representation. This can lead to better decision-making, increased innovation, and improved Company performance.

Board Policies

We have created a robust sustainability policy framework that aligns with our mission and drives our ESG agendas forward. Our Sustainability Policies are carefully crafted to address the diverse needs of our business and encompass a range of areas such as:



Our comprehensive approach to sustainability ensures that we are addressing all facets of our business operations and demonstrates our commitment to making a positive impact on the world around us. We believe that by incorporating these policies into our day-to-day operations, we can create a sustainable business that benefits all stakeholders, including our employees, customers, and communities.



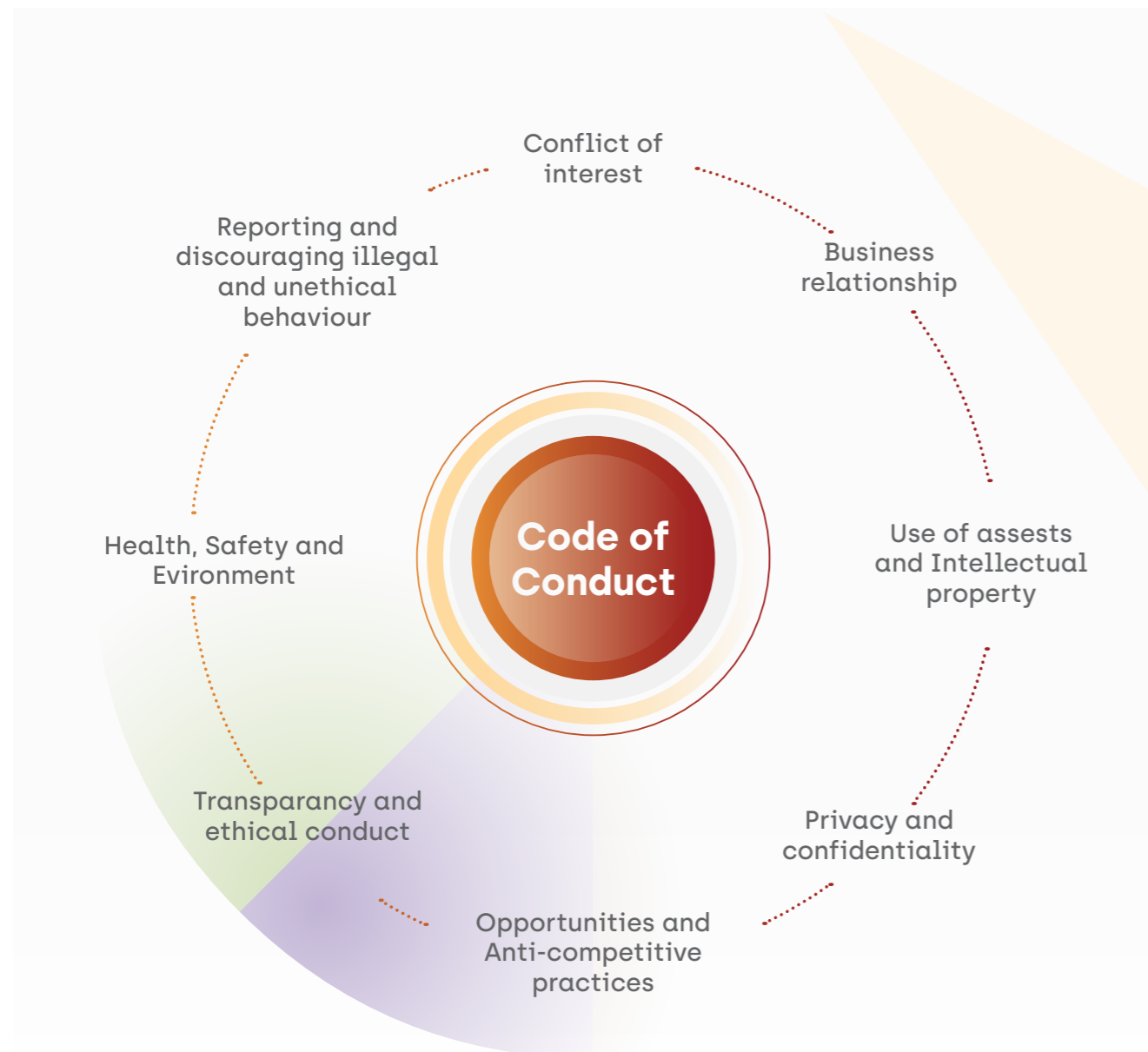
Business Conduct

Ethical governance is a top priority for Solar, and we consider it to be one of our most valuable assets. Our ongoing efforts include the implementation of significant measures customised to demonstrate and integrate ethical values and behaviour standards throughout all levels of the organisation, in order to promote a culture of high discipline and conduct. In addition, we are

working to boost the morale of our organisation, management, and employees to ensure that our actions and operations align with our business ethics principles.

We enforce a comprehensive Code of Conduct policy that extends to all levels of personnel, including Board Members, Key Managerial Personnel, Employees, and Workers. This policy serves as a guide to ensure that

everyone is fully aware of their responsibilities in maintaining appropriate workplace behaviour. This encompasses a wide array of subjects that are critical in cultivating transparency and encouraging effective functioning throughout the organisation.



Human Rights

Our Company operates in a heavily regulated industry, and we maintain the utmost commitment to adhere to the legal compliance standards. A core component of this commitment is our steadfast dedication to upholding human rights. We believe that respecting and advancing human rights is not only a legal obligation but a moral imperative that transcends legal requirements.

To this end, we take a proactive approach in ensuring that our policies and practices align with our human rights values. This includes providing equal opportunities for all employees and implementing measures to improve workplace safety. We are committed to continuously evolving our practices to ensure that we are creating a positive and inclusive work environment that respects human rights and enables our employees to thrive. We have a zero tolerance for any kind of harassments and human rights violations.

In FY 2022-23, no cases were filed on human rights abuse.

Policy Advocacy

Our organisation has an advocacy policy that aligns with the principles of trade associations and a code of conduct to enhance transparency. This policy is communicated throughout the Company and displayed on the website. Implementation is overseen by the Managing Director, with monitoring by the SCRC, which also reviews any grievances or complaints. The responsible Committee of the Board reviews the SCRC report annually to ensure that the Company remains aligned with its principles and core elements.

In addition to government advocacy efforts, Solar's regulatory affairs and government affairs teams represent the Company's stance to various trade associations, including FICCI, CII, SAFEX International, EMWA, QCFI, and Vidarbha Industries Association. They also participate in meetings with regulatory bodies as representatives of these trade associations.

Information & Cyber Security

Our organisation focuses on Information security best practices to ensure data privacy and safeguard sensitive information, these are crucial components of our risk management framework, and we prioritize upholding their requirements to ensure our data's security and privacy.

Our Information Security practice outlines measures and controls to protect information assets' confidentiality, integrity, and availability as per ISO 27001:2013.

We have business continuity and incident response procedures in place, which we test annually.

- ▶ Comprehensive inventory of Information Assets (Hardware, Software, Service, etc.) is being maintained to enable risk assessment and implementation of proportionate Cyber Security controls and efforts. Risk assessment is being done on every quarter which covers all area of information security.
- ▶ Periodic security assessment of internet / intranet applications, network devices and servers are conducted along with threat mitigation strategy of the observed vulnerabilities.

- ▶ Comprehensive access control measures are used for providing access to resources on need-to-know basis and least privilege principle, while providing centralized manageability for access authentication and authorization.
- ▶ Secure mailing and messaging systems is implemented. Spam gateway is configured to prevent email spoofing, identical mail domains, email phishing and malicious links.
- ▶ Vendor risk management framework is provisioned to evaluate, assess, approve, review, control, monitor and manage the risks and materiality of all the vendors and outsourced activities.
- ▶ Content filtering / Anti-Phishing services is subscribed to, from external providers, to restrict access of un-appropriated website.

The Data Privacy Policy focuses specifically on personal data privacy, detailing procedures, and controls to comply with regulations and mitigate related risks. Additionally, we continuously implement new cybersecurity measures, including advanced technologies and regular testing and updating, to stay ahead of potential threats. We also provide information security awareness emails to employees and training to end users.

We take the security of our products and the data they handle seriously and are committed to maintaining a robust cybersecurity system to prevent breaches or data loss. The risk management committee oversees information and cyber security.

Board of Directors



Shri Satyanarayan Nandlal Nuwal

Chairman and Non-Executive Director



Shri Manish Satyanarayan Nuwal

Managing Director and CEO



Shri Milind Deshmukh

Executive Director



Shri Suresh Menon

Executive Director



Shri Amrendra Verma

Non-Executive Independent Director



Smt Sujitha Karnad

Non-Executive Independent Director



Shri Natrajan Ramkrishna

Non-Executive Independent Director



Shri Jagdish Chandra Belwal

Non-Executive Independent Director

Awards & Accolades



Our MD & CEO has received the W.E.- Matter Employees' Choice - **Best CEO Award** based on the survey across various industry.

Received **Golden Peacock Awards,** for Excellence in Corporate Governance - 2022 under the Engineering (Explosives) category instituted by Institute of Directors, India

Par excellence in 5S accreditation from JUSE/QCFI.

HSE Excellence in Transportation, Distribution and Storage

First successful dispatch of BrahMos Booster by Private industry.

First Indian company for clearing successful flight trials of Nagastra [Loitering Munition] by competing with foreign OEMs.

Successful Static Test of PSOM-XL motor for PSLV Launch Vehicle at ISRO

Handing over of 30mm ammunition to Indian Navy – **First by Private Industry.**

Successful completion of Technology Absorption of Chaffs and Flares. **Received Airworthiness certificate from Airforce certified agency** for both the products.

Corporate Information

Board of Directors

Shri Satyanarayan Nuwal
Chairman and
Non-Executive Director

Shri Manish Nuwal
Managing Director and CEO

Shri Suresh Menon
Executive Director

Shri Milind Deshmukh
Executive Director

Shri Amrendra Verma
Non-Executive
Independent Director

Smt. Sujitha Karnad
Non-Executive
Independent Director

Shri Natrajan Ramkrishna
Non-Executive Independent
Director
[Appointed on the Board w.e.f.
October 19, 2022]

Shri Jagdish Chandra Belwal
Non-Executive Independent
Director
[Appointed on the Board w.e.f.
December 05, 2022]

Shri Dilip Patel
Non-Executive
Independent Director
[Resigned from the Board
w.e.f October 19, 2022]

Shri Ajai Nigam
Non-Executive
Independent Director
[Resigned from the Board
w.e.f March 3, 2023]

Joint Chief Financial Officer

Shri Moneesh Agrawal

Smt Shalinee Mandhana

Company Secretary & Compliance Officer

Smt. Khushboo Pasari

Corporate Identification Number

L74999MH1995PLC085878

Registered Office

"Solar" House 14, Kachimet,
Amravati Road, Nagpur,
Maharashtra 440023
Phone No. +91-712-6634555
E-mail: solar@solargroup.com

Statutory Auditors

M/s S R B C & Co. LLP
12th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai - 400 028, India

Jointly with

M/s. Gandhi Rathi & Co
Parekh Center, 3rd Floor,
Opp. Daga Hospital,
Gandhibagh, Nagpur- 440002

Bankers

State Bank of India
Axis Bank Limited
HDFC Bank Limited
ICICI Bank Limited
IndusInd Bank Limited
Standard Chartered Bank
Punjab National Bank
Kotak Mahindra Bank
RBL Bank
YES Bank

Debenture Trustee

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills
Compound, Pandhurang Budhkar
Marg, Worli, Mumbai- 400025

Registrar and Transfer Agents

M/s Link Intime India Pvt Ltd.
C-101, 247 Park
LBS Marg, Vikhroli (West)
Mumbai – 400083
Tel No. – 022-49186000
E-mail: rnt.helpdesk@linkintime.co.in

Grievance Redressal Division

investor.relations@solargroup.com

Audit Committee

Shri Amrendra Verma
Chairman

Shri Sujitha Karnad
Member

Shri Manish Nuwal
Member

Shri Natrajan Ramkrishna
Member
[w.e.f October 19, 2022]

Shri Dilip Patel
Member
[Resigned w.e.f. October 19, 2022]

Stakeholders Relationship Committee

Shri Amrendra Verma
Chairman

Shri Manish Nuwal
Member

Shri Suresh Menon
Member

Nomination and Remuneration Committee

Shri Amrendra Verma
Chairman

Smt. Sujitha Karnad
Member

Shri Natrajan Ramkrishna
Member
[w.e.f March 3, 2023]

Shri Dilip Patel
Member
[Resigned w.e.f. October 19,
2022]

Shri Ajai Nigam
Member
[Resigned w.e.f March 3, 2023]

Risk Management Committee

Shri Manish Nuwal
Chairman

Shri Amrendra Prasad Verma
Member

Shri Natrajan Ramkrishna
Member
[w.e.f October 19, 2022]

Smt. Sujitha Karnad
Member
[w.e.f May 2, 2022]

Shri Suresh Menon
Member

Shri Milind Deshmukh
Member

Shri Dilip Patel
Member
[Resigned w.e.f. October 19,
2022]

Shri Moneesh Agrawal
Member

Smt. Shalinee Mandhana
Member

Shri Sanjay Singh
Member

Shri Prashant Joshi
Member

Shri Kedar Ambikar
Member

Corporate Social Responsibility Committee

Shri Satyanarayan Nuwal
Chairman

Shri Manish Nuwal
Member

Smt. Sujitha Karnad
Member
[w.e.f March 3, 2023]

Shri Ajai Nigam
Member
[Resigned w.e.f March 3, 2023]

Executive Committee

Shri Manish Nuwal
Chairman

Shri Suresh Menon
Member

Shri Milind Deshmukh
Member



Management Discussion & Analysis

Global economic overview

Energy crisis, rising inflation, tight financial conditions in most parts of the world and a hike in commodity prices are denting business sentiments globally. The ongoing geopolitical quandary and the resurgence of Covid-19 in China have further aggravated the situation.

As per the latest estimates by the International Monetary Fund, global growth slowed down and is estimated to grow by 3.4% in CY23 compared to 6.2% in CY22.

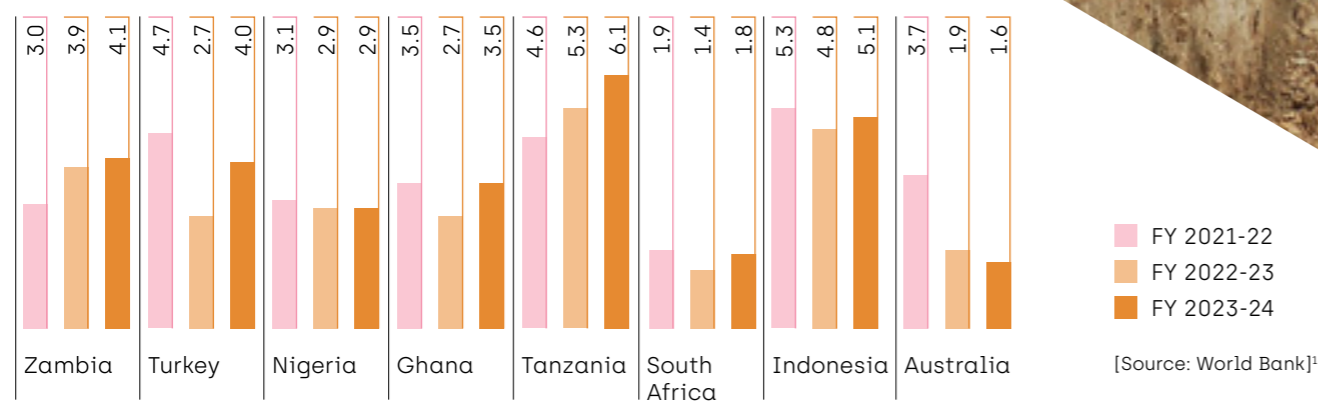
"As per the Global Economic Outlook, Global Growth is to fall from 3.4% in F-22 to 2.8% in F-23 before settling at 3.0% in 2024". With the exception of the global financial crisis and the peak of the COVID-19 crisis, it is the weakest growth estimate since 2001. Global inflation is further expected to rise from 4.7% in 2021 to 8.8% in 2022, before softening to 6.5% in 2023 and 4.1% in 2024.

Dwindling private sector savings will test the emerging markets' ability to withstand continued

tightening in global financial conditions and weaker global growth. Geopolitical stresses remain unresolved and represent two-sided risks for emerging markets in 2023.

As advanced economies raise interest rates to fight inflation, financial conditions are tightening, especially for their emerging-market counterparts. Flexible exchange rates are insufficient to absorb external shocks and policymakers will need to implement foreign exchange interventions or capital flow management measures to emerge from the present scenario.

GDP Growth Projection [%]



¹ <https://www.worldbank.org/en/publication/global-economic-prospects>

Turkey

The Turkish economy was significantly impacted by widespread inflation. During the year, inflation reached an all-time high of 85%. Its domestic currency also depreciated significantly in the first half of the fiscal but various initiatives taken by the Turkish government helped stabilise the currency in recent months. Turkish exports hit an all-time high during the said period. Turkey recorded a 13% rise in exports by value, with sales hitting USD 254 billion in 2022.

The earthquake took an enormous toll on existing assets and suppress economic activity as the country faces a humanitarian crisis. This has affected the economic activities in the affected region in short term. However, subsequent large-scale rebuilding efforts by the public and private sectors are expected to boost the associated economic activities and the country's GDP growth.

According to the World Bank, economic growth is projected to slow down to around 2.7% in 2023-24. It is expected that inflation is to decline but will remain above 40%. This will dent household purchasing power while heightened uncertainty will deter investment. Export growth is expected to be slow as external demand weakens. The unemployment rate is projected to stay above 10% in 2023. Large external finance requirements and minimal reserve buffers may make the economy sensitive to shocks.

² <https://budget.gov.au/>

Australia

The Australian economy saw its steepest inflation jump in four decades in 2022. Inflationary pressures impacted household purchasing power. The government's initiatives and expenditure on cleaner and cheaper energy, education, nation-building infrastructure, and other activities to promote its sectors have contributed to the economy's resilience.

The growth rate of Australia's economy is expected to slow down to 1.9% in 2023 and 1.6% in 2024. Rising inflation, the rapid increase in interest rates by the RBA and other macro-indicators are some of the major reasons for such slow growth. Inflationary pressures are expected to diminish as the labour market cools and supply chain bottlenecks ease. A stronger-than-expected decline in house prices is a key risk to the Australian economy.²

South Africa

South Africa is one of the few economies that is pioneering the transition to a low-carbon economy. The World Bank-supported \$497 million initiative has improved the countries' coal sector's prospects. Mpumalanga province produces over 83% of the country's total coal production. This initiative opened up new options and increased coal output in that province.

As projected by the World Bank in its report, South Africa's economic growth is expected to slow down to 1.4% in 2023 but will rise to 1.8% in 2024 owing to policies in place by the Government.³

³ <https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

Ghana

According to the African Development Bank, Ghana's GDP is set to grow by 3.6% in 2022. This is 1.8% less than the figure for 2021. Deep macroeconomic imbalances, increased inflation, a depreciating local currency, and a huge public debt impacted on growth.

Ghana's real GDP growth is expected to decline in 2023 due to rising consumer prices and fiscal tightening, which weigh on private consumption and investment. During the fiscal year, the government's spending has decreased. Ghana's economic growth rate is expected to reach 5.8% by 2027 as new projects come online, fueled by an increase in gold exports.

Nigeria

Owing to several global as well as domestic headwinds, Nigeria's economic growth has slowed. The country experienced declined oil output and moderating non-oil activity during the fiscal. Like other economies, the Nigerian economy is also severely affected by the cost of living crisis. Despite these headwinds, Nigeria is one of the few economies to continue its growth momentum. The decline in its growth rate is relatively less than the global economy.

Nigeria's GDP is expected to grow by 2.9% between 2023 and 2024. The decline in oil production, insecurity ahead of the 2023 general elections and high inflationary pressure remain the major areas of concern for the Nigerian economy. For 2023, the manufacturing sector is expected to expand. Purchasing Managers Index (PMI) shows confidence within key sectors of the economy.



Zambia

The education and Information, Communication and Technologies (ICT) sectors have performed well throughout the year. The increased allocation in the government's yearly budget for health, environmental protection, housing and community facilities, and cultural development is projected to boost the country's economic activity. With the resolutions addressing the debt crisis, economic recovery is likely to continue in 2023, and inflation is expected to reduce further. Zambia's economy is one of the few in the Southern African area that is growing favourably. According to the World Bank's most recent prediction, Zambia's GDP would grow by 3.9% in 2023 and 4.1% in 2024.



Tanzania

Pro-growth policies are at the top of the government's economic strategy. It seeks to maintain expansion momentum while cushioning the economy from external shocks. The government's strategies include deepening investments in transport, information and communication technology, and energy to support spatial transformation and inclusive growth, with the purpose of significantly scaling up human capital development.

These interventions will address the rural-urban divide and boost the enablers for poverty reduction that affect access to infrastructure, social services, and productive jobs. Given the key role of the private sector, the framework is expected to maximise access to finance and generate employment for Tanzania's development. Tanzania's GDP is expected to grow by 5.3% in 2023,

according to the World Bank. This forecast is significantly higher than Sub-Saharan Africa's average growth rate of 3.6%.



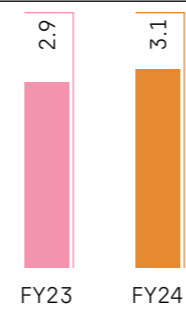
Indonesia

[Indonesia's 2022 GDP growth races to a 9-year high on resource boom]

Indonesia has the largest economy in Southeast Asia and is classified as a newly industrialized country due to its status as a middle-income country and member of the G20. With a nominal GDP ranking of 17th in the world and a GDP [PPP] ranking of 7th, Indonesia relies heavily on domestic market consumption, government budget spending, and its ownership of 141 state-owned enterprises. Additionally, the administration of pricing for essential goods, such as rice and electricity, plays a vital role in Indonesia's market economy. The Indonesian economy is estimated to have grown by 5.3% in 2022. Indonesia's economic growth reached its highest level in nine years because of increased spending brought on by the easing of pandemic restrictions and record-high exports driven by a surge in global commodities. Household consumption accounted for more than half of its growth. As Covid-19-related restrictions eased, it was further supported by travel-related spending. Exports during the same period also rose significantly.

The Indonesian economy is expected to grow by 4.8% in 2023. Household consumption is expected to drive the growth momentum for the economy. Investment in public infrastructure and improvement in people's mobility will further expand the growth momentum of the country.

Global Economy [%]



Outlook

Global central banks are striving to strike a balance between growth and inflationary concerns and are thus resorting to liquidity tightening measures. They are closely monitoring liquidity positions and aiming to boost sentiments. However, a number of countries are experiencing tepid growth and the future of the global economy is critically dependent on the proper calibration of monetary policy, the course of the war in Ukraine and the possibility of more pandemic-related supply-side shocks.

High energy prices have pushed up inflation, which is estimated to gradually moderate in CY23 and CY24. The IMF predicted global inflation to decline to 6.5% in CY22 from 8.8% in CY22. The government's focus on monetary policy, providing financial assistance to those who need it the most and addressing the energy issue through energy savings, supply diversification, and investment in low-emission sources would help in stabilising inflation.

Indian economy

The Indian economy demonstrated resilient growth in FY 2022-23, manifesting strong indications of macroeconomic stability. The country has recovered from a series of shocks such as the pandemic-induced disruption in economic activity, and the sudden rise in commodity prices fuelling inflation owing to the prolonged Russia-Ukraine conflict.

According to the first advance estimates by National Statistical Office (NSO), the Indian economy is estimated to have recorded a growth of 7% in FY 2022-23, thus reiterating its position as one of the fastest-growing major economies.⁴ According to a recent valuation in terms of size by the International Monetary Fund (IMF), the Indian economy has overtaken the United Kingdom's economy and become the world's fifth-largest economy⁵. This is the outcome of prudent fiscal and monetary policies of the Government of India and the RBI, proactive vaccination coverage and the sustained capital expenditure of the government. A revival in private investment after the pandemic and bank credit growth are likely to restore momentum of the economy against the background of global recession.

Inflation continues to be a major challenge for growth. According to the RBI, headline inflation is estimated to be at 6.5% for FY 2022-23. The RBI has estimated the inflation for the October-December 2022 quarter to be 6.6% and for the January-March 2023 quarter at 5.9%. It is projected to further decrease to 5% in the April-June 2023 quarter.

However, it is not high enough to deter private consumption and also not so low as to weaken the inducement to invest. In addition, with inflation on a declining path,

the interest cost of domestic credit will reduce, inducing a further rise in credit demand by corporates and retail borrowers.

Despite high inflation, economic activity and human consumption have continued to expand, as seen by rising railway freight, E-WayBills, air traffic, PMI data, and other high-frequency indicators. There is a small revenue gap as a result of the reduction in excise tax on petroleum items. Overall revenues point to a bright future for the Indian economy

Outlook

India's recovery from the pandemic was relatively quick compared to other developing economies, and growth in the coming year will be supported by robust domestic demand and a pickup in capital investment. Even as India's outlook remains bright, global economic prospects for the near term have been weighed down by various challenges, which are expected to impart a few spill-over effects for the Indian economy.



Against this backdrop, the Economic Survey projects a baseline GDP growth of 6.5% in real terms in FY 2023-24. The projection is broadly in line with estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB and by RBI [Source: Economic Survey 2022-23].

Industry overview

Global industrial explosives industry

Industrial explosives are used in blasting that are typically employed in mining and construction. Explosives in mining have the biggest market share and may be found in coal mining, quarrying, non-metal mining, and metal mining.

The market is witnessing growth, due to the rising demand for blasting materials from the mining and construction industry. Increasing population and rapid urbanisation are ensuring significant opportunities for

⁴ https://rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=55178

⁵ <https://www.weforum.org/agenda/2022/09/india-uk-fifth-largest-economy-world>

ongoing and upcoming Industrial and commercial projects, which need explosives for various purposes.

Outlook

With inflation on a declining path ongoing and upcoming Industrial and commercial projects, which need explosives for various purposes. It is expected to drive the Industrial Explosives market substantially during the forecast period. With a CAGR of 5.4%, the global industrial explosives industry is expected to grow to more than US\$ 16 billion, between 2023 and 2028 .

Indian industrial explosives industry

Below are the growth drivers for the Indian explosives industry.

Real Estate & Housing

[The Real Estate Industry in India is expected to reach USD 1 Trillion by 2030 and will contribute 13% to India's GDP by 2025.]

After exhibiting resilience during the pandemic, the Indian real estate sector has already been the major housing market with strong consumer demand and rising per-capita income. The market grew by over 40% in 2022. According to independent property consultant Knight Frank India, cities like Mumbai, Bengaluru, and the National Capital Region (NCR) have been witnessing increasing sales. The current scenario of sales is fuelling the expectations of double-digit growth numbers in 2023.

The 225 BPS cumulative increase in the repo rate in 2022, as well as the resulting increase in home-loan rates, caused a reduction in homebuyers' affordability in the Indian market in 2022. While affordability levels in 2022 have risen since 2021, they remain much higher than pre-pandemic levels in 2019.

The housing market, which drives growth and sustains the whole real estate industry, is set to have an extraordinarily outstanding and probably record-breaking year in the near future. Residential sales have increased by 51% since the Covid-19 era. This is not to say that the real estate market is ideal or without flaws, since several factors, such as rising mortgage rates, inflation, and building material shortages, might stymie expansion. As long as these concerns are restricted in scale, they are not serious and may even be innocuous. A strengthening economy, a return to pre-pandemic working conditions, and different government efforts are all contributing to a very favourable climate.

Outlook

The Finance Ministry has made a significant increase in the budget allocation for the Pradhan Mantri Awaas Yojana, raising it from ₹ 48,000 crore to ₹ 79,000 crore for FY 2023-24. With a target of building 29.5 million houses by FY 2023-24, 21.1 million houses have already been constructed, and the remaining houses are expected to be constructed by March 2024.⁷ This increase is expected to boost demand for raw materials such as steel, cement, stone aggregate, and consequently, explosives. This development could have a positive impact on the economy by creating more job opportunities and stimulating growth in the construction industry.

Ports

The Indian government has set an ambitious goal of increasing the handling capacity of its ports to 10,000 million tonnes per annum by the year 2047. This represents a four-fold increase from the current total port capacity of 2604.99 million tonnes.⁸ Achieving this target will require significant infrastructure development, including excavation work to improve port connectivity and roads.

Outlook

The Government is investing heavily in port infrastructure, which will help improve efficiency and capacity. The Government is also focused on investing in various projects to ensure that India's ports can efficiently handle the growing volume of goods being traded globally. This development could have a positive impact on the economy by increasing trade, creating job opportunities and improving the country's overall infrastructure. Therefore, the outlook for Indian ports remains promising. The country is expected to witness strong economic growth in the coming years, which will boost the demand for port services.

Cement and limestone

The Indian cement sector, which accounts for over 8% of the country's GDP, is the world's second-largest cement producer after China. India's installed capacity is over 550 million Tons per year, and the country's contribution to global output has risen to 8%, the second largest in the world. Cement, a crucial component of modern construction and infrastructure development, plays a vital role in shaping our future in multiple ways. According

to ICRA, India's cement industry remains a highly underpenetrated market in the world among major economies. The per capita cement consumption of the world is 500-550 kgs whereas, in India, per capita cement consumption is just 240-250 kgs.

Although per capita consumption remains low, a growth in home building across India and the government's emphasis on infrastructure development are providing the cement sector a good outlook. Rural housing remains in great demand, followed by infrastructure and urban housing. In comparison to other sectors, segmental demand for the industrial and commercial sectors has remained modest.⁹

Outlook

It is expected that the demand for cement in India will experience significant growth of 8-10% due to the emphasis placed on the housing and infrastructure sectors in the FY 2023-24 budget. This emphasis includes investment in the development of roads, railways, ports, and other critical infrastructure apart from Housing. As a result, the demand for cement, a key material in the construction industry, is likely to increase substantially to support these projects. It is anticipated that non-residential sectors such as infrastructure development and

commercial projects would fuel cement market growth. Growth is expected to be fastest in the eastern regions, followed by the central and southern regions, although the northern and western regions may be more muted. Mining of iron ore, limestone, and stone aggregate has increased as a result of enhanced development in housing, infrastructure, and steel, which is demonstrated by growth in cement.

Steel and iron ore industry

India has become the world's second-largest producer as well as consumer of steel. During Financial year total Crude Steel Production was 125.32 Million Tons. The metals sector engages 11.49 lakh of people consisting of 7.06% of the total employment share. The steel sector has witnessed a huge transformation during the past eight years and has emerged globally from being the fourth largest producer to the second largest producer and the second largest consumer of steel. Steel usage in India climbed from 57.8 kg in 2013-14 to 77 kg in 2022 and is predicted to reach 220 kg by 2047. India has increased the installed capacity of production of steel by 50% to 155 million tonnes in FY 2021-22 from around 100 million tonnes in FY 2013-14. The removal of export duties on steel and stainless steel will strengthen that sector of the economy.¹⁰

Outlook

The National Steel Policy 2017 outlines an ambitious goal for India to double its production capacity from 155 million tonnes to 300 million tonnes by FY 2030-31. To achieve this, certain major players in the private sector are expected to expand their capacities by over 60 million tonnes in the next two financial years. In addition, the Steel Authority of India plans to increase its current capacity of 20.63 million tonnes per annum to 35 million tonnes per annum by FY 2030-31. To meet this increased demand, 444 million tonnes of iron ore will be required, as well as other resources such as limestone, coal, and dolomite. This presents a positive outlook for the explosives industry.²

Roads and infrastructure sector



India has the second-largest road network in the world at about 62.16 lakh km. The Nation's pride, the visionary project of Atal Tunnel that runs under the 'Rohtang Pass' which was constructed on the 'Manali - Leh' Highway under the challenging conditions of freezing temperatures in extremely difficult terrain, has officially been certified by the World Book of Records, as the 'World's Longest Highway Tunnel above 10,000 Feet'.



⁶ <https://www.wicz.com/story/47751483/Industrial-Explosives-Market-Size-International-Trends-Latest-Techniques-Key-Segments-And-Earth-Science-Forecasts-until-2028/>

⁷ <https://newsonair.gov.in/Main-News-Details.aspx?id=455071#:~:text=The%20Government%20has%20also%20enhanced,13%20percent%20over%20previous%20year.>

⁸ <https://pib.gov.in/PressReleasePage.aspx?PRID=1886868>

⁹ <https://beeindia.gov.in>

¹⁰ <https://steel.gov.in/overview-steel-sector>

¹¹ Ministry of Steel, Government of India

Outlook

The budget for FY 2023-24 has signalled a renewed focus on infrastructure and housing, with a significant increase in the outlay for Roads and Highways. The allocation for this sector has been raised from ₹ 1,99,000 crore to ₹ 2,70,000 crore, indicating a strong commitment to the development of National Highways in the country. This increased investment is set to give a substantial boost to the National Highway Construction Sector. In FY 2022-23, the National Highway construction fell short of its target of 12,000 KM due to land acquisition issues. However, the Ministry plans to construct 14,000 KM of highways in FY 2023-24. The development of rural roads under the Gram Sadak Yojana will also receive significant attention in the coming year.

Mining

The mining sector in India is one of the country's most important. Many key businesses rely on it for essential raw materials. India has 1,531 active mines and produces 95 minerals, including four fuels, ten metallic, twenty-three non-metallic, three atomic, and 55 minor minerals (including building and other materials). Based on the country's geological mapping, an area of 571,000 square kilometres (out of a total of 3.1 million square kilometres) has been designated as an Obvious Geological Potential (OGP) area, where the geological

potential for the occurrence of mineral deposits is greater. Minerals such as manganese, lead, copper, and alumina are predicted to expand by double digits in the next few years. There is significant scope for new mining capacities in iron ore, bauxite, and coal.

Since major reforms in the Mining Policy from 2021, 108 Mineral Blocks other than Coal have been auctioned.

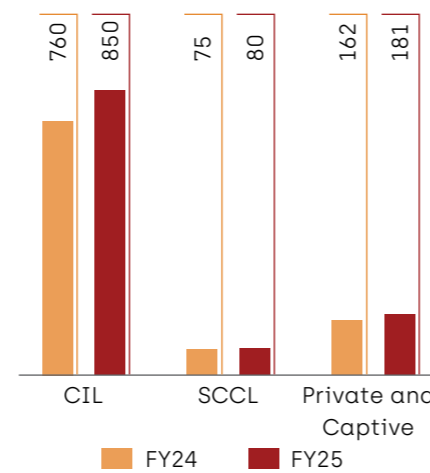
India is the World's second largest Coal producer and Fifth largest in Country in terms of Coal deposit. India's target is 1.2 Billion Tons Coal Production by FY 2024-25. Country's Coal Production has increased considerably from 646 Million Tons in 2014 to 893 Million Tons in FY 2022-23.

Coal India the World's largest Coal producer produced 703.22 Million Tons in F-23 registering an increase 12.94% over previous year. The other public sector coal company Singareni Collieries registering an all time high production of 67.14 Million Tons registering an increase of 3.26. The major growth have been in the private and captive mines which produced 122.38 Million Tons registering a massive growth of 35.14%. This substantial growth has considerably increased the availability of Coal to the Power Sector. Despite this increase, the country's coal imports have also risen, highlighting the need for continued efforts to reduce dependence on foreign coal

Outlook

To achieve the government's aim of eliminating the need for steam coal imports, there is a renewed focus on increasing production from Coal India and private sector mines. The Coal Ministry has set a target of 1017 Million Tons for the year 2023-24 and the target set for Coal India is 780 Million Tons, Singareni Collieries 75 Million Tons and Private & Captive Mines is 162 Million Tons. Coal India has planned a Capital expenditure of ₹ 16,500 crore for the year F-24 and accelerating rail connectivity for major mines under PM Gati Shakti. The Coal Ministry

Expected coal production
(in Million tonnes)



is also undertaking 52 First Mile Connectivity projects for Coal India, Singareni Collieries, and Neyveli. Additionally, 133 blocks will be up for auction in the 6th and 7th Tranche of Commercial bids, with 15 blocks planned for MDOs. All of these initiatives demonstrate the country's determined efforts to meet the rising demand for power by increasing coal production. Coal India's capital expenditure for the year is also significant, reflecting the government's commitment to the industry's growth. Overall, the coal industry is poised for growth, and with continued support, it will play a vital role in powering the nation's progress.



Global defence industry

The global aerospace and defence market grew from USD 721.22 billion in 2021 to USD 781.4 billion in 2022 at a compound annual growth rate (CAGR) of 8.3%. The Russia-Ukraine war disrupted the chances of global economic recovery, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, affecting many markets across the globe.

Outlook

The ongoing geopolitical tensions are expected to result an upsurge in government spending on defence and security globally. This is expected to drive the demand for new and upgraded weapons systems, military aircraft and other defence-related goods. The aerospace and defence market is expected to grow to \$961.21 billion in 2026 at a CAGR of 5.3%³.

Indian defence industry

The Indian defence industry, the world's second-largest armed force, is on the verge of a change. The government has identified the defence and aerospace sector as a focus area for the 'Aatmanirbhar Bharat' or 'Self-Reliant India' initiative, with a formidable push on the establishment of indigenous manufacturing infrastructure supported by a requisite research and development ecosystem. India is positioned as the third-largest military spender in the world, with its defence budget accounting for 13.18% of the country's total budget. The government has established two defence industrial corridors in Uttar Pradesh and Tamil Nadu. As per the Union Budget 2023-24, ₹ 5.94 lakh crore has been allocated to the ministry of defence. In line with the self-reliant India initiative, the share of domestic capital procurement, which was earmarked at 68% in FY 2022-23 has been enhanced to 75% of the capital acquisition budget of the defence services for FY 2023-24.¹³

Outlook

The government has announced two dedicated defence industrial corridors in the states of Tamil Nadu and Uttar Pradesh to act as clusters of defence manufacturing that leverage existing infrastructure, and human capital. Further, to enable innovation within the defence and aerospace ecosystem there are supportive government schemes such as the iDEX ([Innovations for Defence Excellence]) and DTIS (Defence Testing Infrastructure Scheme).

The Indian government has been increasing its defence spending in recent years to modernise its armed forces and meet the emerging security challenges. The Indian armed forces are facing a growing demand for defence products and services. The Indian Army is in the process of modernising its inventory of weapons and platforms, while the Indian Navy is expanding its fleet of ships and submarines. The Indian Air Force is also acquiring new fighter jets and helicopters.

³ <https://www2.deloitte.com/us/en/pages/manufacturing/articles/aerospace-and-defense-industry-outlook.html>

¹³ <https://www.makeinindia.com/sector/defence-manufacturing>

Growth drivers

Defence industrial corridors – The Government has established two defence industrial corridors in Uttar Pradesh and Tamil Nadu. The two defence corridors in Uttar Pradesh and Tamil Nadu have together signed 111 Memorandums of Understanding (MoUs) with industries representing investments worth ₹ 21,904 crore.

Industries [Development and Regulation] (IDR) Act, 1951– The list of defence items requiring Industrial Licences has been reduced, and most parts or components no longer require an Industrial License. The original validity of the granted Industrial Licence has been raised from three to fifteen years, with the option to extend it by three years on a case-by-case basis.

The defence products list requiring Industrial Licences has been rationalised and the manufacture of most parts or components does not require Industrial License.

Promotion of indigenous design and development of defence equipment - A new category of capital procurement 'Buy (Indian-IDDM [Indigenously Designed, Developed and Manufactured])' has been introduced in Defence Procurement Procedure [DPP]-2016.

The government has identified more than 400 items that will be reserved for indigenous procurement, meaning they will be purchased from domestic suppliers rather than from foreign sources. Additionally, 24 proposals for capital acquisitions have been approved, with a total procurement budget of ₹ 84,328 crore. Out of these 24 proposals, 21 have been approved for domestic procurement, with a total value of approximately ₹ 82,000 crore. This means that the

government has authorized the purchase of a significant amount of goods and services from domestic suppliers, which is expected to benefit the Indian economy and support local businesses.¹⁴

Outlook

The government of India aims to achieve a turnover of USD 25 billion including export of USD 5 billion in aerospace and defence goods and services by FY 2025-26. Over the next 5-7 years, the Government of India plans to spend USD 130 billion for fleet modernisation across all armed services. To support the domestic defence industry the government aims to ensure transparency, predictability, and ease of doing business by creating a robust eco-system and supportive government policies. Towards this end the government has taken steps to bring about de-licensing, de-regulation, export promotion and foreign investment liberalisation. The Ministry of Defence has also notified four 'Positive indigenisation lists' comprising 411 defence equipments to be manufactured locally in a phased manner. In addition, to encourage export and liberalise foreign direct investments (FDI) in the defence sector, the Automatic Route has been expanded to 74% and the Government Route has been expanded to 100%.¹⁵

Company overview

Incorporated in the year 1995, Solar Industries India Limited is one of the largest domestic manufacturers of bulk and cartridge explosives, detonators, detonating cords and components. In FY 2009-10, the Company entered into the defence sector to manufacture high-energy explosives, delivery systems, ammunition filling and pyros fuses.

The Company's Non defence operation are spread all over India with its manufacturing facilities at 32 locations within the country. It also has manufacturing plants in Nigeria, Zambia, Ghana, South Africa, Turkey, Tanzania and Indonesia.

Opportunities

Increase in coal demand

The country's energy needs will rise in the future as a result of urbanisation and economic growth. In the foreseeable future, coal would continue to be the dominant source for supplying India's expanding electricity needs, despite rising investments in renewable capacity.

Government schemes

The government's focus on "Make in India" to establish "Atmanirbhar Bharat" is expected to decrease import dependency and raise domestic demand for India's defence industry. The government further aims to support MSMEs in the defence export sector through favourable policies and initiatives. The government liberalised and authorised FDI under automatic route up to 74% and through government route up to 100% where it is likely to lead an access to modern technology¹⁶.

Space sector schemes

With greater private involvement in space activity, the government continues introducing advantageous programmes to promote growth in this sector. Private businesses will be able to conduct space activities more readily thanks to the launch of the Indian Space Association. In an effort to foster young talent, the NITI Ayog, along with ISRO and the Central Board of Secondary

Education (CBSE), has also launched the Atal Tinkering Lab (ATL) space challenge. Up to 100% of foreign direct investment (FDI) in the space sector has been permitted through the government route for satellite establishment and operations which is expected to provide enormous investment prospects for international businesses¹⁷.

Infrastructure investments

The government's Gati Shakti master plan for multimodal connectivity is expected provide major impetus to the infrastructure sector. A capital outlay of ₹ 10 lakh crore has been allocated by the government in Union Budget 2023-24 for infrastructure development which would boost the economic growth and aid the industry¹⁸. The development of Smart Cities is also likely to increase investments in infrastructure.

Threats

At this point, there aren't any significant risks to the long-term viability of Solar's business. Driven by robust financials good operational efficiencies, and improved intellectual capital capabilities, Solar is well-positioned to keep providing value to stakeholders. However, supply chain constraints, and geopolitical ambiguity are important dangers that could result in short-term economic difficulties.

Product wise performance

Industrial Explosives:

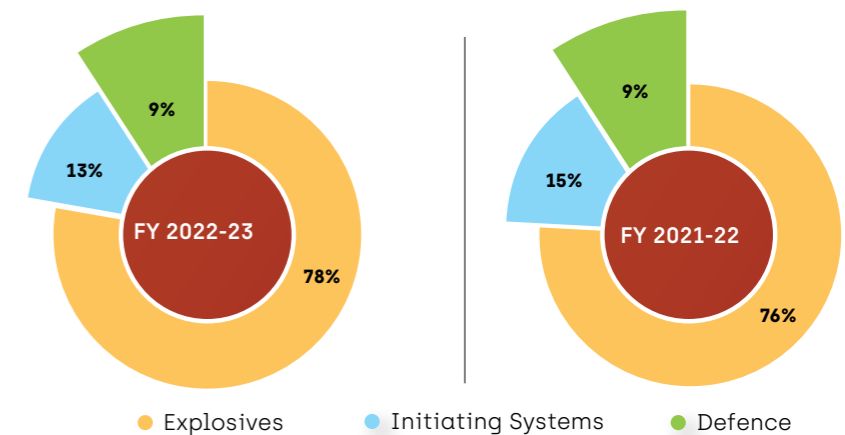
Industrial explosives comprise:

- 1 Bulk Explosives
- 2 Packaged Explosives
- 3 Initiating Systems

Defence Products:

- 1 High Energy Materials (HMX, RDX, TNT & their Compounds)
- 2 Composite Propellants for Pinaka, Akash, Brahmos, PSOMXL, Skyroot etc.
- 3 30 mm Ammunition, Multi-Mode Hand Grenade, Mines, Warheads, Bund Blasting Device
- 4 Artillery Fuses, ASW Fuses, Pyros and Igniters
- 5 Chaff Payloads
- 6 Loitering Munition
- 7 Rocket Integration
- 8 Explosives Filling of Ammunition

Product-wise revenue mix



Risk Management

The Board at Solar Industries continues to be in charge of risk management and internal control, with a focus on defining the company's risk appetite, regularly assessing and monitoring key risks, and reviewing reports generated by internal auditors on internal controls and risk reports.

Please refer page no. 24 of the report for a thorough description of risk management procedure and plan.

¹⁴ <https://www.mod.gov.in/sites/default/files/DraftChIAcqnCatPlgIC.pdf>

¹⁵ <https://pib.gov.in/PressReleasePage.aspx?PRID=1643194>

¹⁶ <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1844610>

¹⁷ <https://pib.gov.in/PressReleasePage.aspx?PRID=1914226#:~:>

¹⁸ <https://pib.gov.in/PressReleasePage.aspx?PRID=1895315>

Financial overview

A detailed financial overview of the Company for FY 2022-23 is available in the financial capital section on page no. 34 and Board's Report on page no. 97 forming part of this Annual Report.

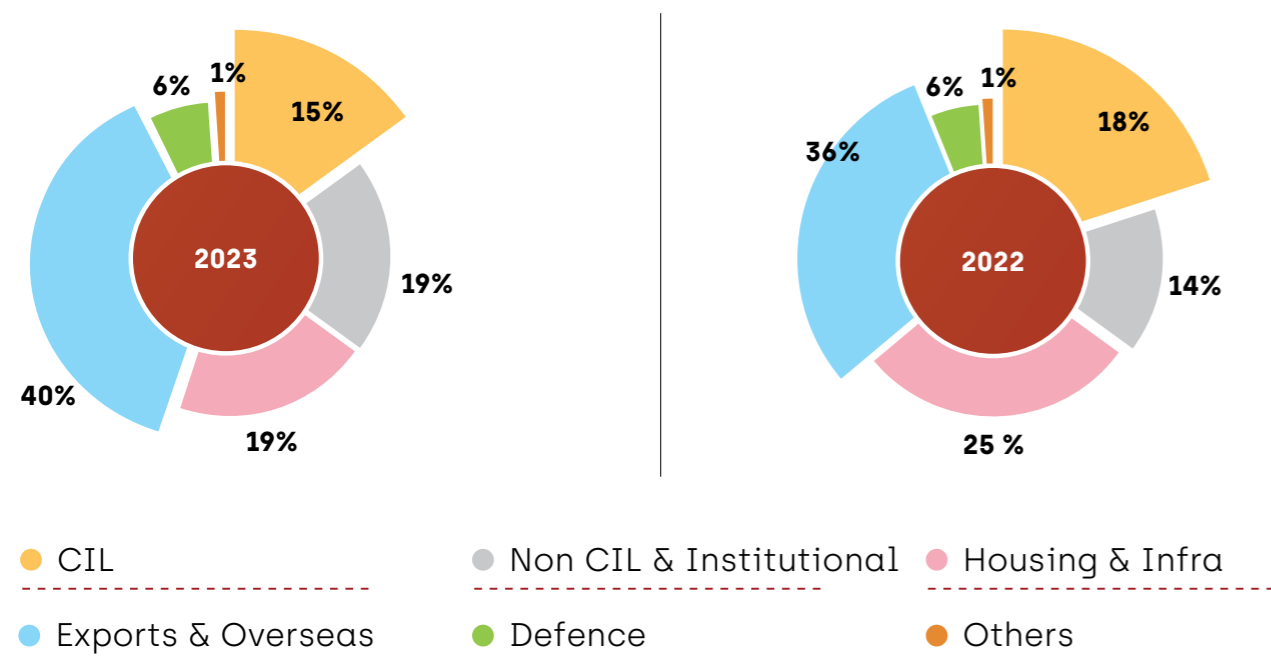
Key financial ratios (consolidated)

S. No.	Key financial ratios	FY 2022-23	FY 2021-22
1	Debtors Turnover	9.09	6.81
2	Inventory Turnover	18.75	12.82
3	Interest Coverage Ratio	14.42	15.23
4	Current Ratio	1.53	1.49
5	Net Debt Equity Ratio	0.35	0.41
6	Adjusted Operating Profit Margin [%]	16.76%	16.16%
7	Adjusted Net Profit Margin [%]	11.72%	11.54%
8	Return on Net Worth* [%]	29.00%	23.05%

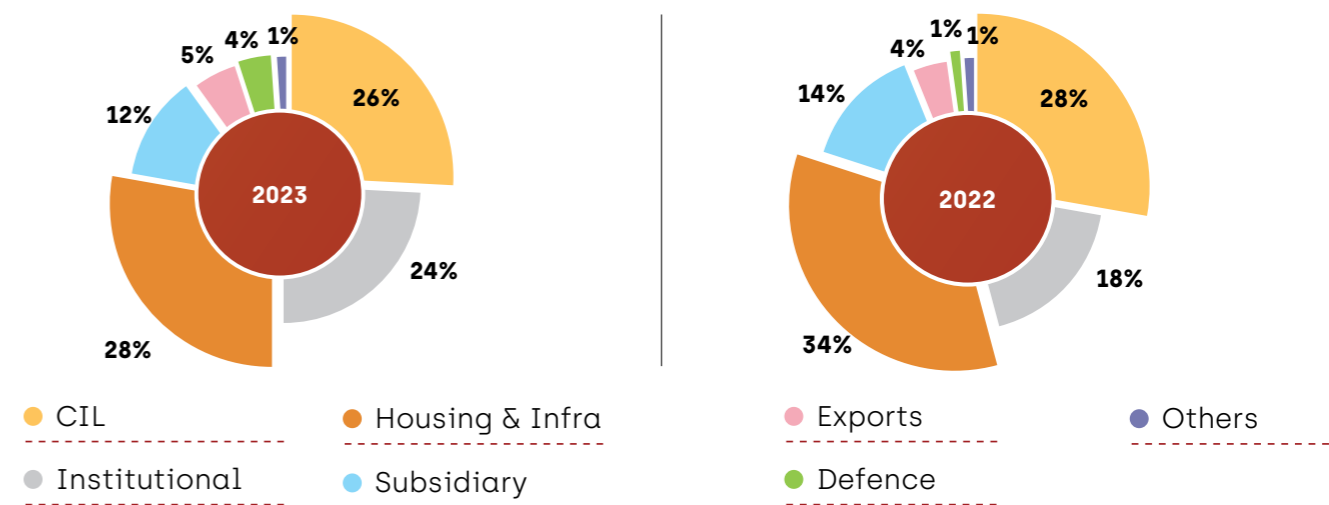
*The Return on Net Worth for the FY 2022-23 is 29% and the Return on Net Worth for FY 2021-22 was 23.05%. The increase of 5.95% in the Return on Net Worth is mainly due to high profits.

- The Inventory Turnover Ratio increased by 5.93% in FY 2022-23 due to a decrease in the holding period of inventory.
- There is no significant change [i.e. change of 25% or more as compared to the immediately previous financial year] in the other key financial ratios.

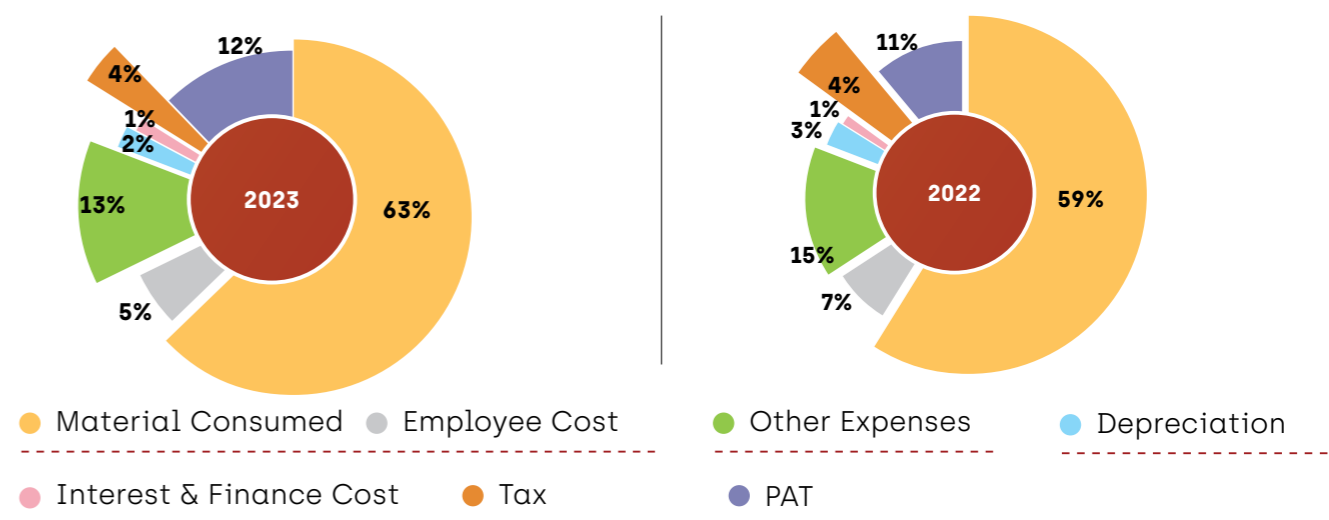
Customer-wise revenue mix (in %) Consolidated



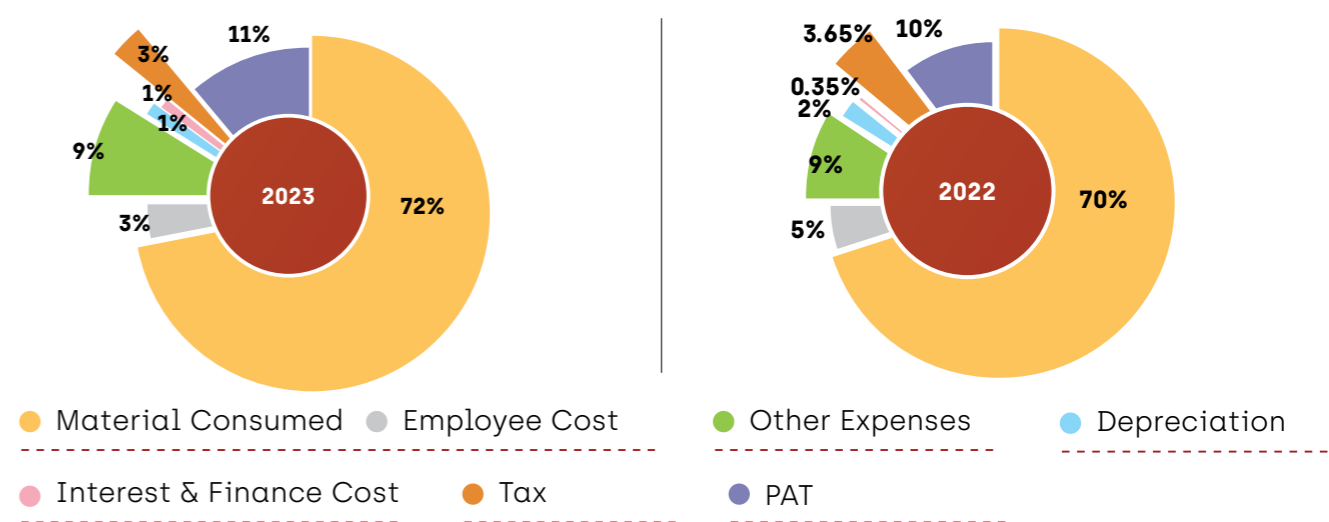
Customer-wise revenue mix (in %) Standalone



Annual Expenses Break-up (in %) Consolidated



Annual Expenses Break-up (in %) Standalone



Human Resources

To know more about our employee well-being, safety, diversity and engagement programs, please read page no. 46 of the Annual Report.

Outlook

The Company's business fundamentals remain robust. It is optimising its operations and supply chain while also incorporating the revised strategy and growth drivers. Its focus on capital investment to increase its operational skills across business verticals will be critical. The government has a number of measures in place to help India become self-sufficient and to promote the export of defence items. The Company is well-positioned and is working towards expanding its product line in order to capitalise on the potential. The company has plans to establish new plants in Thailand and Australia, which are expected to be operational in the near future. It will also focus on forming more strategic collaborations with well-established globally recognised organisations in order to improve its manufacturing technologies.

Internal Control Systems and their Adequacy

The Solar Group has established exceptional internal control systems and procedures to steer all its business processes. The Company has distinctly defined roles and responsibilities for all managerial positions. The financial parameters are effectively monitored and controlled through its SAP ERP software system. The Company's internal control system is commensurate with the size, scale and complexities of its operations.

The Audit Committee actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System and strives to align all its processes and controls with best practices. The Audit Committee also meets statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and informs major observations to the Board of Directors periodically. The Company has appointed an independent firm of chartered accountants to monitor the internal audit of its activities, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee.

The Company has identified inherent reporting risks for major elements in the financial statements and established controls to prevent the same. These risks and the prevention controls are revisited periodically considering the changes in business, IT systems, regulations and internal policies, based on evaluations of the audit, as per Section 177 of the Companies Act 2013 and Regulation 18 of SEBI Regulations, 2015, the Audit Committee has concluded that as March 31, 2023, internal financial controls were adequate and operating effectively.

Cautionary statement

This document contains statements about expected future events, and financial and operating results of Solar Industries India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject

to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management's Discussion and Analysis of Solar Industries India Limited's Annual Report, for FY 2022-23.

Board's Report

Dear Members,

Your Board of Director's have pleasure in presenting the Twenty Eighth Annual Report on the business and operations of the Company, together with the audited accounts for the financial year ended March 31, 2023.

1. Financial Results

The Company's Financial Performance (Standalone & Consolidated) for the Financial Year ended March 31, 2023 is summarised below.

(₹ In Crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	4162.25	2528.34	6922.53	3947.61
Other Income	55.84	36.17	31.52	19.66
Less: Expenditure	3533.42	2153.20	5633.61	3200.35
Profit before Depreciation, Amortization, Finance Costs, Exceptional Items and Tax Expense (Operating profit)	684.67	411.31	1320.44	766.92
Less: Finance Costs	27.57	8.85	90.38	50.25
Profit before Depreciation, Amortization, Exceptional Items & Tax Expense	657.1	402.46	1230.06	716.67
Less: Depreciation and Amortization expense	57.02	49.44	128.21	109.25
Profit before Tax Expense & Exceptional item	600.08	353.02	1101.85	607.42
Less: Exceptional item	-	-	-	-
Profit before Tax (PBT)	600.08	353.02	1101.85	607.42
Share of Profit/(Loss) of associates	-	-	(0.27)	-
Less: Tax Expense	154.69	91.50	290.41	151.95
Profit for the year	445.39	261.52	811.17	455.47
Other Comprehensive Income (Net of Tax)	24.35	1.55	(31.63)	(28.35)
Total Comprehensive Income	469.74	263.07	779.54	427.12
Balance of profit for earlier years	592.43	483.72	1094.51	820.35
Less: Transfer to Reserves	100.00	100.00	119.76	104.01
Less: Dividend paid on Equity Shares	67.87	54.29	67.87	54.29
Less: other adjustment	24.88	0.07	3.00	(5.34)
Balance carried forward	869.42	592.43	1683.41	1094.51
Earnings Per Share (EPS)	49.22	28.90	83.68	48.77

1. Results of Operations

In the financial year 2022-23, the Company has achieved impressive financial results with robust revenue growth, improved profitability and healthy cash flows which has enabled us to expand our operations. Our top line growth has been driven by successful market penetration and effective product innovation. At the same time, our bottom-line performance has benefited from careful cost management and improved operational efficiency. As a result, our Company is well positioned for sustainable growth and continued success in the future.

The Highlights of the Company's performance (Standalone) for the year ended March 31, 2023 are as under:

- ▶ During the year under review the Company achieved turnover of ₹ 4162.25 Crore as against turnover of ₹ 2528.34 Crore achieved during the previous year, which is a significant increase of 64.62%.

- ▶ The Profit before Depreciation & Tax (PBT) for the financial year 2022-23 is ₹ 657.10 Crore against ₹ 402.44 Crore in the year 2021-22.
- ▶ Earnings per Share as on March 31, 2023 are ₹ 49.22 vis a vis against ₹ 28.90 as on March 31, 2022.
- ▶ The net worth of the Company stands at ₹ 1767.45 Crore at the end of financial year 2022-23 as compared to ₹ 1365.59 Crore at the end of financial year 2021-22

The Highlights of the Company's performance (Consolidated) for the year ended March 31, 2023 are as under:

- ▶ During the year under review the Company achieved turnover of ₹ 6922.53 Crore as against turnover of ₹ 3947.60 Crore achieved during the previous year, which is a significant increase of 75.36%.

- ▶ The Profit before Depreciation & Tax (PBT) for the financial year 2022-23 is ₹ 1230.06 Crore against ₹ 716.63 Crore in the year 2021-22.
- ▶ Earnings Per Share as on March 31, 2023 is ₹83.68 vis a vis against ₹ 48.77 as on March 31, 2022.
- ▶ The net worth of the Company stands at ₹ 2610.34 Crore at the end of financial year 2022-23 as compared to ₹ 1914.26 Crore at the end of financial year 2021-22.

2. Transfer to Reserves

The Company has transferred ₹ 100 Crore to the general reserve out of the amount available for appropriations and an amount of ₹ 869.42 Crore is proposed to be retained in the statement of profit and loss.

3. Dividend

The Dividend Distribution Policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of Directors at their meeting held on May 03, 2023 has recommended payment of ₹ 8/- per equity share i.e 400% of the face value of ₹ 2 each as final dividend for the financial year ended March 31, 2023. The payment of final dividend is subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) of the Company.

The dividend on equity shares for the financial year 2022-23 would aggregate to ₹ 72.39 Crore.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source. The dividend recommended is in accordance with the principles and criteria as set out in the Dividend Distribution Policy.

The Dividend Distribution Policy in terms of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is available on the Company's website and can be accessed at <https://bit.ly/SolargroupDDPolicy>. A copy of the policy will be made available to any shareholder on request by email.

4. Material Changes and Commitments

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

5. Deposits

During the year the Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

6. Credit Ratings

Solar's financial discipline and prudence are reflected in the strong credit ratings ascribed by rating agencies.

During the year under review the following Credit Ratings were obtained by the Company:-

Sr. No.	Instrument Type	Rating/ Outlook	Rating action	Rating Agencies
1.	Long Term Borrowings	CRISIL AA+/Stable	Reaffirmed	CRISIL Ratings Limited
2.	Short Term Borrowings	CRISIL A1+	Reaffirmed	CRISIL Ratings Limited
3.	Commercial Paper	CRISIL A1+ ICRA A1+	Reaffirmed	CRISIL Ratings Limited ICRA Limited
4.	Non-Convertible Debentures	CRISIL AA+/Stable	Assigned	CRISIL Ratings Limited

7. Particulars of Loan, Guarantees or Investments with Related Parties

The Company has disclosed the full particulars of the loans given, Investments made, Guarantees given or Securities provided covered under the provisions of Section 186 of the Companies Act, 2013, in the notes to the Financial Statements forming a part of this Annual Report.

8. Subsidiaries, Associates and Joint Venture

The Company has seven wholly owned subsidiaries, twenty step down subsidiaries and one Associate Company as on March 31, 2023. There are no joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act").

Keeping pace with the strategy of selective internationalisation, the Company has set up a step-down subsidiary Company in Ivory Coast (through Solar Overseas Singapore Pte Ltd) named Solar Nitro SARL which was incorporated on December 05, 2022.

9. Financial Performance of Company's Subsidiaries

A list of body corporates which are subsidiaries and Associates of the Company is provided as part of the notes to Consolidated Financial Statements.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial position of each of the subsidiaries including capital, reserves, total assets, total liabilities, details of investment, turnover, etc. in the prescribed Form AOC-1 forms a part of the Annual Report.

Performance and contribution of each of the Subsidiaries, Associates and Joint Ventures

As per Rule 8 of the Companies (Accounts) Rules, 2014, a Report on the Financial performance of Subsidiaries, Associates and Joint Venture Companies along with their contribution to

the overall performance of the Company during the Financial Year ended March 31, 2023 is in the prescribed Form AOC-1 forms a part of the Annual Report.

In accordance with Section 136 of the Act, the audited financial statements, including the consolidated financial statement and related information of the Company and the financial statements of each of the subsidiary Companies are available on our website www.solargroup.com. Any Member desirous of making inspection or obtaining copies of the said financial statements may write to the Company Secretary & Compliance officer at investor.relations@solargroup.com.

These documents will also be available for inspection during business hours at the registered office of the Company.

10. Material Subsidiary

Economic Explosives Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. There has been no material change in the nature of the business of the subsidiary.

The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time. The Policy has been uploaded on the Company's website at <https://bit.ly/SolargroupDMSPolicy>

11. Capital and Finance

Equity Shares

The paid-up Equity Share Capital as on March 31, 2023 was ₹ 18.10 Crore. There was no change in the Share Capital during the year under review.

Sweat Equity Shares

In terms of Sub-rule (13) of Rule 8 of Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued the Sweat Equity Shares.

Differential Voting Rights

In terms of Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any shares having Differential Voting Rights.

Employee Stock Options

In terms of Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued the Employee Stock Options.

Non-Convertible Debentures

During the year under review, the Company has issued and allotted 600 (Six Hundred) unsecured, rated, listed, senior, redeemable, non-convertible debentures having face value of ₹ 10,00,000/- (Rupees ten lakh only) each aggregating of ₹ 60,00,00,000 (Indian Rupees Sixty Crore only) on December 23, 2022, by way of private placement basis.

The proceeds of the issue have been utilised for meeting the working capital requirements of the Company.

The Company has partially redeemed 50 (Fifty) unsecured, rated, listed, senior, redeemable, non-convertible debentures (NCDs) having face value of ₹ 10,00,000/- (Ten lakh) each amounting to ₹ 5 crore (Five crore) and made an Interest Payment amounting to ₹ 1,21,31,506.85 (One Crore twenty one lakh thirty one thousand five hundred and six and eighty five paise) at a coupon rate of 8.20% per annum on March 23, 2023.

Commercial Papers

The Company has issued Commercial Papers amounting to ₹150 Crore (One hundred fifty crore) during the financial year 2022-23. As on March 31, 2023, the outstanding amount of commercial paper as ₹ 50 Crore (Fifty Crore).

Borrowings

The Company has not defaulted on payment of any dues to the financial lenders.

12. Corporate Governance

In terms of Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance along with a certificate from the auditor's confirming compliance is annexed and forms part of the Annual Report.

13. Risk Management

The Risk Management committee assists the Board in ensuring that all material risks including but not limited to the risks related to business operations, cyber security, safety, compliance and control financials have been identified, assessed and adequate risks mitigation control are in place.

It takes into consideration the nature, scale and complexity of the business. A detailed note on the risks is included on page no. 24 of this report, the details of Risk Management Committee and its frequency of meetings are included in the Corporate Governance Report.

14. Investor Education and Protection Fund (IEPF)

Pursuant to Section 124 and Section 125 of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, transfer and Refund) Rules, 2016 ('the Rule'), all the unpaid and unclaimed dividends are required to be transferred by the Company to the IEPF established by the Government of India, after the completion of Seven Years. Further according to the Rules, the shares on which dividend has not been paid or claimed by the Shareholder for seven consecutive years or more shall also be transferred to demat account of the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 40,046 relating to financial year 2014-2015 (final), ₹ 22,572 relating to financial year 2015-2016 (1st interim) and ₹ 48,727 relating to financial

year 2015-2016 (2nd interim). Further, 450 shares were transferred as per the requirements of IEPF rules. The details of Investor Education and Protection Fund (IEPF) are included in the Corporate Governance Report.

15. Declaration from Independent Directors

The Company has inter alia, received the following declarations from all the Independent Directors confirming that:

1. They meet the criteria of independence as prescribed under the provisions of the Act, read with the Schedule and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company;
2. They have complied with the Code for Independent Directors prescribed under Schedule IV to the Act; and
3. They have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

16. Board Meetings

During the year under review five Board Meetings were convened and held on May 3, 2022, June 6, 2022, July 25, 2022, November 4, 2022, and January 25, 2023.

17. Board Committees & Number of Meetings of Board Committees

The Board has following Committees: -

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Executive Committee

A detailed disclosure on the Board, its committees, its composition, the detailed charter and brief terms of reference, number of board and committee meetings held, and attendance of the directors at each meeting is provided in the Report on Corporate Governance.

18. Board Diversity

The Board comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as business, industry, finance, law, administration, Accounting Technology etc. and

bring with them experience and skills which add value to the performance of the Board. The Directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality

19. Internal Financial Control and its Adequacy

The Company has adequate Internal Financial Control System over financial reporting which ensures that all transactions are authorised, recorded, and reported correctly in a timely manner. The Company's Internal Financial Control over financial reporting provides reasonable assurance over the integrity of financial statements of the Company. The Company has laid down Standard Operating Procedures, Policies and Authority/ Commercial Manual to guide the operations of the business. Functional heads are responsible for ensuring compliance with all laws and regulations and also with the policies and procedures laid down by the management.

The Corporate Accounts team has undertaken advanced digitalisation and automation initiatives in the current year. System based reports and automated accounting for various areas in financial statements have contributed to better accuracy and faster financial reporting.

The Company tracks all amendments to Accounting Standards, the Act and makes changes to the underlying systems, processes and financial controls to ensure adherence to the same.

All resultant changes to the policy and impact on financials are disclosed after due validation with the statutory auditors and the Audit Committee.

20. Reporting of Frauds

During the year under review, none of the Auditors of the Company, has reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instances of the fraud committed by the Company, its officers and employees, the details of which would need to be mentioned in the Board Report.

21. Secretarial Standards

The Company has complied with all the applicable provisions of Secretarial Standard on Meetings of Board of Directors (SS-1), Revised Secretarial Standard on General Meetings (SS-2) and other voluntarily adopted Secretarial Standards such as Secretarial Standard on Dividend (SS-3), Secretarial Standard on Report of the Board of Directors (SS-4) issued by Institute of Company Secretaries of India.

22. Details of Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the Company's Operations in future

During the year under review, there are no significant and material orders passed by the regulators or courts or tribunal

impacting the going concern status and the Company's operation in future.

23. Vigil Mechanism

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

Your Company's Whistleblower Policy encourages Directors and employees to bring to your Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of your Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact your Company's operations, business performance and/or reputation. The Policy requires your Company to investigate such incidents, when reported, in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at the link <https://bit.ly/SolargroupVM>

24. Prevention of Sexual Harassment of Women at Workplace

In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") along with the Rules made thereunder, the Company has in place a policy which mandates no tolerance against any conduct amounting to sexual harassment of women at workplace.

All employees (permanent, contractual, temporary and trainees) are covered under the said policy. During the financial year under review, the Company has not received any complaint of Sexual Harassment of Women at Workplace.

The Company has constituted Internal Committee(s) ("ICs") to redress and resolve any complaints arising under the POSH Act. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

25. Directors and Key Managerial Personnel

a. Retirement by Rotation and subsequent Re-appointment

Shri Milind Deshmukh, Executive Director being the longest in the office among the directors liable to retire by rotation, retires from the Board this year and being eligible, has offered himself for re-appointment.

The Boards of Directors recommends his re-appointment at Item No. 3 of the Notice Calling 28th Annual General Meeting for consideration of the Shareholders.

The brief resume and other details relating to Shri Milind Deshmukh who is proposed to be re-appointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the notice calling 28th Annual General Meeting.

Pursuant to Section 152(6) of the Companies Act, 2013 and as per clause 86 (1) of Article of Association of the Company the Chairman of the Company shall be the director not liable to retire by rotation.

The Independent directors hold office for a fixed term not exceeding five years from the date of their appointment and are not liable to retire by rotation.

b. Appointment of Non-Executive Independent Director

On the recommendation of Nomination and Remuneration Committee the Board has considered and approved the following:

- a. Appointment of Shri Natrajan Ramkrishna (DIN: 06597041) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Three (3) consecutive years commencing from October 19, 2022 through Circular Resolution dated October 18, 2022, subject to approval of members of the Company through Special Resolution.
- b. Appointment of Shri Jagdish Chandra Belwal (DIN: 08644877) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Three (3) consecutive years commencing from December 05, 2022, through Circular Resolution dated December 03, 2022 subject to approval of members of the Company through Special Resolution.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated December 03, 2022, for seeking the approval of Members of the Company by way of Special Resolution for appointment of Shri Natrajan Ramkrishna (DIN: 06597041) and Shri Jagdish Chandra Belwal (DIN: 08644877) as an Independent Directors of the Company.

The Special Resolutions as contained in the Notice of Postal Ballot dated December 03, 2022 failed to get the requisite majority.

The recently amended sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, provides that when a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes

cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A).

In light of the above amendment, Shri Natrajan Ramkrishna (DIN: 06597041) Shri Jagdish Chandra Belwal (DIN: 08644877) are deemed to be appointed as Independent Directors of the Company under Regulation 25(2A) of SEBI Listing Regulations.

The Board opines that the independent directors so appointed are of integrity and possess the requisite expertise and experience (including proficiency).

c. Re-appointment

- The Board recommends the re- appointment of Shri Suresh Menon (DIN: 07104090), as a Whole time Director designated as Executive Director of the Company for the term of 2 (Two) years for approval of the members at the ensuing Annual General Meeting.
- The Board recommends the re- appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company for the term of 3 (Three) years for approval of the members at the ensuing Annual General Meeting.

The brief resume and other details relating to Shri Suresh Menon and Smt Sujitha Karnad who are proposed to be reappointed, as required to be disclosed under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is incorporated in the annexure to the notice calling 28th Annual General Meeting.

Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

d. Change in Designation

The Board at its meeting held on May 3, 2022 and pursuant to the recommendation of Nomination and Remuneration Committee has accepted the request of Shri Satyanarayan Nuwal to act as a Chairman and Non-executive Director not liable to retire by rotation w.e.f May 3, 2022 instead of Whole-time Director of the Company.

e. Cessation of Directors

- Shri Dilip Patel ceased to be Non-Executive Independent Director of the Company with effect from October 19, 2022, on attaining the age of Seventy-Five years. The Board places on record its appreciation towards valuable contribution made by him during his tenure as an Independent Director of the Company.
- Shri Ajai Nigam Non-Executive Independent Director of the Company has stepped down from the Board of the Company with effect from March 3, 2023, on account of his advancing age and increasing

personal commitments. The Board places on record its appreciation towards valuable contribution made by him during his tenure as an Independent Director of the Company.

f. Vacation of Director

Shri Kailashchandra Nuwal (DIN: 00374378) had vacated the office of Director with effect from November 7, 2019. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. However, Hon'ble NCLAT vide order dated February 25, 2021, stayed the operation of the said order of Hon'ble NCLT. The Hon'ble NCLAT pronounced its final order through virtual hearing on December 14, 2021 ("Impugned Order") in the Appeal No. 29/2021 filed by Solar Industries India Limited ("the Company"). By way of this Impugned Order, the Hon'ble NCLAT had dismissed the appeal filed by the Company. The Company filed Civil Appeal, against the Impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court on January 10, 2022. Hon'ble Supreme Court vide order dated January 10, 2022, stayed the operation of the impugned orders of Hon'ble NCLT and Hon'ble NCLAT dated December 14, 2021, till the next date of hearing. Hence the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

g. Key Managerial Personnel

The Key Managerial Personnel of the Company as on March 31, 2023 are:

Sr. No.	Name of Key Managerial Personnel	Designation
1.	Shri Manish Nuwal	Managing Director and Chief Executive Officer
2.	Shri Suresh Menon	Whole time Director
3.	Shri Milind Deshmukh	Whole time Director
4.	Shri Moneesh Agrawal	Joint Chief Financial Officer
5.	Smt. Shalinee Mandhana	Joint Chief Financial Officer
6.	Smt. Khushboo Pasari	Company Secretary & Compliance Officer

Note:-

Shri Satyanarayan Nuwal (DIN: - 00713547) ceased to be key managerial personnel with effect from May 3, 2022.

26. Board Evaluation

In terms of the provisions of Section 134(3)(p) of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, individual Directors, Chief Financial Officer, Company Secretary as well as the evaluation of the working of its Board Committees. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Directors being evaluated. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

27. Nomination & Remuneration Policy

The Nomination and Remuneration Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall: (i) formulate the criteria for board membership, including the appropriate mix of Executive & Non-Executive Directors; (ii) approve and recommend compensation packages and policies for Directors and Senior Management; and (iii) lay down the effective manner of performance evaluation of the Board, its Committees and the Directors.

The policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay, reflecting short and longterm performance objectives appropriate to the working of the Company and its goals. This remuneration policy is placed on the Company's website <https://bit.ly/SolargroupNRPpolicy>

28. Remuneration of Directors, Key Managerial Personnel and Senior Management

The remuneration paid to the Directors, Key Managerial Personnel and Senior Management is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further details on the same are given in the Corporate Governance Report which forms part of this Annual Report.

The information required under Section 197 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of the company is available on the website of the Company at www.solargroup.com

29. Annual Return

The Annual Return of the Company as on March 31, 2023 in Form MGT - 7 in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at www.solargroup.com

30. Statement of Disclosure of Remuneration

Details as required under the provisions of section 197(12) of the Act, read with rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, ratio of remuneration of Directors and KMP to median remuneration of employees and percentage increase in the median remuneration are as under:

a. The Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the financial year 2022-23, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer, other Executive Director(s) and Company Secretary during the financial year 2022-23 is as follows:

Name	Designation	Ratio to median remuneration	% increase in remuneration in the financial year 2022-23
Shri Manish Nuwal	Managing Director & CEO	288	80%
Shri Suresh Menon	Whole time Director	21.70	26%
Shri Milind Deshmukh	Whole time Director	21.10	33%
Shri Moneesh Agrawal	Joint Chief Financial Officer	11.30	15%
Smt. Shalinee Mandhana	Joint Chief Financial Officer	8.90	20%
Smt. Khushboo Pasari	Company Secretary & Compliance Officer	5.90	20%

Note:

- The Non-Executive Independent Directors were only paid sitting fees for attending Board and Committee meetings.
- The Salary amounting to ₹ 35 Lakhs for a period of one month i.e. April 1, 2022 to April 30, 2022 was paid to Shri Satyanarayan Nuwal, under the Designation, Chairman & Executive Director of the Company.

b. The percentage increase in the median remuneration of employees in the financial year: 18.85 %

c. The number of permanent employees on the roll of Company: 1781

d. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial

remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase in the salaries of employees excluding key managerial personnel for the year 2022-23 was 17.98% whereas there is an increase in the key managerial remuneration by 65%. The increase in managerial remuneration is due to higher eligible profits.

e. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

The remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel and Employees of the Company.

- f.** The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company and has been uploaded on the website of the Company at www.solargroup.com. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

31. Related Party Transactions

All transactions with related parties during the financial year 2022-23 were reviewed and approved by the Audit Committee and are in accordance with the Policy on dealing with materiality of Related Party Transactions and the Related Party Framework, formulated and adopted by the Company. Prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of unforeseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all related party transactions is placed before the Audit Committee for their approval on a quarterly basis.

All contracts/arrangements/transactions entered into by the Company during the year under review with Related Parties were in the ordinary course of business and at arm's length basis in terms of provisions of the Act.

There are no materially significant related party transactions that may have potential conflict with interest of the Company at large. There were no transactions of the Company with any person or entity belonging to the Promoter(s)/Promoter(s) Group which individually holds 10% or more shareholding in the Company.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 29 to the Standalone Financial Statements of the Company. Form AOC - 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the "Annexure A" to this report.

The Company in terms of Regulation 23 of the Listing Regulations shall submit on the date of declaration of its standalone and consolidated financial results for the half year, disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards to the

stock exchanges. The said disclosures can be accessed on the website of the Company at www.solargroup.com.

The Related Party Transactions Policy is available on the Company's website at www.solargroup.com

32. Human Resources and Industrial Relations

The Company has a constant focus on attracting, developing and retaining talent. We believe that our employees are our key strength, and their development and well-being is crucial to sustaining organizational success.

The company is constantly engaging in several initiatives to develop employees holistically to ensure that we have competent employees in all areas of the business. We are implementing several robust HR practices and processes to enhance employee experience, engagement and enablement to deliver exemplary results. Some of these initiatives include structured talent management processes, leadership development, competency development, identifying and ring-fencing key employees occupying key roles, employee engagement and well-being, rewards and recognition, performance management and so on. Having implemented the Behavioral Competency Framework with a focus on leadership development, Functional Competency Framework is being institutionalized to enhance technical and functional expertise. Right environment and resources are provided to ensure research capabilities of employees are developed and honed to develop in-house products with sound safety, quality and reliability standards. Leadership development initiatives include providing the necessary experience, exposure and education to ensure employee readiness to execute critical roles and responsibilities. We have a robust induction and training process for new talent, to ensure safety and quality standards are adhered to. All new employees are required to go through detailed technical and behavioral trainings in their respective domain areas to ensure productivity is achieved along with safety and quality. The Company is maintaining smooth Industrial relation and statutory compliance at all plants and offices.

33. Auditors and Auditors Report

Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, M/s SRBC & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) jointly with M/s. Gandhi Rathi & Co (Firm Registration No. 103031W) were appointed as Statutory Auditor of the Company in the 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company.

M/s SRBC & Co. LLP Chartered Accountants (Firm Registration No. 324982E/E300003) jointly with M/s. Gandhi Rathi & Co (Firm Registration No. 103031W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules

issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

Auditors' Report

The Auditor's Report for the year ended March 31, 2023 on the financial statements of the Company is a part of this Annual Report. The notes on Financial Statements referred in the Annual Report are self-explanatory and do not call for any further comments.

The Auditor's Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark.

Cost Auditor

The Company has maintained cost records for certain products as specified by the Central Government under sub-section (1) of Section 148 of the Act. Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates, Nagpur has carried out the cost audit for applicable products during the financial year 2022-23.

The Board of Directors of the Company, on the recommendations made by the Audit Committee, have appointed Shri Deepak Khanuja, Partner of M/s Khanuja Patra & Associates as the Cost Auditors of the Company to conduct the audit of cost records of certain products for the financial year 2023-24 M/s Khanuja Patra & Associates being eligible, have consented to act as the Cost Auditors of the Company for the financial year 2023-24.

Internal Auditor

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the functions and activities of the Company was undertaken by the Internal Auditors of the Company on quarterly basis by M/s. Protiviti India Member Private Limited the Internal Auditors of the Company.

There were no adverse remarks or qualification on accounts of the Company from the Internal Auditors.

The Board of Directors of the Company has appointed M/s. Protiviti India Member Private Limited to conduct the Internal Audit as per Rule 13 of the Companies (Accounts) Rules, 2014 prescribed under Section 138 of the Companies Act, 2013 for the financial year 2023-24.

Secretarial Auditor

The Secretarial Audit for the year 2022-23 was undertaken by Shri Anant B Khamankar of Anant B Khamankar & Co. practicing Company Secretary the Secretarial Auditor of the Company.

The Secretarial Audit Report for the financial year ended March 31, 2023 under the Act, read with Rules made thereunder and Regulation 24A of the Listing Regulations of the Company and its Material Subsidiary are annexed herewith as "Annexure B1 and B2".

The Secretarial Audit Report for the financial year 2022-23, does not contain any qualification, reservation, or adverse remark.

The Board of Directors, on the recommendation of the Audit Committee, has re-appointed Shri Anant B Khamankar of Anant B Khamankar & Co. practicing Company Secretary, Mumbai to conduct the secretarial audit of the Company for FY 2023-24. They have confirmed their eligibility for the re-appointment.

34. Corporate Social Responsibility

The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Health, Education, Ensuring environmental sustainability, Rural Development, Skill Development.

A detailed report on Solar's various CSR initiatives has been provided in the Annual Report on CSR initiatives, as required under Section 135 of the Companies Act, 2013 (Act) which is annexed as "Annexure C" to this report on page no. 113.

The CSR policy is available on <https://bit.ly/CSRpolicy>

35. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure D".

36. Management Discussion and Analysis Report

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

37. Statement of Management Responsibility for Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgment's and estimates that are reasonable and prudent; and the design, implementation and

maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those respective Boards of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

38. Business Responsibility and Sustainability Report

The Company is committed to pursuing its business objectives ethically, transparently and with accountability to all its stakeholders. It believes in demonstrating responsible behaviour while adding value to society and the community, as well as ensuring environmental well-being from a long-term perspective.

Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations, the Company has prepared the Business Responsibility & Sustainability Report for the year 2022-23, which forms a part of this Annual Report and also hosted on the Company's website and can be accessed at www.solargroup.com

39. Director's Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013 the Board of Directors hereby confirms that:

- In the preparation of the annual accounts of the Company for the year ended March 31, 2023, the applicable Accounting Standards had been followed and there are no departures;
- Accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2023 and of the profit of the Company for that year ended on that date;

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and detecting fraud and other irregularities;
- Annual accounts for the year ended March 31, 2023 have been prepared on a going concern basis.
- Internal Financial controls were in place and that the financial controls were adequate and were operating effectively.
- Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

40. Other Disclosures

- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.
- The Company has not failed to implement any corporate action during the year under review;
- The Company's securities were not suspended during the year under review;
- The Company has registered itself on Trade Receivables Discounting System platform (TReDS) through the service providers Receivables Exchange of India Limited. The Company complies with the requirement of submitting a half yearly return to the Ministry of Corporate Affairs within the prescribed timelines.
- There has been no change in the nature of business of the Company.
- There was no revision of financial statements and Board's Report of the Company during the year under review.
- All the Independent Directors of the Company have passed the Online Proficiency Self-assessment Test conducted by Indian Institute of Corporate Affairs (IICA).

41. CEO/CFO Certification

As required under Regulation 17(8) of the Listing Regulations, the CEO/CFO certificate for the financial year 2022-23 signed by Shri Manish Nuwal, Managing Director & CEO, and Shri Moneesh Agrawal Joint CFO and Smt. Shalinee Mandhana Joint CFO, was placed before the Board of Directors of the Company at its meeting held on May 3, 2023 and is also forms a part of this Annual Report.

42. Appreciation & Acknowledgement

Your directors would like to record their appreciation for the enormous personal efforts as well as the collective contribution of all the employees to the Company's performance. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, government and regulatory authorities, stock exchanges, customers, vendors, members, debenture holders and debenture trustee during the year under review.

For and on behalf of the Board

For and on behalf of the Board

Place: Nagpur
Date: May 3, 2023

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

ANNEXURE A

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

- Name(s) of the related party and nature of relationship: Not Applicable
- Nature of contracts/arrangements/transactions: Not Applicable
- Duration of the contracts / arrangements/transactions: Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- Justification for entering into such contracts or arrangements or transactions: Not Applicable
- Date(s) of approval by the Board: Not Applicable
- Amount paid as advances, if any: Not Applicable
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable

2. Details of material contracts or arrangement or transactions at arm's length basis:

- Name(s) of the related party and nature of relationship: Not Applicable
- Nature of contracts / arrangements / transactions: Not Applicable
- Duration of the contracts / arrangements / transactions: Not Applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- Date(s) of approval by the Board, if any: Not Applicable
- Amount paid as advances, if any: Not Applicable

Note: The above disclosures on material transactions are based on the principle that transactions with wholly owned subsidiaries are exempt for purpose of section 188(1) of the Act.

For and on behalf of the Board

Sd/-
Manish Nuwal
Managing Director & CEO

For and on behalf of the Board

Sd/-
Milind Deshmukh
Executive Director

Place: Nagpur
Date: May 3, 2023

Annexure B1

Form No. MR - 3

SECRETARIAL AUDIT REPORT For the period ended on 31st March, 2023

(Pursuant to Section 204(1) of the Companies Act, 2013 & Rule 9 of the Companies Appointment and Remuneration of Managerial Personnel Rules, 2014)

To,
The Members,
SOLAR INDUSTRIES INDIA LIMITED
"Solar" House,
14 Kachimet,
Amravati Road
Nagpur - 440023

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Solar Industries India Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Solar Industries India Limited for the financial year ended on 31st March, 2023 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) OTHER APPLICABLE LAWS:

- The Indian Boilers Act, 1923
- The Standards of Weights and Measures (Enforcement) Act, 1985
- The Explosives Act, 1884
- The Environment (Protection) Act, 1986
- The Air (Prevention and Control of Pollution) Act, 1981
- The Water (Prevention & Control of Pollution) Act, 1974

- g) Legal Metrology Act, 2009
- h) The Public Liability Insurance Act, 1991
- i) The Minimum Wages Act, 1948
- j) The Contract Labour (Regulation and Abolition) Act, 1970
- k) The Factories Act, 1948
- l) The Industrial Disputes Act, 1947

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Woman Director. The Changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minute's book, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, as per above referred laws, rules, regulations and standards, following are the events/actions:

- The Commercial Paper (CP) issued and redeemed during the year 2022-23 are as follows:

Sr. No	Particulars	Date of Issue	Amount of Issue	Date of Redemption
1.	CP in favor of ICICI Bank Limited	October 18, 2022	₹50 Crore	January 13, 2023
2.	CP in favor of Axis Bank Limited	November 21, 2022	₹50 Crore	May 20, 2023
3.	CP in favor of ICICI Prudential MF	January 11, 2023	₹50 Crore	March 24, 2023

- The Company has issued and allotted 600 (Six Hundred) rated, unsecured, listed, redeemable, Non-Convertible Debentures on Private Placement basis on December 23, 2022.

on January 10, 2022. After considering the submissions of the parties, the Hon'ble Supreme Court has stayed the impugned orders of NCLT dated 09.02.2021 and NCLAT dated 14.12.2021 "

- 1 (One) Investor complaint raised in the year 2020-21 remains unsolved till date as the matter is sub-judice before Honorable NCLT and Supreme Court.

"The Company, Solar Industries India Limited had filed an appeal against the order of the Hon'ble National Company Law Appellate Tribunal ("NCLAT") in the Company Appeal (AT) No. 29 of 2021 dated December 14, 2021, before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court virtually

DATE: April 28, 2023
PLACE: MUMBAI

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR
FCS No. – 3198
CP No. – 1860
UDIN: F003198E000215454

Annexure B2

Form No. MR - 3

SECRETARIAL AUDIT REPORT For the period ended on 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Economic Explosives Limited
11 Zade Layout Bharat,
Nagpur - 440033, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Economic Explosives Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended on 31st March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to **Economic Explosives Limited** as it is an Unlisted Public Company:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulation, 2021;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) OTHER APPLICABLE LAWS:

- a) The Standards of Weights and Measures (Enforcement) Act, 1985
- b) The Explosives Act, 1884
- c) Legal Metrology Act, 2009
- d) The Public Liability Insurance Act, 1991
- e) The Contract Labour (Regulation and Abolition) Act, 1970
- f) The Minimum Wages Act, 1948
- g) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

- h) The Environment (Protection) Act, 1986
- i) The Water (Prevention and Control of Pollution) Act, 1974
- j) The Air (Prevention and Control of Pollution) Act, 1981
- k) The Factories Act, 1948
- l) Mines Act, 1952 (wherever applicable)
- m) Mines and Mineral (Regulation and Development) Act, 1957 (wherever applicable)

We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining

further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period under review, there were no instances of:

- i) Public/ Rights/ Preferential issue of shares/ debentures, etc.
- ii) Redemption / buy-back of securities.
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- iv) Merger / amalgamation / reconstruction, etc.
- v) Foreign technical collaborations

FOR ANANT B KHAMANKAR & CO.
COMPANY SECRETARIES

ANANT B. KHAMANKAR
PROPRIETOR
FCS No. : 3198
CP No. : 1860
UDIN: F003198E000215454

DATE: April 28, 2023
PLACE: MUMBAI

Annexure C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company believes in undertaking business in a way that will lead to overall development of all stakeholders and society. The CSR initiatives of the Company aim towards inclusive development of the communities largely around the vicinity of its plants and registered office through a range of structured interventions in the areas of:

1. Education
2. Health & Hygiene
3. Ensuring environmental sustainability
4. Rural Development
5. Skill Development

2. Composition of CSR Committee as on March 31, 2023:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Saytanarayan Nuwal	Chairman/ Non-Executive Director	4	4
2.	Shri Manish Nuwal	Member/ Executive Director / MD & CEO	4	4
3.	Smt Sujitha Karnad ¹	Member/Non-Executive Independent Director	N.A.	N.A.

Note:-

1. Smt Sujitha Karnad was appointed as a member of the CSR Committee w.e.f. March 3, 2023
2. Shri Ajai Nigam resigned from the Board of the Company w.e.f. March 3, 2023.

3. The Web - link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.

Link: <https://bit.ly/CSRpolicy>

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:

The average CSR obligation of the Company in the past 3 years was ₹ 5.45 Crore. hence, the impact assessment is not applicable to the Company.

5. (a) Average net profit of the Company as per section 135(5) : ₹ 290.78 Crore
- (b) Two percent of average net profit of the company as per section 135(5): ₹ 5.82 Crore
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: - Not Applicable
- (d) Amount required to be set off for the financial year, if any. Not Applicable
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]:- ₹ 5.82 Crore

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):- ₹ 5.825 Crore

b) Details of CSR amount spent against other than ongoing projects for the financial year:

(In Crore)

1 Sr. No	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the project		6 Amount spent for the project	7 Mode of implementation - Direct (Yes/ No)	8 Mode of implementation – Through implementing agency	
				State	District			Name	CSR Registration Number
1	Upgradation of Hospital infrastructure and Provisioning of Medical Equipment's	Promoting healthcare including preventive healthcare activities	Yes	Maharashtra	Nagpur	4.51	Direct	NA	NA
2	Infrastructural development of schools for underprivileged children	Promotion of Education	Yes	Maharashtra	Yavtmal Pauni Chandrapur	0.96	Direct	NA	NA
3	Environment Projects for Restoration of ecosystem	Ensuring environmental sustainability	Yes	Maharashtra	Nagpur	0.15	Direct	NA	NA
4	Infrastructural Development in Rural area	Rural Development	Yes	Maharashtra	Bazargaon	0.035	Direct	NA	NA
5	Contribution for skill development programme	Skill Development	Yes	Maharashtra	Nagpur	0.10	Direct	NA	NA
6	Other CSR Initiative		Yes	Maharashtra	Nagpur	0.07	Direct	NA	NA
	1. Setting up old age homes, day care center	Welfare activities for senior citizen							
	2. Menstrual Hygiene	Hygiene for Women			Bazargaon				
	Total					₹ 5.825			

c) Amount spent in Administrative Overheads:- Nil

d) Amount spent on Impact Assessment, if applicable:- Nil

e) Total amount spent for the Financial Year [(a)+(b)+(c):- ₹ 5.825 Crore

f) CSR amount spent or unspent for the financial Year 2022-2023:

Total amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 5.825 Crore	NA	NA	NA	NA	NA

g) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in Crore)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ 5.82 Crore
(ii)	Total amount spent for the Financial Year	₹ 5.825 Crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years :- Not Applicable

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
				NIL				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5			

NIL

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135.

For and on behalf of Corporate Social Responsibility Committee

Manish Nuwal
Managing Director and CEO

Satyanarayan Nuwal
Chairman of CSR Committee

ANNEXURE D

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information as required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY

The Company has always been a forerunner in conservation of energy and natural resources. All manufacturing processes and products are designed for minimising carbon footprints and are being continuously upgraded to consistently accomplish this goal. The Company has a distinction of having key plants certified for ISO 14001:2015 and ISO 45001:2018 which is a culmination of our sustained efforts and our policy of protecting environment and natural resources.

The pioneering effort of the Company in rainwater harvesting has started giving decent outcomes. Construction of benches, trenches, open reservoirs and check dams in the large open land areas in the plant will result in considerable increase in the water table in and around the plant area, thus ensuring year-round water availability for our plant operation & plantation. Moreover, availability of rain waters-a soft water-in the open ponds, saves on water softening and saving in energy cost of ground water withdrawal viz-a-viz conservation of natural resources.

The effluents & sewage water are treated in the Effluent Treatment Plants /STP and the treated water is recycled in the process and are used for gardening purposes. We have achieved Zero Liquid Discharge (ZLD).

The Company gets energy audit conducted internally and by experts on regular basis and take corrective actions based on the recommendations. The steps have resulted not only in saving the energy and conserving natural resources but also in reducing our running costs of the operations.

During the year under review, the Company has not made any capital investment on energy conservation equipment .

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Efforts in Brief: The Company has full-fledged Research & Development Division engaged in research on new products, processes optimization and study on the existing operations, and to ensure parameters to continuously improve the product quality, safety and being cost effective

The establishment of Center of Excellence for Life Cycle Assessment for Explosives and Ammunition has been to fulfill our endeavor to create a highly efficient and advanced R&D facility to support defence establishments.

Technology: After successfully developing and absorbing new technology in product or manufacturing process, it is then tested in our specified testing plants before implementing it on regular basis. Most of the existing manufacturing processes and technology has been developed in house and occasionally seeks advice of experts from India and overseas as well. The Company is not dependent on any foreign technology for its existing product line and strives continuously for technology development and absorption for new products. We are open for buying technologies from abroad.

Benefits: Improved safety, Product Quality improvement, production flexibility and enhancing efficiencies.

RESEARCH AND DEVELOPMENT (R&D)

a) Specific area in which R&D has been carried out by the Company in the field of:

- ▶ Packaged Explosives
- ▶ Bulk Explosives
- ▶ Initiating Systems High Energy Materials
- ▶ High Energy Explosives

b) Benefits derived as results of above:

- ▶ Improved Safety
- ▶ Standards and Compliance Safety in primary explosives composition development as resulted in improved Industrial safety and establishing better work environment.
- ▶ Enhanced environment protection.
- ▶ Modification of existing process for some of the products and enduring savings in cost of production.
- ▶ Improvement in quality of Packaged & Bulk Explosives and Initiating Systems.
- ▶ Product Development for application in Defence and Oil exploration.
- ▶ Successful trials of SETT (System of Explosives Tracking and Tracing) on finished goods.

c) Future plan of action:

- ▶ Developing applications to improve blasting resolutions.
- ▶ Enhancing Customer's Satisfaction while handling the products at the end users.
- ▶ Introducing new products for different applications in Defence Sector.
- ▶ Developing Product variants for mining segment.
- ▶ Improvement in Trace & Trace for Finished Goods in compliance with PESO guidelines.
- ▶ Develop substitute Eco-friendly chemicals and eliminate hazardous chemicals in the processes.
- ▶ Improving Quality and Shop-floor safety of Packaged Explosives and Initiating System.
- ▶ Reduction in Wastage

d) Expenditure on R&D:

Sr. No	Particulars	2022-23 (₹ In Crore)
1	Capital	0.00
2	Recurring	0.58
3	Total	0.58
4	R&D Expenditure percentage of Turnover	0.01

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Sr. No	Particulars	2022-23 (₹ In Crore)
a	Earnings in Foreign Exchange	711.05
b	Outgo in Foreign Exchange	723.96

For and on behalf of the Board

For and on behalf of the Board

Place: Nagpur
Date: May 3, 2023

Sd/-
Manish Nuwal
Managing Director & CEO

Sd/-
Milind Deshmukh
Executive Director

Report on Corporate Governance

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in terms of Regulation 34 read with Chapter IV and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulation, 2015] and the report contains the details of Corporate Governance systems and processes at Solar Industries India limited.

1. CORPORATE GOVERNANCE AWARD:

Solar Industries India Limited has been bestowed with the Golden Peacock award for Excellence in Corporate Governance - 2022 under the Engineering (Explosives) category.

Golden Peacock Awards, instituted by Institute of Directors, India, is regarded as an industry benchmark of Corporate Excellence worldwide to celebrate and honour the best governed companies, "This award is a testimony to our consistent efforts to adhere to the highest standards in corporate governance and organisational practices.

2. CORPORATE GOVERNANCE FRAMEWORK:

2.1. Company's Philosophy on Corporate Governance:

SOLAR'S philosophy of Corporate Governance is founded on the pillars of fairness, accountability, disclosures and transparency. These pillars have been strongly cemented which is reflected in your Company's business practices and work culture. The sound governance processes and systems guide the Company on its journey towards continued success. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the aspirations of its stakeholder's and societal expectations.

Your Company is committed to sound principles of Corporate Governance with respect to all of its procedures, policies and practices. The governance processes and systems are continuously reviewed to ensure highest ethical and responsible standards being practiced by your Company. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes in letter as well as spirit have enabled your Company to enhance shareholder value. In fact, this has become an integral part of the way the business is done.

SOLAR recognizes that good Corporate Governance is a continuous exercise and reiterates its commitment to pursue highest standards of Corporate Governance in the overall interest of all its stakeholders for effective implementation of the Corporate Governance practices.

2.2. Corporate Governance Policies:

SOLAR has adopted various codes and policies to function in an ethical manner. Some of these codes and policies are as follows:

- ▶ Policy on Values and Behavior i.e. "Vyavahar Sanhita"
- ▶ Code of Conduct for Directors and Senior Management Personnel
- ▶ Code of Practices and Procedures for fair disclosures of unpublished price sensitive information
- ▶ Code of Conduct for Prohibition of Insider Trading Policy for procedure of inquiry for leak of UPSI
- ▶ Remuneration Policy for Directors, Key Managerial Personnel and other Employees
- ▶ Policy on Performance Evaluation of Independent Director, Board of Directors, Committees, Key Managerial Personnel.
- ▶ Vigil Mechanism and Whistle Blower Policy
- ▶ Corporate Social Responsibility Policy
- ▶ Policy on Related Party Transactions
- ▶ Policy for determining Material Subsidiaries
- ▶ Policy on prevention of Sexual Harassment at work place
- ▶ Policy on Environment, Health and Safety
- ▶ Policy on Disclosure of Material Events
- ▶ Policy on Preservation of Documents
- ▶ Policy for Dividend Distribution
- ▶ Risk Management Policy
- ▶ Information Security Policy
- ▶ Data Privacy Policy
- ▶ Anti-Bribery Policy

2.3 Corporate Governance Practices:

SOLAR strives for highest Corporate Governance Practices. The "Compliance Module" has been implemented, across the Organisation, which is devised to ensure compliance with all applicable laws that impact the Company's business. All securities related filings with Stock Exchanges are reviewed every quarter by the Stakeholders' Relationship Committee and the Board of the Company.

2.4 Corporate Governance Structure:

For effective, efficient, transparent and ethical functioning, SOLAR has four layers of Corporate Governance:

- ▶ Governance by Board of Directors.
- ▶ Governance by Committees of Board of Directors.
- ▶ Governance by Shareholders.
- ▶ Governance through Management Process.

3. FIRST LAYER GOVERNANCE BY BOARD OF DIRECTORS:

Role of Board of Directors in the Corporate Governance:

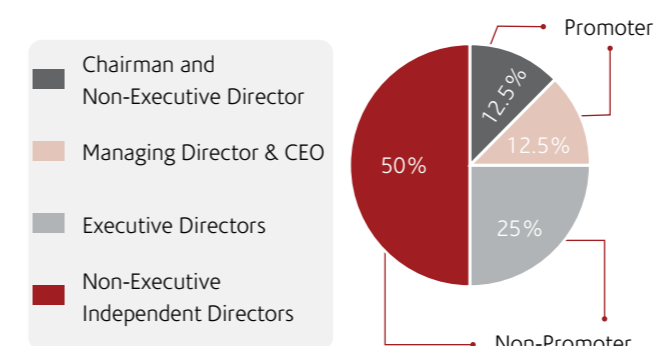
The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensuring its effectiveness and enhancement of shareholder value. The Board also provides strategic direction, reviews and approves management's business objectives, plans and oversees risk management. The Board's actions and decisions are aligned with the Company's best interests.

3.1 Composition of Board:

The Composition of the Board of Directors is adhering with the Regulation 17 (1) of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 as on March 31, 2023.

The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

Composition Analysis:



The Board as part of its succession planning exercise periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term Objectives of the Company.

3.2 Board Procedures and flow of information to the Board:

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board businesses.

Your Company holds at least four Board Meetings in a year, one in each quarter to review the financial results and other items of the agenda. Apart from the four scheduled Board meetings, additional Board meetings are also convened to address the specific requirements of the Company. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meeting.

The notice setting out the detailed Agenda of Board Meeting is given well in advance to all the Directors. The Agenda and

Pre-reads are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings.

The meetings of the Board are regularly held at Nagpur at the registered office of the Company. The Directors who are unable to attend the meetings in person, participates in the meeting via Audio-Visual mode.

The Board has complete access to any information within your Company. Members of the Board have complete freedom to express their views on agenda items and can discuss any matter at the Meeting with the permission of the Chairperson. Apart from Board Members and the Company Secretary, the Board and Committee Meetings are also attended by the Chief Financial Officer and wherever required by the heads of various Corporate Functions.

Prior approval from the Board and Committee members are obtained for circulating the agenda items of shorter notice for matters that forms part of the Board and Committee Agenda and are considered to be in the nature of Un-published Price Sensitive Information.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Management appraises the Board through a presentation at every Meeting on the overall performance of your Company.

In the path of digitization and with a view to ensure its commitment to Go-Green initiative of the Government, the Company circulates to its Directors, notes for Board/ Committee meetings through an electronic platform thereby ensuring high standard of security and confidentiality of Board papers.

Recording minutes of proceedings at Board and Committee Meetings:

The minutes of the proceedings of each Board and Committee meetings are recorded by the Company Secretary or any other person authorised by the Board. Draft minutes are circulated to Board/Committee members for their comments. The minutes are entered in the minute's book within 30 days from the conclusion of the meeting.

Post meeting follow-up mechanism:

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decision taken by the Board and Committees thereof.

Important decisions taken at Board/Committee meetings are communicated promptly to the concerned departments/divisions. Action taken report on decision/minutes of the previous meetings is placed at the succeeding meeting of the Board/Committees for noting.

Compliance:

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meetings, is responsible for and is required to ensure adherence to all applicable laws and

regulations, including the Companies Act, 2013 read with rules issued thereunder, as applicable and Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Meetings held during the year:

During the FY 2022-23, the Board of Directors met five times i.e. May 03, 2022, June 06, 2022, July 25, 2022, November 04, 2022 and January 25, 2023. The necessary quorum was present for all the meetings. The maximum interval gap between any two meetings did not exceed 120 days.

Flow of Information to the Board:

The Board has complete access to all Company-related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration.

All material information is circulated to the Directors before the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of the Listing Regulations. The management makes concerted efforts to continuously upgrade the information available to the Board for decision making and the Board members are updated on all key developments relating to the Company.

3.3 Independent Directors:

Separate Meetings of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, two separate meetings of the Independent Directors of the Company were held on July 25, 2022 and March 11, 2023.

- Review the performance of Non- Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

Selection and Appointment of Independent Directors:

Considering the requirement of skill sets on the Board, eminent persons having an independent standing in their respective field / profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment, as an Independent Director on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorship(s) and Membership(s) held in various Committees of other companies by such

persons in accordance with the Company's Policy for Selection of Directors and determining Director's independence and recommends to the Board their appointment.

As required under Regulation 46(2)(b) of the SEBI (LODR) Regulation, 2015, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of their appointment are posted on the Company's website and can be accessed at www.solargroup.com.

Familiarisation Program of Independent Directors:

Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Code of Conduct for Directors and Senior Management Personnel, Code of Conduct for Prevention of Insider Trading, Policy on Related Party Transactions, Policy on Remuneration, Policy on material events, Policy on material subsidiaries, Whistle Blower Policy, Risk Management Policy, Policy on Anti-Corruption and Anti-Bribery, Policy on Prevention of Sexual Harassment and Corporate Social Responsibility Policy.

The Statutory Auditors, Internal Auditors and Senior Management of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

The Board members are provided with necessary documents, brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, Marketing of the Company's major business segments, practices relating to Human Resources, overview of business operations of major subsidiaries, global business environment, business strategy and risks involved.

The details of the familiarisation programme of the Independent Directors are available on the website of the Company at the link: <https://bit.ly/SolargroupFPpolicy>

Declarations by Independent Directors:

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI (Listing Regulations) read with Section 149(6) of the Companies Act, 2013 along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. The maximum tenure of Independent Directors is in compliance with the Companies Act, 2013 ("the Act") and the Listing Regulations. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations, 2015 and that they are independent of the management. The Independent Directors have also confirmed that they have registered themselves in the databank of persons offering to become Independent Directors.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence and submits the declaration regarding the status of holding other directorship and membership as provided under law.

Based on the intimations/disclosures received from the Directors periodically, none of the Director is a Director in more than 10 public limited companies (as specified in section 165 of the Act) and Director in more than 7 listed entities (as specified in Regulation 17A of the Listing Regulations) or acts as an Independent Director (including any alternate directorships) in more than 7 listed companies or 3 equity listed companies in case he/she serves as a Whole-time Director/Managing Director in any listed company (as specified in Regulation 17A of the Listing Regulations). Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5 Committees (as specified in Regulation 26 of the Listing Regulations), across all the Indian public limited companies in which he/she is a Director.

Appointment:

On the recommendation of Nomination and Remuneration Committee the Board have considered and approved the following:

- Appointment of Shri Natrajan Ramkrishna (DIN: 06597041) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Three (3) consecutive years commencing from October 19, 2022 through Circular Resolution dated October 18, 2022, subject to approval of members of the Company through Special Resolution.
- Appointment of Shri Jagdish Chandra Belwal (DIN: 08644877) as an Additional Director (Non-Executive Independent Director) of the Company, not liable to retire by rotation for a period of Three (3) consecutive years commencing from December 05, 2022, through Circular Resolution dated December 03, 2022 subject to approval of members of the Company through Special Resolution.

In this regard the Board of Directors of the Company had approved the Notice of Postal Ballot dated December 03, 2022, for seeking the approval of Members of the Company by way of Special Resolution for appointment of Shri Natrajan Ramkrishna (DIN: 06597041) and Shri Jagdish Chandra Belwal (DIN: 08644877) as Independent Directors of the Company.

The Special Resolutions as contained in the Notice of Postal Ballot dated December 03, 2022 has failed to get the requisite majority.

Pursuant to recent amendment in sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, where a special resolution for the appointment of an Independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an Independent Director shall be deemed to have been made under sub-regulation (2A).

In light of the above amendment, Shri Natrajan Ramkrishna (DIN: 06597041) and Shri Jagdish Chandra Belwal (DIN: 08644877) are deemed to be appointed as Independent Directors of the Company under Regulation 25(2A) of SEBI Listing Regulations.

Cessation:

Shri Sanjay Sinha (DIN: 08253225) ceased to be the Non-Executive Independent Director of the Company w.e.f June 10, 2022. The proposed Special Resolution for his re-appointment was not approved by the Shareholders in their meeting dated June 10, 2022.

Resignation:

- Shri Dilip Patel (DIN: 00013150) has resigned from the position of Non-Executive Independent Director of the Company on attaining the age of Seventy-Five years with effect from the closing of business hours of October 19, 2022.

There was no other material reason of the resignation other than those mentioned above.

- Shri Ajai Nigam (DIN:02820173) has resigned from the position of Non-Executive Independent Director of the company with effect from the close of business hours of March 3, 2023 on account of advancing age and increasing personal Commitments.

There was no other material reason of the resignation other than those mentioned above.

Governance Code:

Conflict of Interest:

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Details of Directors and their attendance records for the Board Meetings and Annual General Meeting held during the FY 2022-23:

Sr. No.	Name of the Director	Director Identification Number	Category	Attendance		
				Board Meeting	%	Last AGM
1.	Shri Satyanarayan Nuwal	00713547	Chairman and Non-Executive Director	5/5	100%	Present
2.	Shri Manish Nuwal	00164388	Managing Director and CEO	5/5	100%	Present
3.	Shri Suresh Menon	07104090	Executive Director	5/5	100%	Present
4.	Shri Milind Deshmukh	09256690	Executive Director	5/5	100%	Present
5.	Shri Amrendra Verma	00236108	Non-Executive Independent Director	5/5	100%	Present
6.	Smt. Sujitha Karnad	07787485	Non-Executive Independent Director	5/5	100%	Present
7.	Shri Natrajan Ramkrishna ¹	06597041	Non-Executive Independent Director	2/2	100%	NA
8.	Shri Jagdish Chandra Belwal ²	08644877	Non-Executive Independent Director	1/1	100%	NA
9.	Shri Dilip Patel ³	00013150	Non-Executive Independent Director	3/3	100%	Present
10.	Shri Ajai Nigam ⁴	02820173	Non-Executive Independent Director	5/5	100%	Present
11.	Shri. Sanjay Sinha ⁵	08253225	Additional Director Non-Executive Independent Director	2/2	100%	Present

Notes:

- Appointed w.e.f October 19, 2022.
- Appointed w.e.f December 5, 2022.
- Resigned w.e.f October 19, 2022.
- Resigned w.e.f March 3, 2023
- The Resolution for appointment of Shri Sanjay Sinha, Additional Director (Non-Executive Independent Director) was not passed by the members of the Company at the 27th Annual General Meeting held on June 10, 2022.
- As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

3.4 Confirmation from the Board:

The Board of Directors be and hereby confirm that in the opinion of the Board, the Independent Directors fulfill the conditions specified by SEBI (LODR) Regulations, 2015 and they are independent of the management.

3.5 Profile of Board of Directors:

Brief Profile of all the Directors are available on the Company's website i.e. www.solargroup.com

Directorships and Memberships of Board and Committees as on March 31, 2023:

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (including SILL)	Chairmanship in committees of Board (including SILL)	Membership in committees of Board (including SILL)
1.	Shri Satyanarayan Nuwal	Chairman and Non-Executive Director	02	-	-
2.	Shri Manish Nuwal	Managing Director and CEO	06	-	03
3.	Shri Suresh Menon	Executive Director	04	-	01
4.	Shri Milind Deshmukh	Executive Director	02	-	-
5.	Shri Amrendra Verma	Non-Executive Independent Director	04	03	05
6.	Smt. Sujitha Karnad	Non-Executive Independent Director	02	-	01

Sr. No.	Name of Directors	Nature of Directorship	Number of Directorships (including SILL)	Chairmanship in committees of Board (including SILL)	Membership in committees of Board (including SILL)
7.	Shri Natrajan Ramkrishna ¹	Non-Executive Independent Director	05	01	02
8.	Shri Jagdish Chandra Belwal ²	Non-Executive Independent Director	01	-	-

Notes:

- Appointed w.e.f October 19, 2022.
- Appointed w.e.f December 5, 2022.
- The Resolution for appointment of Shri Sanjay Sinha, Additional Director (Non-Executive Independent Director) was not passed by the members of the Company at the 27th Annual General Meeting held on June 10, 2022.
- Shri Dilip Patel has resigned from the position of Non-Executive Independent Director of the company on attaining the age of Seventy-Five years with effect from the closing of business hours of October 19, 2022.
- Shri Ajai Nigam has resigned from the position of Non-Executive Independent Director of the company with effect from the close of business hours of March 3, 2023 on account of advancing age and increasing personal commitments.
- As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.
- Directorship does not include Private Companies which are not subsidiaries to Public Companies, Section 8 Companies and Foreign Companies.
- Does not include Chairmanship/Membership in Board Committees other than the Audit Committee, Shareholders' Relationship Committee.
- None of the directors were members in more than 10 Committees and had not held Chairmanship in more than five Committees across all companies in which he/she was a director as on March 31, 2023.

3.6 Core Skills / Expertise / Competencies available with the Board:

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

Global Business	Understanding of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Behavioural values	Personal Characteristics matching the Company's values, such as integrity, accountability and high performance standards.
Corporate Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

Given below is the chart setting out the skills/ expertise/ competence of the Board of Directors and Names of the Listed Companies wherein the Directors of the Company are Directors:

Sr. No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
1	Shri Satyanarayan Nuwal	A first generation entrepreneur with expertise in business management and corporate planning.	-
2	Shri Manish Nuwal	A second generation entrepreneur and an industrialist with a stupendous financial and management skills. Strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. He plays a major role in protecting shareholding interests and observing appropriate Governance Practices.	-
3	Shri Suresh Menon	He has a deep understanding of explosives market (both at Domestic and global markets).	-
4	Shri Milind Deshmukh	He has a deep understanding of global business dynamics, across various geographical markets and regulatory jurisdictions.	-
5	Shri Amrendra Verma	A financial expert with vast knowledge in finance and banking sector.	Electro Steel Castings Ltd (Non-Executive Independent Director)
6	Smt. Sujitha Karnad	She has rich experience in the areas of strategic HR Management solutions, Corporate Governance, Risk Management and implementation of IT solutions.	-

Sr. No.	Name of Director	Expertise in specific functional area	List of Directorship held in other Listed Companies and Category of Directorship
7	Shri Natrajan Ramkrishna	He has Expertise in Accounting GAAP, IFRS, Ind AS and Auditing, Compliance and Risk Management.	-
8	Shri Jagdish Chandra Belwal	A significant background in Information technology resulting in knowledge of how to anticipate technological trends and extend to create new Business models.	-

Note:

As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director.

3.7 Disclosure of relationship between Directors inter-se:

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director is father of Shri Manish Nuwal, Managing Director and CEO of the Company. Other than Shri Satyanarayan Nuwal and Shri Manish Nuwal, none of the Directors of the Company are related to any other Director of the Company.

Note:

As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal is brother of Shri Satyanarayan Nuwal and Uncle of Shri Manish Nuwal.

3.8 Number of shares and Non-Convertible Instruments held by Non-Executive Director:

Shri Satyanarayan Nuwal, Chairman and Non-Executive Director of the Company, holds 3238254 shares and no Non-Convertible Instruments are held by any of the Directors of the Company.

3.9 Directors Shareholding as on March 31, 2023:

Sr. No.	Name of Directors	No. of Equity Shares held	% to the paid up share capital of the Company
1.	Shri Satyanarayan Nuwal	3238254	3.58%
2.	Shri Manish Nuwal	35232069	38.93%
3.	Shri Suresh Menon	Nil	0.00
4.	Shri Milind Deshmukh	Nil	0.00

Notes:

- During the financial year ended March 31, 2023, no equity shares were held by the Independent Directors of the Company.
- As per the intimation dated July 30, 2020, Shri Kailashchandra Nuwal (DIN: 00374378) has vacated his office of Director of the Company w.e.f. November 7, 2019. Shri Kailashchandra Nuwal had filed Company Petition in which the Hon'ble NCLT, Mumbai Bench, passed an interim order dated February 9, 2021, allowing two prayers. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022 it has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT. Hence, the name of Shri Kailashchandra Nuwal is not mentioned as a Director. Shri Kailashchandra Nuwal holds 20882963 equity shares in the Company.

3.10 Code of Conduct:

The Board of Directors laid down a Code of Conduct for all the board members and senior management of the Company. The updated Code incorporates the duties of Independent Directors. This code has been posted on the web-site of the Company at www.solargroup.com.

All board members and senior management personnel have affirmed compliance with the code. A declaration to this effect is signed by Shri Manish Nuwal, Managing Director and Chief Executive Officer is attached and forms part of the Annual Report of the Company.

3.11 Performance Evaluation:

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Regulations), 2015 the Board is required to monitor and review the Board evaluation framework. In line with the Corporate Governance Guidelines, the Board has carried out the annual performance evaluation of its own performance, the Chairman, the Directors individually, Chief Financial Officer, Company Secretary as well as the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders Relationship, CSR Committee and Risk Management Committee.

This evaluation is led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance

and effective functioning of the Board. The evaluation process also considers the time spent by each of the Board Member, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise. The Board evaluation is conducted through questionnaire having qualitative parameters and feedback based on ratings. The Directors expressed their satisfaction with the evaluation process.

4. SECOND LAYER COMMITTEES OF BOARD OF DIRECTORS:

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities as mandated by applicable regulations, which concern the Company and need a closer review. The composition and terms of reference of all the Committees are in compliance with the Companies Act, 2013 and the Listing Regulations, as applicable. During the year, all the recommendations made by the respective Committees were accepted by the Board. Minutes of the proceedings of Committee meetings are circulated to the respective Committee members and placed before the Board meetings for noting. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval. The Board Committees request special invitees to join the meeting, as and when appropriate.

The Company has Six Board-level Committees, namely:

- ▶ Audit Committee
- ▶ Nomination and Remuneration Committee
- ▶ Stakeholders Relationship Committee
- ▶ Corporate Social Responsibility Committee
- ▶ Risk Management Committee
- ▶ Executive Committee

4.1 Audit Committee:

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

Besides, having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as the link between Statutory and Internal Auditor and the Board of Directors of the Company. It reviews Financial Statements and investment of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations etc.

A. Composition:

Sr. No.	Name of the Director	Designation
1	Shri Amrendra Verma ¹	Chairman
2	Shri Manish Nuwal	Member
3	Smt. Sujitha Karnad	Member

Sr. No.	Name of the Director	Designation
4	Shri Natrajan Ramkrishna ²	Member
5	Shri Dilip Patel ³	Member

Notes:

- Appointed as a chairman w.e.f. October 20, 2022.
- Appointed w.e.f. October 19, 2022
- Stepped down w.e.f. October 19, 2022.

B. Extract of Terms of Reference:

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the board for approval.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the listed entity, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors of any significant findings and follow up there on.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

15. Review the functioning of the whistle blower mechanism;
16. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
17. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.
18. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
19. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Statutory Auditors of the Company are invited to attend and participate at the meetings of the Audit Committee.

The Chairman of the Audit Committee Shri Amrendra Verma attended the last Annual General Meeting held on June 10, 2022.

M/s Protiviti India Member Private Limited represented by Shri Sachin Maloo, Managing Director performed the Internal Audit function of the Group for the FY 2022-23.

C. Meetings during the year:

The Audit Committee met four times during the year under review. The Committee meetings were held on May 3, 2022, July 25, 2022, November 4, 2022 and January 25, 2023. The necessary quorum was present for all the meetings.

D. Attendance at Audit Committee as on March 31, 2023:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	Attendance
1.	Shri Amrendra Verma ¹	Chairman	Non-Executive Independent Director	4/4	100%
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4	100%
3.	Smt. Sujitha Karnad	Member	Non-Executive Independent Director	4/4	100%
5.	Shri Natrajan Ramkrishna ²	Member	Non-Executive Independent Director	2/2	100%
6.	Shri Dilip Patel ³	Member	Non-Executive Independent Director	2/2	100%

Note:

1. Appointed as a chairman w.e.f. October 20, 2022.
2. Appointed as a Member w.e.f. October 19, 2022
3. Stepped down w.e.f. October 19, 2022.

The Chairman of the Audit Committee was present at the 27th Annual General Meeting of the Company.

In pursuance, to Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Audit Committee possess financial / accounting expertise / exposure.

4.2 Nomination and Remuneration Committee:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

This Committee has been vested with authority to inter alia recommend nominations for Board Membership, develop and recommend policies with respect to the composition of the Board commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experiences, track record and integrity and establish Director retirement policies and appropriate succession plans and determining overall remuneration policies of the Company.

The principal scope / role also includes review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same.

Composition:

Sr. No.	Name of the Director	Designation
1.	Shri Amrendra Verma	Chairman
2.	Smt Sujitha Karnad	Member

Sr. No.	Name of the Director	Designation
3.	Shri Natrajan Ramkrishna ¹	Member
4.	Shri Dilip Patel ²	Member
5.	Shri Ajai Nigam ^{3&4}	Member

Notes:

1. Appointed w.e.f. March 3, 2023.
2. Stepped down w.e.f. October 19, 2022
3. Appointed w.e.f. October 19, 2022
4. Stepped down w.e.f. March 3, 2023.

The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board.

A. The primary responsibilities of this Committee include:

1. Identifying potential candidates who are qualified to become Directors and who may be appointed in senior management.
2. Determining the composition of the Board of Directors and the sub-Committees of the board.
3. Specify methodology for effective evaluation of performance of Board/Committees/Directors either by Board, NRC or an Independent external agency and to review implementation of evaluation system;

4. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors;
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. Recommend to the Board a policy, relating to the remuneration of the Directors, key managerial personnel and other employees;
7. To assist the Board's overall responsibility relating to Executive compensation and recommend to the Board appropriate compensation packages for Whole-time Directors and Senior Management personnel in such a manner so as to attract and retain the best available personnel for position of substantial responsibility with the Company.
8. Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.

9. Devising a policy on diversity of board of directors.
10. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
11. Recommend to the board, the remuneration of the Directors, Key Managerial Personnel and other employees and in whatever form payable to senior management.
12. Undertake any other matters as the Board may decide from time to time.

Company has framed the Nomination & Remuneration Policy which is available at its website: www.solargroup.com

B. Meetings during the year:

The Nomination and Remuneration Committee met two times during the year under review on May 2, 2022 and January 25, 2023.

The necessary quorum was present for all the meetings.

C. Attendance of Nomination and Remuneration Committee as on March 31, 2023:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of Meetings attended	Attendance
1.	Shri Amrendra Verma	Chairman	Non-Executive Independent Director	2/2	100%
2.	Smt. Sujitha Karnad	Member	Non-Executive Independent Director	2/2	100%
3.	Shri Natrajan Ramkrishna ¹	Member	Non-Executive Independent Director	-	-
4.	Shri Dilip Patel ²	Member	Non-Executive Independent Director	1/1	100%
5.	Shri Ajai Nigam ^{3&4}	Member	Non-Executive Independent Director	1/1	100%

Notes:

1. Appointed w.e.f. March 3, 2023.
2. Stepped down w.e.f. October 19, 2022
3. Appointed w.e.f. October 19, 2022
4. Stepped down w.e.f. March 3, 2023.

The Chairman of the Nomination and Remuneration Committee was present at the 27th Annual General Meeting of the Company.

D. Remuneration Policy:

1. Remuneration to Executive Directors:

The appointment and remuneration of all the Executive Directors of the Company is governed by the recommendation of the Nomination and Remuneration Committee, Resolutions passed by the Board of Directors and Shareholders of the Company. The remuneration package of all the Executive Directors comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by

the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Nomination and Remuneration Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Nomination and Remuneration Policy is displayed on the Company's website viz. www.solargroup.com.

Presently, the Company does not have a stock options scheme for its Directors.

E. Executive Directors Remuneration:

The remuneration paid to the Executive Directors during the FY 2022-23 is as below:

(₹ in Crores)										
Sr. No.	Name of Director and Designation	Salary	Commission	Gratuity	Bonuses	Pension	Performance linked incentives	Performance criteria	Notice Period	Stock Options
1.	Shri Manish Nuwal Managing Director & CEO	4.20	7.50	0.06				Performance criteria is based on the performance of the Company and as may be decided by the Board from time to time.	As per the rules of the Company	Nil
2.	Shri Suresh Menon Executive Director	0.82	-	0.01	As per policies and rules of the Company			Performance criteria is based on the performance of the Company and as may be decided by the Board from time to time.	As per the rules of the Company	Nil
3.	Shri Milind Deshmukh Executive Director	0.85	-	0.01	As per policies and rules of the Company			Performance criteria is based on the performance of the Company and as may be decided by the Board from time to time.	As per the rules of the Company	Nil

Note:

The Salary amounting to Rs. 35 Lakhs for a period of one month i.e. April 1, 2022 to April 30, 2022 was paid to Shri Satyanarayan Nuwal, under the Designation, Chairman & Executive Director of the Company.

F. Non-Executive Independent Directors Remuneration:

- The Chairman of the Company is a Non-Executive Director.
- There were no pecuniary transactions with any Non- Executive Independent Director of the Company.
- The criteria for making payment to Non-Executive Independent Directors is available on the website of the Company i.e. www.solargroup.com
- The Non-Executive Independent Directors were only paid sitting fees for attending Board and Committee meetings for the FY 2022-23. None of the Non-Executive Independent Directors held any shares in the Company.
- No Remuneration was paid to Shri Satyanarayan Nuwal, under the Designation, Chairman & Non-Executive Director of the Company.
- No stock options were issued by the Company during the year under report.
- The sitting fees [Remuneration] paid to the Non-Executive Independent Directors during the FY 2022-23 is as below:

Remuneration paid to Non-Executive Directors during the FY 2022-23:

Sr. No.	Non-Executive Directors	Sitting Fees (₹)
1.	Shri Amrendra Verma	11,40,000.00
2.	Smt Sujitha Karnad	9,80,000.00
3.	Shri Natrajan Ramkrishna ¹	3,90,000.00
4.	Shri Jagdish Chandra Belwal ²	1,00,000.00
5.	Shri Dilip Patel ³	5,40,000.00
6.	Shri Ajai Nigam ⁴	6,50,000.00
7.	Shri Sanjay Sinha ⁵	2,00,000.00

Notes:

- Appointed w.e.f October 19, 2022.
- Appointed w.e.f December 5, 2022.
- Resigned w.e.f October 19, 2022.
- Resigned w.e.f March 3, 2023.
- The Resolution for appointment of Shri Sanjay Sinha, Additional Director (Non-Executive Independent Director) was not passed by the members of the Company at their Meeting held on June 10, 2022.

The above figures are inclusive of fees paid for attendance of Committee meetings.

G. Succession planning:

The Company believes that sound succession plans for the senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee work along with the Board for a structured leadership succession plan.

4.3 Stakeholders Relationship Committee:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor complaints and recommends measures for overall improvement in the quality of investor services.

Composition:

Sr. No.	Name of Directors	Designation
1.	Shri Amrendra Verma	Chairman
2.	Shri Manish Nuwal	Member
3.	Shri Suresh Menon	Member

A. The primary responsibilities of this Committee includes:

- Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
- Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading
- Carry out any other function as is referred by the Board from time to time and / or enforced by any

C. Attendance of Stakeholders Relationship Committee as on March 31, 2023:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Amrendra Verma	Chairman	Non-Executive Independent Director	4/4
2.	Shri Manish Nuwal	Member	Executive Director	4/4
3.	Shri Suresh Menon	Member	Executive Director	4/4

The Chairman of the Stakeholders Relationship Committee was present at the 27th Annual General Meeting of the Company.

D. Nature of Complaints and Redressal Status:

Investor Complaint	No. of complaints including through SEBI SCORES platform
Complaints pending at the beginning of the FY 2022-23	1*
Number of Complaints received during the FY 2022-23	0
Number of Complaints redressed during the FY 2022-23	0
Complaints pending at the end of the FY 2022-23	1

*Mr. Kailashchandra Nuwal & others had instituted proceedings by way of captioned Company petition, before the Hon'ble National Company Law Tribunal, Mumbai ("NCLT") under Section 241-242 of the Companies Act, 2013. In the said petition they had also sought certain interim reliefs.

In September 2020, the parties had advanced their respective arguments before the Hon'ble NCLT and the matter was reserved for orders on September 15, 2020. The Hon'ble NCLT pronounced its order through a virtual hearing on February 9, 2021. By way of the said order, the Hon'ble NCLT has allowed the following reliefs:

statutory notification / amendment or modification as may be applicable

- Perform such other functions as may be necessary or appropriate for the performance of its duties such as :-
 - Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
 - Review of measures taken for effective exercise of voting rights by shareholders.
 - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
 - Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on May 2, 2022, July 25, 2022, November 4, 2022, and January 25, 2023. The necessary quorum was present during the meetings.

- a) That Respondents by themselves or through their servants, officers and agents be restrained by an order of injunction from acting in furtherance of or implementation of or pursuant of the notice dated 30/07/2020 and intimation of vacation of office made by R1 to the BSE and NSE dated 30/07/2020.
- b) That Respondents by themselves and/or through their servants, officers and agents be restrained from interfering and obstructing the Applicant No. 1 from acting as Director and Vice Chairman of R1 Company.

Solar Industries India Ltd. had filed an appeal against the order of the Hon'ble NCLT dated February 09, 2021 ("Impugned Order") before the Hon'ble National Company Law Appellate Tribunal ("NCLAT") on February 22, 2021.

On February 25, 2021, after hearing the matter, the Hon'ble NCLAT stayed the operation of the impugned order of Hon'ble NCLT dated February 9, 2021.

On December 14, 2021, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") pronounced its final order ("Impugned Order"), in the Appeal No. 29/2021 filed by Solar Industries India Limited ("the Company") against the order dated February 9, 2021 passed by the Hon'ble National Company Law Tribunal ("NCLT") in IA No. 1054/MB/2020 filed in CP. 1069/MB/2020. By way of this Impugned Order, the Hon'ble NCLAT had dismissed the appeal filed by the Company.

The Company had filed Civil Appeal no. 182/2022, against the Impugned Order of the Hon'ble NCLAT before the Hon'ble Supreme Court on January 5, 2022 ("Civil Appeal"). The Civil Appeal was listed before the Hon'ble Supreme Court virtually on January 10, 2022. After considering the submissions of the parties, the Hon'ble Supreme Court has passed an interim order as follows;

"Meanwhile, considering the facts and circumstances of this case, it is directed that the operation of the impugned orders of NCLT dated February 9, 2021 and NCLAT dated December 14, 2021 shall remain stayed till the next date of hearing."

The Company Secretary, Mrs. Khushboo Pasari is designated as Compliance Officer who oversees the redressal of the investor's grievances.

4.4 Corporate Social Responsibility Committee:

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary. The Board has also empowered the Committee to look into matters related to sustainability and overall governance.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

Composition:

Sr. No.	Name of Director	Nature of Membership
1.	Shri Satyanarayan Nuwal	Chairman
2.	Shri Manish Nuwal	Member
3.	Smt Sujitha Karnad ¹	Member
4.	Shri Ajai Nigam ²	Member

Notes:

1. Appointed w.e.f March 3, 2023
2. Resigned w.e.f March 3, 2023

A. Terms of Reference:

- To formulate and recommend to the Board, a CSR Policy and the activities to be undertaken by the Company as per Schedule VII of the Companies Act, 2013
- To review the CSR Policy and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- To ensure that the Company is taking the appropriate measures to undertake and implement CSR projects successfully and shall monitor the CSR Policy from time to time.
- To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- To coordinate with such other agency for implementing programs and executing initiatives as per CSR policy and shall review the performance of such other agency periodically.
- To form and delegate authority to sub-Committees when appropriate.
- The Committee shall look into significant sustainability (ESG) related policies, strategies and activities of the Company in a manner that integrates environmental, social and ethical principles with the conduct of business.
- The Committee shall provide vision and guidance to the Management to ensure that all long-term business proposals made to the Board are assessed through the lens of social, Environment, Safety, Health, and reputational implications including governance and associated risks and opportunities.
- To report regularly to the Board.

The Company has framed the CSR Policy which is available at its website: <https://bit.ly/CSRpolicy>

B. Meetings during the Year:

The Committee met four times during the year under review. The Committee meetings were held on May 2, 2022, July 23, 2022, November 3, 2022 and January 24, 2023.

The necessary quorum was present for all the meetings.

Attendance of Corporate Social Responsibility Committee as on March 31, 2023:

Sr. No.	Name of Director	Nature of Membership	Category	Number of meetings attended
1.	Shri Satyanarayan Nuwal	Chairman	Chairman and Non-Executive Director	4/4
2.	Shri Manish Nuwal	Member	Managing Director and CEO	4/4
3.	Smt. Sujitha Karnad ¹	Member	Non-Executive Independent Director	-
4.	Shri Ajai Nigam ²	Member	Non-Executive Independent Director	4/4

Notes:

1. Appointed w.e.f March 3, 2023
2. Resigned w.e.f March 3, 2023

The Chairman of the Corporate Social Responsibility Committee was present at the 27th Annual General Meeting of the Company.

4.5 Risk Management:

The Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. Business Risk Evaluation and Management is an ongoing process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks as also to identify business opportunities.

Composition:

Sr. No.	Name of Member(s)	Designation
1.	Shri Manish Nuwal	Chairman
2.	Shri Suresh Menon	Member
3.	Shri Milind Deshmukh	Member
4.	Shri Amrendra Prasad Verma	Member
5.	Smt. Sujitha Karnad ¹	Member
6.	Shri Moneesh Agrawal	Member
7.	Smt. Shalinee Mandhana	Member
8.	Shri Sanjay Singh	Member
9.	Shri Prashant Joshi	Member
10.	Shri Kedar Ambikar	Member
11.	Shri Natrajan Ramkrishna ²	Member
12.	Shri Dilip Patel ³	Member

Notes:

1. Appointed w.e.f May 2, 2022.
2. Appointed w.e.f October 19, 2022.
3. Resigned w.e.f October 19, 2022.

A. Terms of reference:

- To formulate, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems ;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To enable visibility and oversight of Board on risk management system and material risk exposures of the company.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Providing a framework that enables future activities to take place in a consistent and controlled manner.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Improving decision making, planning and prioritization by comprehensive and structured understanding of business activities, volatility and opportunities/ threats.

B. Meetings during the Year:

The Committee met three times during the year under review. The Committee meetings were held on May 2, 2022, October 15, 2022 and January 25, 2023.

The necessary quorum was present for all the meetings.

C. Attendance of Risk Management Committee as on March 31, 2023:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Manish Nuwal	Chairman	Managing Director & CEO	3/3
2.	Shri Suresh Menon	Member	Executive Director	3/3
3.	Shri Milind Deshmukh	Member	Executive Director	3/3
4.	Shri Amrendra Prasad Verma	Member	Non-Executive Independent Director	2/3
5.	Smt. Sujitha Karnad ¹	Member	Non-Executive Independent Director	2/3
6.	Shri Moneesh Agrawal	Member	Joint Chief Financial officer	2/3
7.	Smt. Shalinee Mandhana	Member	Joint Chief Financial officer	3/3

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
8.	Shri Sanjay Singh	Member	Senior General Manager-Safety	2/3
9.	Shri Prashant Joshi	Member	Senior General Manager- IT	1/3
10.	Shri Kedar Ambikar	Member	General Manager-Corporate HR	3/3
11.	Shri Natrajan Ramkrishna ²	Member	Non-Executive Independent Director	1/1
12.	Shri Dilip Patel ³	Member	Non-Executive Independent Director	1/2

Note:

1. Appointed w.e.f May 2, 2022.
2. Appointed w.e.f October 19, 2022.
3. Resigned w.e.f October 19, 2022.

The Chairman of the Risk Management Committee was present at the 27th Annual General Meeting of the Company.

4.6 Executive Committee:

The Executive Committee was constituted, with an objective to manage the day to day operations of the Company in a smooth way. The Executive Committee looks after day to day business like planning, corporate governance, finance, audit, human resources, occupational health and safety, operational issues, performance monitoring, stakeholder management and takes decisions on matters requiring immediate attention.

The Executive Committee is comprised of Executive Director(s) and senior managerial personnel of the Company. The Managing Director and CEO of the Company is the Chairman of Executive Committee.

Composition:

Sr. No.	Name of Directors	Designation
1.	Shri Manish Satyanarayan Nuwal	Chairman
2.	Shri Suresh Menon	Member
3.	Shri Milind Deshmukh	Member

A. Terms of reference:

1. The principal responsibilities of the Executive Committee are as follows:

- 1.1 Reviewing strategic and operational plan of the Company and advising on its execution to the Management.
- 1.2 Advising the management and executives on implementing the Company's laid down policies.
- 1.3 Ensuring that all approvals of finance arrangements are in place, finance for operations is available on time and at the best rate, financial compliances are being done.
- 1.4 Overseeing that the human resources are efficiently and effectively managed and monitoring all activities with feedback contributing to the continuous improvement in governance.
- 1.5 Guiding the management and executives whenever required on day to day administration.

B. Meetings during the Year:

The Committee met Twenty Seven times during the year under review.

The necessary quorum was present for all the meetings.

C. Attendance of Executive Committee as on March 31, 2023:

Sr. No.	Name of Member(s)	Nature of Membership	Category	Number of meetings attended
1.	Shri Manish Satyanarayan Nuwal	Chairman	Managing Director & CEO	27/27
2.	Shri Suresh Menon	Member	Executive Director	27/27
3.	Shri Milind Deshmukh	Member	Executive Director	19/27

The Chairman of the Executive Committee was present at the 27th Annual General Meeting of the Company.

5. COMMITTEE MINUTES:

Minutes of all the Committees of the Board are prepared by the Secretary of the Committee, approved by the Chairman of the Meeting, entered in their respective Minutes Book within stipulate time frame, circulated to the Board in the Agenda for the succeeding meeting and adopted and taken on record.

6. COMPLIANCE OFFICER:

Smt. Khushboo Pasari acts as a Company Secretary and Compliance Officer of the Company.

7. THIRD LAYER GOVERNANCE BY SHAREHOLDERS:

a. General Meetings:

Information of last three Annual General Meetings (AGMs) held

Financial Year	Meeting	Date & Time	Venue	Special Resolution failed to get the requisite majority.
2021-22	27 th AGM	June 10, 2022 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road, Nagpur-440023 IN	<ol style="list-style-type: none"> 1. To Increase the limits of Borrowings u/s 180 (1) (c) of the Companies Act 2013. 2. To Increase the limits of providing Security u/s 180 (1) (a) of the Companies Act 2013 3. To appoint Shri Sanjay Sinha (DIN: 8253225) as a Non- Executive Independent Director of the Company.
2020-2021	26 th AGM	August 31, 2021 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility Deemed venue: "Solar" House 14, Kachimet, Amravati Road, Nagpur-440023 IN	No Special Resolution was proposed in 26 th AGM of the Company.
2019-2020	25 th AGM	September 16, 2020 at 11.30 a.m.	Held through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility. Deemed venue: "Solar" House 14, Kachimet, Amravati Road, Nagpur-440023 IN	Re-appointment of Smt. Madhu Vij as a Non-Executive Independent Director of the Company.

b. Whether Special resolutions were put through Postal Ballot last year? Yes

The Company has sought the approval of Shareholders through Postal Ballot Notice dated December 5, 2022 for the following proposals:

i. Appointment of Shri Natrajan Ramkrishna as Non-Executive Independent Director of the Company for a period of three years with effect from October 19, 2022.

The details of the Voting on the resolution as per Scrutinizer's Report are as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
	Total	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
Public-Institutions	Remote E-Voting	1,99,94,252	1,89,37,028	94.71 %	1,89,37,028	0	100%	0.00%
	Total	1,99,94,252	1,89,37,028	94.71 %	1,89,37,028	0	100%	0.00%
Public-Non Institutions	Remote E-Voting	43,04,532	10,18,924	23.67%	10,18,863	61	100%	0.00%
	Total	43,04,532	10,18,924	23.67%	10,18,863	61	0.00%	0.00%
Total		90490055	8,61,47,223	95.20%	5,96,70,654	2,64,76,569	69.27 %	30.73 %

Pursuant to recent amendment in sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, where a special resolution for the appointment

of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A).

In light of the above amendment and Scrutinizer's Report, Shri Natrajan Ramkrishna (DIN: 06597041) shall be deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

- ii. Appointment of Shri Jagdish Chandra Belwal as Non-Executive Independent Director of the Company for a period of three years with effect from December 5, 2022

The details of the Voting on the resolution as per Scrutinizer's Report are as under:

Category	Mode of Voting	No. of shares held (1)	No. of votes polled (2)	% of Votes Polled on outstanding shares (3)=[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against (5)	% of Votes in favour on votes polled (6)=[(4)/(2)]*100	% of Votes against on votes polled (7)=[(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
	Total	6,61,91,271	6,61,91,271	100%	3,97,14,763	2,64,76,508	60.00%	40.00%
Public-Institutions	Remote E-Voting	1,99,94,252	1,89,37,028	94.71 %	1,89,37,028	0	100%	0.00%
	Total	1,99,94,252	1,89,37,028	94.71 %	1,89,37,028	0	100%	0.00%
Public-Non Institutions	Remote E-Voting	43,04,532	10,18,851	23.67%	10,18,781	70	100%	100%
	Total	43,04,532	10,18,851	23.67%	10,18,781	70	0.00%	0.00%
Total		90490055	8,61,47,150	95.20%	5,96,70,572	2,64,76,578	69.27 %	30.73 %

Pursuant to recent amendment in sub-regulation 2A of Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022, where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A).

In light of the above amendment and Scrutinizer's Report, Shri Jagdish Chandra Belwal (DIN: 08644877) shall be deemed to be appointed as Independent Director of the Company under Regulation 25(2A) of SEBI Listing Regulations.

c. Procedure for Postal Ballot:

- i. The Board of Directors of the Company ("Board") at its meeting held on November 04, 2022 approved the proposal to conduct Postal Ballot ("Postal Ballot") by remote e-voting process ("Remote E-voting") pursuant to Section 110 of the Companies Act, 2013 ("Act"), Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules") read with the issued from time to time.
- ii. Shri Manish Nuwal, Managing Director & CEO, was authorised to receive and countersign the Scrutinizer's Report and declare the voting results of the Postal Ballot on behalf of the Company.

- iii. CS Tushar Pahade (FCS No.: 7784 & COP No.: 8576) Proprietor of M/s T.S. Pahade & Associates., Practising Company Secretary, was appointed as the Scrutinizer for conducting the Postal Ballot only through Remote E-voting in a fair and transparent manner.
- iv. The Company has availed the services of National Securities Depository Limited ("NSDL") for providing Remote E-voting facility to the Members.
- v. The Postal Ballot Notice along with explanatory statement was sent only through e-mail on December 13, 2022 to those Members whose name(s) appeared on the Register of Members/list of Beneficial Owners as on the Cut-off Date i.e. Friday, December 9, 2022.
- vi. The newspaper advertisement as required under the Act and the MCA Circulars was published on December 14, 2022 in Business Standard (English edition) and Loksatta (Marathi edition).
- vii. The remote e-Voting period commenced on Friday, December 16, 2022 at 9.00 a.m. (IST) and ended on Saturday, January 14, 2023 at 5.00 p.m. (IST) both days inclusive.
- viii. Based on the analysis of the votes received, the Scrutiniser submitted his Report dated January 15, 2023 to Shri Manish Nuwal, Managing Director & CEO of the Company.
- ix. The Voting Results and Scrutiniser's Report has been to the submitted to the Stock Exchanges and uploaded on the website of the Company on January 16, 2023.

d. Are Special resolutions proposed to be put through Postal Ballot this Year? No

- e. During the year under review, no Extraordinary General Meeting of the members of the Company was convened.

8. MEANS OF COMMUNICATION:

8.1 Financial Results:

The quarterly Financial Results of the Company are published in accordance with the requirements of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015.

8.2 Newspapers wherein results are normally published:

The Company's Quarterly/ Half-yearly/ Annual Financial results are published in leading newspapers such as, Business Standards (All Editions) and Loksatta (Nagpur Edition).

8.3 Any website, where displayed:

The Financial Results of the Company are displayed on the Company's website i.e. www.solargroup.com

8.4 Whether it also displays official news releases:

The official news releases along with quarterly results are generally sent to Stock Exchanges and available on the Company's website: www.solargroup.com

8.5 Earning conference calls and presentations to Institutional Investors / Analysts:

During the FY 2022-23, detailed presentations are made to institutional investors and financial analysts on the Company's quarterly, half-yearly as well as annual financial results and are sent to the Stock Exchanges. These presentations, video recordings and transcript of the meetings are available on the website of the Company. No unpublished price sensitive information is discussed in the meetings with institutional investors and financial analysts.

8.6 Company's Corporate Website:

The Company's website is a comprehensive reference on Solar's Management, vision, mission, policies, corporate governance, corporate sustainability, investor relations etc.

The section on investor relations serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, registrars and Share transfer Agents.

8.7 Annual Report:

Annual Report containing, inter alia, Audited, Standalone & Consolidated Financial Statements, Director's Report,

Auditor's Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Reports forms part of the Annual Report and is available on the Company's website www.solargroup.com.

8.8 Chairman's Communique:

A copy of the speech to be given by the Chairman at the AGM will be uploaded on the website of the Company i.e. www.solargroup.com

8.9 Designated Exclusive email-id for investor services:

The Company addressed various investor-centric letters / e-mails / SMS to its shareholders during the year. This include reminders for claiming unclaimed / unpaid dividend from the Company; claiming shares lying in unclaimed suspense account with the Company; dematerialisation of shares, e-voting, updating e-mail, PAN and bank account details.

The Company has designated the following email-id exclusively for investor servicing. investor.relations@solargroup.com

8.10 NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, Structural Digital Database (SDD), among others are filed electronically on NEAPS.

8.11 BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):

BSE's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, Structural Digital Database (SDD), among others are also filed electronically on the Listing Centre.

8.12 SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

8.13 Reminder to Investors:

Reminders to shareholders for claiming returned, unclaimed dividend and transfer of shares thereto, email registration are regularly communicated.

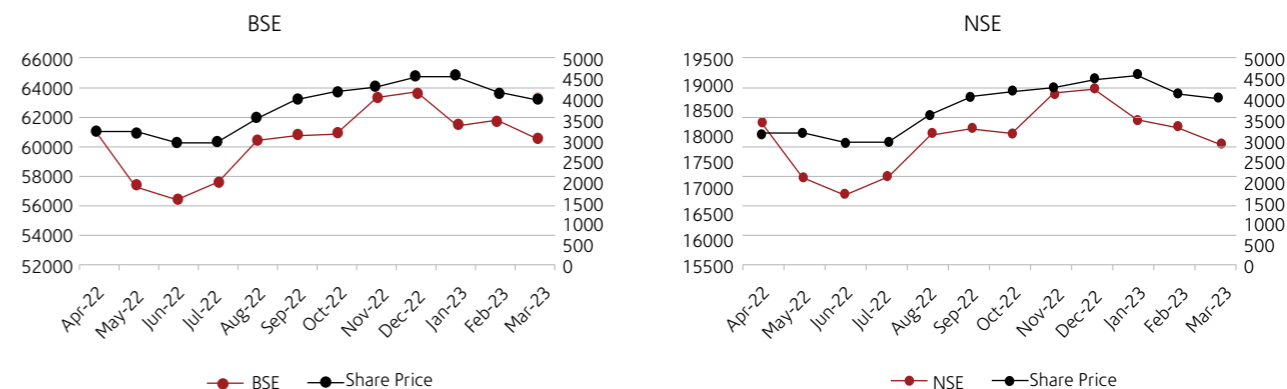
9. GENERAL SHAREHOLDER INFORMATION AND DISCLOSURES:

Date, Time and Venue of the AGM	Wednesday, the 21 st Day of June, 2023 at 11.30 a.m. through video conferencing ("VC")/Other Audio visual means ("OAVM") as set out in the Notice convening the Annual General Meeting. Deemed Venue: "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023 IN.
Financial Calendar	April 1, 2023 to March 31, 2024 of the next calendar year
1. For the quarter ending 30 th June, 2023	On or before August 14, 2023
2. For the quarter and half year ending 30 th September, 2023	On or before November 14, 2023
3. For the quarter and nine months ending 31 st December, 2023	On or before February 14, 2024
4. For the fourth quarter and financial year ending 31 st March, 2024	On or before May 30, 2024
5. Annual General meeting for the Year ending March 31, 2024	On or before September, 2024
Trading window closure for financial results	From the 1 st day of end of the quarter till the completion of 48 hours after the declaration of audited financial results of the Company..
Date of Book Closure	Saturday, 10 th day of June, 2023 to Wednesday, 21 st day of June, 2023 (both days inclusive)
Dividend and Dividend Payment Date	Rs. 8.00 per equity share for FY 2022-23. The payment of such dividend will be made on Friday, June 30, 2023. The payment of dividend will be subject to deduction of tax at source, as applicable, in compliance with the statutory requirements.
Listing on Stock Exchanges	Equity Shares: Name & Address of Stock Exchange 1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001 2. National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Non Convertible Debentures and Commercial Paper: BSE Limited
Listing Fees	The Listing fees for the year 2023-24 has been paid to both the Stock Exchanges as on the date of this Report
Register and Transfer Agent	Name: Link Intime India Private Limited Address: C-101, 1 st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai MH 400083 Tel No.: 022 49186000 Fax No.: 022 49186060 Email: amit.dabhade@linkintime.co.in Contact Person: Amit Dabhade SEBI Registration Number: INR000004058 CIN: U67190MH1999PTC118368
Debenture trustee	Name: Axis Trustee Services Limited Address: Axis House, Bombay Dyeing Mills Compound, Pandhurang Budhkar Marg, Worli, Mumbai- 400025 Tel No.: 022 62300451 Fax No.: 022 62300700 Email: vasu.lohia@axistrustee.in Contact Person: Vasu Lohia SEBI Registration Number: IND000000494 CIN: U74999MH2008PLC182264
Scrip Code/ Trading Symbol	532725 on BSE Limited SOLARINDS EQ on National Stock Exchange of India Limited
ISIN Number for NSDL & CDSL	INE343H01029
Corporate Identity Number (CIN)	L74999MH1995PLC085878

9.1 Market Price Data:

High, Low (based on daily closing prices) during each month in the FY 2022-23 on NSE and BSE:

MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	SHARE PRICE		SENSEX POINTS		SHARE PRICE		S & P CNX NIFTY POINTS	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
April 2022	3191.55	2727.40	60845.10	56009.07	3189.95	2733.05	18114.65	16824.70
May 2022	3152.45	2470.00	57184.21	52632.48	3150.00	2478.45	17132.85	15735.75
June 2022	2929.35	2580.00	56432.65	50921.22	2931.60	2575.85	16793.85	15183.40
July 2022	2925.00	2630.00	57619.27	52094.25	2925.00	2619.65	17172.80	15511.05
August 2022	3556.75	2677.75	60411.20	57367.47	3559.50	2675.05	17992.20	17154.80
September 2022	3972.10	3282.00	60676.12	56147.23	3974.95	3280.00	18096.15	16747.70
October 2022	4200.00	3777.35	60786.70	56683.40	4175.05	3810.00	18022.80	16855.55
November 2022	4269.40	3700.05	63303.01	60425.47	4268.95	3700.00	18816.55	17959.20
December 2022	4488.50	3886.20	63583.07	59754.10	4435.00	3888.20	18887.60	17774.25
January 2023	4535.95	3967.55	61343.96	58699.20	4538.00	3965.00	18251.95	17405.55
February 2023	4087.95	3600.05	61682.25	58795.97	4096.90	3645.00	18134.75	17255.20
March 2023	3980.00	3626.50	60498.48	57084.91	3980.35	3631.05	17799.95	16828.35



9.2 Share Transfer System:

Share Transfer System as mandated by SEBI, securities of the Company can be transferred / traded only in dematerialised form. Shareholders holding shares in physical form are advised to avail the facility of dematerialisation. In this regard, a communication encouraging dematerialisation of shares and explaining procedure thereof, was also sent during the year to the concerned shareholders of the Company. During the year, the Company obtained, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, transposition, sub-division, consolidation, renewal, exchange, and deletion of names were issued as required under Regulation 40(9) of the Listing Regulations. The certificate was duly filed with the Stock Exchanges.

9.3 Distribution of shares and shareholding pattern as on March 31, 2023:

Shareholding of nominal value (₹)	Number of Shareholders	Number of Shares	Percent of total Shareholders
1 – 500	51834	1631176	97.9256
501 – 1000	454	338181	0.8577
1001 – 2000	235	333632	0.4440
2001 – 3000	95	237311	0.1795
3001 – 4000	50	169826	0.0945
4001 – 5000	49	223493	0.0926
5001 – 10000	78	576713	0.1474
10001-- *****	137	86979723	
TOTAL	52932	90490055	100.00

9.4 Shareholding Pattern (Category wise) as on March 31, 2023:

Sr. No.	Category	No. of Shareholders	Total Shares	% Total Share holding
1	Promoters	7	66191271	73.1476
2	Resident Individuals(public)	49744	4010286	4.4317
3	Hindu Undivided Family	948	263591	0.2913
4	Mutual Funds	57	12658105	13.9884
5	Clearing Members	41	3566	0.0039
6	Other Bodies Corporate	442	887446	0.9807
7	Investor Education And Protection Fund	1	2045	0.0023
8	Non Resident Indians	922	58682	0.0648
9	Non-Resident Indians(Non Repatriable)	578	101570	0.1122
10	Non Nationalised Banks	1	25	0.0000
11	NBFCs Registered With RBI	1	150	0.0002
12	GIC & its Subsidiaries	1	10775	0.0119
13	Foreign Portfolio Investor(Corporate)	133	5993704	6.6237
14	Insurance Companies	9	10361	0.0114
15	Trust	4	59	0.0001
16	Body Corporate- Limited Liability Partnership	36	19584	0.0216
17	Alternate Investment Fund	7	278835	0.3081
Total		52932	90490055	100.00

9.5 Address for Correspondence:

Particulars	Contact details	Address
For Corporate Governance, IEPF and other secretarial matters	Ms. Khushboo Pasari Compliance Officer/Company Secretary Tel: (0712) 6634555 Fax: (0712) 2560202 Email: cs@solargroup.com	Solar Industries India Limited "Solar" House, 14, Kachimet, Amravati Road Nagpur-440023, Maharashtra
For Institutional Investors and Corporate Communication related matters	Ms. Aanchal Kewlani Tel: (0712) 6634555 Fax: (0712) 2560202 Email: investor.relations@solargroup.com	
For share transfer, transmission, National Electronic Clearing Service, dividend, dematerialisation, etc.	Registrar and Share Transfer Agent Link Intime India Pvt. Limited Tel No: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in	Link Intime India Pvt. Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083

9.6 Dematerialisation of Shares and liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

90490000 Ordinary Shares of the Company representing 99.99% of the Company's share capital is dematerialised.

9.7 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2023, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

9.8 Disclosure Related to Commodity Price Risks and Commodity Hedging Activities:

During the FY 2022-23, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note 33 to the Financial Statements of the Company.

9.9 Plant Locations as on March 31, 2023:

Sr. No.	Unit	Address	City/State
1	Solar Industries India Limited, Chakdoh	Kh No 37-39 & 78-83, Amravati Road Village-Chakdoh (Bazargaon), Tehsil-Katol	Nagpur, Maharashtra
2	Solar Industries India Limited, Waidhan Unit-1	Plot No. 32-37, Udyog Deep Industrial Area, Teh. Waidhan, Dist. Singrauli (M.P.) - 486 886	Waidhan, Madhya Pradesh
3	Solar Industries India Limited, Warur	Survey No. 101, Warur Road, Tahsil - Rajura, Dist. Chandrapur (M.S.) - 442 905	Chandrapur, Maharashtra.
4	Solar Industries India Limited, Korba	Khasra No. 5, Village-Mudapar, (Hardi Bazar) Po-Korbi/Dhatura, Tahsil:Pali, Dist-Korba (Chhattisgarh) Pin-495446	Korba, Chattisgarh.
5	Solar Industries India Limited, Ramgarh	Plot No. 967 & 1156, Village -Manua(Binjhar), Post-Argada(Hesla), Dist. Ramgarh (Jharkhand) - 829 101.	Hazribagh, Jharkhand.
6	Solar Industries India Limited, Tadali	Plot No. B-11, MIDC Growth Centre, Tadali, Dist. Chandrapur (M.S.)	Tadali, Maharashtra
7	Solar Industries India Limited, Dhanbad	Plot No. C-32-33 (P), Kandra Industrial Area, At-Bhetia, Post: Govindpur, Dist. Dhanbad (Jharkhand) - 828109	Dhanbad, Jharkhand.
8	Solar Industries India Limited, Asansol	Plot No. 2/848, 3&5, Mouza Barapukuria, Post: Kalla(C.H), District : Paschim Bardhaman (West Bengal) - 713340	Burdwan, West Bengal
9	Solar Industries India Limited, Talcher	IDCO Plot No. 27, Revenue Plot No. 48(P), Industrial Estate, Village-Ghantapada, Post- South Balanda(Talcher), Dist-Angul(Odisha), Pin-759116	Angul, Orissa.
10	Solar Industries India Limited, Manendragarh	Khasara No. 323/2 Mouza - Chainpur, Tahsil & Post-Manendragarh, Dist- Korea (Chhattisgarh) Pin Code-497442	Koria, Chattisgarh.
11	Solar Industries India Limited, Karimnagar	Survey No. 363, Village:Mustial, Post:Sundilla, Mandal-Ramagiri, Dist.Peddapalli, State-Telangana 505209	Karimnagar, Andhra Pradesh
12	Solar Industries India Limited, Jharsuguda	Plot No.389 to 392, village-Beherapali, Post Badmal, Tehsil Jharsuguda, Dist. Jharsuguda (Odisha) - 768 202	Jharsuguda, Orissa
13	Solar Industries India Limited, Waidhan Unit-2	KH. No. 975/2, Post -Ganiyari, Tahsil- Waidhan, District- Singrauli (M.P.)486886	Dist. Singrauli, Madhya Pradesh
14	Solar Industries India Limited, Bhilwara	Khasra No. 1459 & 1460, Village- Rupaheli, Tah.- Hurda, Dist.- Bhilwara, State - Rajasthan- 311030	Dist Bhilwara, Rajasthan
15	Solar Industries India Limited, Kothagudem	Survey No 117, Village: Penagadapa, Post:Venkateshkani, Mandal-Kothagudem, Dist. Bhadradi Kothagudem, State -Telangana 507103.	Dist-Khammam, Telengana
16	Solar Industries India Limited, Kota	Khasra No 132 & 137, Village Dingsi, Post - Suket, Tahsil Ramganj Mandi, District Kota - 326530 (Rajasthan).	Dist- Kota, Rajasthan
17	Solar Industries India Limited, Barbil	(Khata no. 118/22) plot no.1048, 1046/1265, 1047, 1049, 1035, 1134, 1034, 1046/1264 & 1046, Village Naibaga, Tehsil Jhumpura, District - Keonjhar (Odisha) - 758034	Dist- Keonjhar, Orissa
18	Solar Industries India Limited, Bailadila	Forest Compartment No 626/ 1861 Deposit Kailash Nagar Bailadila iron ore Mines, Kirandul Complex P.O. Kirandul District - Dantewada Chattisgarh, India -494556	BIOM Kirandul, Chattisgarh
19	Economic Explosives Limited	Village - Sawanga	Nagpur, Maharashtra
20	Economic Explosives Limited, Nimjee	Kh - 40/1 & 40/2, Khapri, PO - MIDC, Gondkhari, Kamleshwar Road	Nagpur, Maharashtra
21	Emul Tek Private Limited	Survey No.61, Town/Village - Udyog deep Industrial Estate, Waidhan, Singrauli, Madhya Pradesh - 486886.	Dist - Singrauli, Madhya Pradesh
22	Emul Tek Private Limited	Survey No(s). 280,281 Town/Village - Darramuda, post office - Garhumariya, District- Raigarh, Chhattisgarh. 496001	Dist- Raigarh, Chattisgarh
23	Emul Tek Private Limited	Plot No 75, Udyogdeep, Industrial Estate, Waidhan. Singrauli. M.P 486886	Dist - Singrauli, Madhya Pradesh

Sr. No.	Unit	Address	City/State
24	Emul Tek Private Limited	Survey No. 624/3, Plot no. 14, Town/Village - Ratija, Korba, Chhattisgarh. Pincode-495449	Dist- Korba, Chattishgarh
25	Solar Industries India Limited, Kotputli (Under Process)	Kh.No. 200,201/1034,201 & 218 Village Kujota, Tahsil - Kotputli, Dist. - Jaipur, Rajasthan	Kotputli, Rajasthan
26	Solar Industries India Limited, Bhadesar (Under Process)	Survey No 2683,2684, & 2685 Village - Bhadesar - 312602 Tahsil - Bhadsora Dist. Chittorgarh - Rajasthan	Chittorgarh, Rajasthan
27	Solar Industries India Limited, Satna (Under Process)	Survey No 153/1, Patwari Halka no 32, Village - Bagha, Tahsil - Rampur (Bhaghelan) Dist. Satna - MP	Satna, Madhya Pradesh
28	Solar Industries India Limited, Seppakkam (Under Process)	Survey No 281/1,281/2, 281/3, 281/4, 281/5, 281/6 A, 281/8 and 281/9 Village - Seppakkam, Dist- Cuddalore, Tamilnadu	Seppakkam, Tamilnadu
29	Solar Industries India Limited, Pallewada (Under Process)	Survey No 187/A/A & 188/A/B Village - Pallewada Dist. Khammam - Telangana	Pallewada, Telangana
30	Emul Tek Private Limited, Warur (Under Process)	Survey No 101 (Part Land, Village - Warur Road, Tahsil - Rajura, Dist. Chandrapur - Maharashtra	Chandrapur, Maharashtra
31	Solar Industries India limited. Baghadih (under process)	Khasara No 537/ 1, 537/2/1, 537/3 537/4 & 550/9 Village - Baghadih Tahsil Deosar, District Singrauli Madhya pradesh.	Dist- Singrauli, Madhya Pradesh
32	Solar Industries India Limited. Indaram (Under Process)	Survey No. 564 to 566 Indaram Mandal Jaipur District- Mancherial Telangana State - 504216	District- Mancherial, Telangana

9.10 Credit Rating:

Given below are the ratings given to the Company by rating agencies during the year under review:

Sr. No.	Instrument Type	Rating/ Outlook	Rating action	Rating Agencies
1	Long Term Borrowings	C RISIL AA+/Stable	Reaffirmed	CRISIL Ratings Limited
2	Short Term Borrowings	CRISIL A1+ (Reaffirmed)	Reaffirmed	CRISIL Ratings Limited
3	Non-Convertible Debentures	CRISIL AA+/Stable	Assigned	CRISIL Ratings Limited
4	Commercial Paper	CRISIL A1+ ICRA A1+	Reaffirmed Reaffirmed	CRISIL Ratings Limited ICRA Limited

9.11 Major 10 Shareholders as on March 31, 2023 (other than promoters):

Sr. No.	Name of Shareholder	Percentage (%)	Holding
1	Sbi Focused Equity Fund	7.0547	6383835
2	Kotak Emerging Equity Scheme	4.5129	4083690
3	Hdfc Trustee Company Ltd - A/C Hdfc Mid - Capopportunities Fund	1.6544	1497029
4	Fidelity Emerging Markets Fund	1.4236	1288251
5	Fidelity Advisor Series Viii : Fidelity Advisor Focused Emerging Markets Fund	0.9586	867450
6	Fidelity Rutland Square Trust li : Strategic Advisers Fidelity Emerging Markets Fund As Managed By Fiam Llc	0.5323	481684
7	Vicco Products Bombay Pvt Ltd	0.4678	423325
8	Variable Insurance Products Fund li Emerging Markets Portfolio	0.4391	397329
9	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	0.3368	304798
10	Vanguard Total International Stock Index Fund	0.3170	286876

9.12 Voting through electronic Means:

Pursuant to Section 108 of the Companies Act, 2013 and the Rules made there under, every listed Company is required to provide its members facility to exercise their right to vote at general meetings by electronic means.

The Company has entered into an arrangement with NSDL, an authorised agency for this purpose, to facilitate such e-voting for its members.

The shareholders would therefore be able to exercise their voting rights on the items put up in the Notice of Annual General Meeting, through such e-voting method.

E-Voting shall be open for a period of 3 days, from Sunday, 18th day of June (10.00 a.m. IST) and end on Tuesday, 20th day of June (5.00 p.m. IST). The Board has appointed CS Tushar Pahade (FCS No.: 7784 & COP No.: 8576) Proprietor of M/s T.S. Pahade & Associates., Practising Company Secretary as scrutiniser for the e-voting process.

Detailed procedure is given in the Notice calling 28th Annual General Meeting and also placed on the website of the Company.

9.13 Unclaimed Dividends:

Pursuant to the provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('Rules'), the dividend which remains unclaimed or unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company and shares on which dividends are unclaimed or unpaid for a consecutive period of seven years or more are required to be transferred to IEPF. The Company had transferred unclaimed dividend and shares to IEPF authority within statutory timelines which were due in FY 2022-23.

The Company will be transferring the Interim Dividend and corresponding shares for the Financial Year 2016-17 on or before February 14, 2024. Members are requested to ensure that they claim the dividends and shares referred above, before they are transferred to the said Fund. Last Date for claiming Unpaid Dividends are provided in the Report on Corporate Governance. Details of shares/shareholders in respect of which dividend has not been claimed, are provided on our website at www.solargroup.com. The shareholders are therefore encouraged to verify their records and claim their dividends of all the earlier seven years, if not claimed.

9.14 Status of unclaimed dividend and shares which have been transferred to IEPF are given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Actions to be taken
Upto and including the Interim dividend and respective shares for the financial year 2015-16 transferred to IEPF	Transferred to the IEPF authority	Yes	File online application in e-form IEPF-5 and send this e-form IEPF-5 to the Registered Office of the Company addressed to the Nodal Officer along with complete documents	IEPF Authority to pay the claim amount to the shareholder based on the e-verification report submitted by the Company and the documents submitted by the investor
For the Final Dividend for the financial years 2016-17 to 2022-23	Amount lying in respective Unpaid Dividend Accounts	Yes	Link Intime India Pvt. Limited	Application to Link Intime India Pvt. Limited along with KYC documents

9.15 Details of date of declaration and due date for transfer to IEPF:

Financial Year	Date of Declaration of Dividend	Unclaimed Amount as on March 31, 2023 (in Rupees)	Last Date for claiming Unpaid Dividend
2016-17 (Interim)	February 14, 2017	52,684.00	February 14, 2024
2016-17 (Final)	August 21, 2017	60,813.00	August 21, 2024
2017-18(Final)	July 31, 2018	84,558.00	July 31, 2025
2018-19 (Final)	July 31, 2019	95,298.00	July 31, 2026
2019-20 (Final)	September 16, 2020	74,126.00	September 16, 2027
2020-21 (Final)	August 31, 2021	58,134.00	August 31, 2028
2021-22 (Final)	June 10, 2022	1,03,502.50	June 10, 2029

10. SUBSIDIARY MONITORING FRAMEWORK:

As on 31st March, 2023, the Company have 7 (Seven) wholly owned subsidiaries, 20 (Twenty) step down subsidiaries and (1) (One) associate company in India and across the globe.

All the subsidiary companies of the Company are managed by their Board and Audit Committee (Wherever Constituted) having the rights and obligations to manage these companies in the best

interest of respective stakeholders. The Company nominates its representatives on the Board of subsidiary companies and monitors performance of such companies, inter alia, by reviewing:

- Financial statements, investments, inter-corporate loans/ advances made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered by the unlisted subsidiary companies forming part of the financials.

- b) Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.
- c) Providing necessary guarantees, letter of comfort and other support for their day-to-day operations from time-to-time.

As required under Regulation 16(1)(c) and 24 of the Listing Regulations, the Company has adopted a policy on determining "material subsidiary" and the said policy is available on the Company's website.

11. FOURTH LAYER GOVERNANCE THROUGH MANAGEMENT PROCESS:

11.1 Other Disclosures:

a. Disclosure of Related Party Transactions:

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2022-23 were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee.

As required under Regulation 23 of Listing Regulations, the Company has adopted a policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: <https://bit.ly/SolargroupRPTpolicy>

b. Whistle Blower Policy/Vigil Mechanism:

The Company has a whistle blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical

behaviour. No personnel in the Company have been denied access to the Audit Committee or its Chairman.

Under this policy, your Company encourages its employees to report any incidence of fraudulent financial or other information to the stakeholders, reporting of instance(s) of leak or suspected leak of unpublished price sensitive information and any conduct that results in violation of the Company's code of business conduct, to the management (on an anonymous basis, if employees so desire). The Company conducts awareness sessions on the vigil mechanism for the concerned Stakeholders.

During the year under review the Company has not received any complaints about unethical behaviour from the Whistle Blowers.

The Whistle Blower Policy is available on the website of the Company. This Policy can be accessed at: <https://bit.ly/SolargroupVM>.

c. Definition of Material Subsidiary:

In terms of Regulation 16 (1) (c) and Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted a Policy for determining Material Subsidiary.

Economic Explosives Limited is a material subsidiary of the Company as per the thresholds laid down under the Listing Regulations. There has been no material change in the nature of the business of the subsidiary. The Board of Directors of the Company has approved a Policy for determining material subsidiaries which is in line with the Listing Regulations as amended from time to time and the said policy is available on the Company's website. The Policy can be accessed at: <https://bit.ly/SolargroupDMSpolicy>

Details of material subsidiaries of the listed entity incorporated, including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries:

Sr. No.	Name of the Material Subsidiary	Date & Place of Incorporation	Name of the Statutory Auditor	Date of appointment of Statutory Auditor
1	Economic Explosives Limited	August 16, 1995 Nagpur, Maharashtra, India	M/s SRBC & Co. LLP Jointly with M/s Gandhi Rathi & Co.	May 2, 2022

d. Terms of appointment of Independent Directors:

Pursuant to Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV of the Act, the terms and conditions of appointment / re-appointment of Independent Directors are available on the Company's website at www.solargroup.com.

- e. The Company has not raised any funds through preferential allotment or qualified institutions placement during the Financial Year ended March 31, 2023. During the year, the Company has issued Non-Convertible Debentures amounting to ₹ 60 Crores (Rupees Sixty Crores) on private placement basis.

- f. There was no suspension of trading in the Securities of the Company during the year under review.

g. Compliance with Mandatory Requirements:

Your Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. Specifically, your Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations.

h. Certificates from Practising Company Secretary:

A certificate dated April 16, 2023 issued by Shri Tushar S. Pahade Practising Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the Board/Ministry of Corporate Affairs or any such statutory authority under Regulation 34(3) and Schedule V of SEBI (Listing Obligation And Disclosure Requirements) Regulations, 2015 is enclosed to this report.

- i. During the year under review, the Board has accepted all the recommendations made by Audit Committee, Nomination and Remuneration Committee, Stake Holders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee and Executive Committee of the Company.
- j. Total fees for all services paid by the listed entity to the statutory auditors is given in Note 25 (a) of the Consolidated Financial Statements of the company.

k. Disclosures with respect to demat suspense account/unclaimed suspense account (Unclaimed Shares):

In accordance with Regulation 39 and Schedule VI of the Listing Regulations, a minimum of three reminders are sent to shareholders, towards the shares which remain unclaimed. In case of non-receipt of response to the reminders from the shareholders, the unclaimed shares are transferred to the Unclaimed Suspense Account. The Company maintains the details of shareholding of each individual shareholders whose shares are transferred to the Unclaimed Suspense Account. When a claim from a shareholder is received by the Company, the shares lying in the Unclaimed Suspense Account are transferred after due verification of documents submitted by the shareholder.

Further, the shares in respect of which dividend entitlements remained unclaimed for seven consecutive years are transferred from the Unclaimed Suspense Account to IEPF Authority in accordance with Section 124(6) of the Companies Act, 2013 and rules made thereunder.

The disclosure as required under Schedule V of the Listing Regulations is given below for the financial year 2022-23:

Sr No.	Particulars	No. of Shareholders	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	-	-
2.	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
3.	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
4.	Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF	-	-
5.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	-	-

The voting rights on the shares in the suspense account shall remain frozen till the rightful owner claims the shares.

i. Protection of Women at Workplace:

The Company believes that every employee should have the opportunity to work in an environment free from any conduct which can be considered as Sexual Harassment. The Company is committed to treat every employee with dignity and respect.

The Company's Policy on Prevention of Sexual Harassment at Workplace is in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (Prevention of Sexual Harassment of Women at Workplace Act) and Rules framed thereunder. Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment.

The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Sr. No.	Particulars Number	Number
1	Number of complaints on Sexual harassment received during the year	Nil
2	Number of Complaints disposed off during the year	Not Applicable
3	Number of cases pending as on end of the Financial Year	Not Applicable

The training programs and workshops for employees are organised throughout the year. The orientation programs for new recruits include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. Specific programs have been created on the digital platform to sensitize employees to uphold the dignity of their colleagues and prevention of sexual harassment.

m Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested:

Details are given in Note 5 of the Standalone Financial Statements and Consolidated Financial Statements.

n. Disclosure of Non-Compliance with Corporate Governance Requirement:

There is no Non-Compliance of any requirement of Corporate Governance Report of sub-para (2) to (10) of the Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

o. Disclosure Policy:

In line with requirements under Regulation 30 of the Listing Regulations, the Company has framed a policy on disclosure of material events and information as per the Listing Regulations, which is available on our website at: <https://bit.ly/SolargroupDMEpolicy>

p. D&O Insurance for Directors:

In line with the requirements of Regulation 24(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

q. Policy for Preservation of Documents:

Pursuant to the requirements under Regulation 9 of the Listing Regulations, the Board has formulated and approved a Document Retention Policy prescribing the manner of retaining the Company's documents and the time period up to certain documents are to be retained. The policy percolates to all levels of the Organisation who handle the prescribed categories of documents.

The Company has adopted a policy for preservation of documents and the same is available on the Company's website at <https://bit.ly/SolargroupPDPpolicy>

r. Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in

Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

s. Compliance on Matters Related to Capital Markets:

There were no instances of non-compliance, penalties, strictures imposed on the Company by the Stock Exchanges on any matter related to the capital markets, during the last three years. However there were two instances as mentioned Below:

1. An instance of delayed submission of disclosure under Regulation 23(9) of SEBI (LODR), 2015 for the period ended on March 31,2022 due to misinterpretation of newly introduced amendments in LODR and different wordings in Guidance Note and SEBI SOP. The Company has paid the fine and provided necessary clarifications to the Stock exchanges.

2. The Audit Committee of Solar Industries India Limited is constituted in Compliance with Regulation 18(1) of SEBI (LODR) Regulations 2015. As per the communication from the stock exchanges, the Composition of the Audit Committee was not in line with the norms for the period between January 29,2022 to March 31,2022. The Company submitted the clarification regarding, how the Composition met the requirements of the Regulation 18(1) of SEBI (LODR) Regulations 2015,

The Company has also filed a waiver/refund application to the Stock Exchanges along with the necessary clarifications. The waiver application is currently pending before the Stock Exchanges.

t. Code for Prevention of Insider Trading:

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (The PIT Regulations).

The Code is applicable to Promoters, Member of Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSII)' in compliance with the PIT Regulations.

The code is posted on the website of the Company at the link https://solargroup.com/wp-content/uploads/2019/04/CODE-OF-PRACTICES-AND-PROCEDURES_final.pdf

u. The disclosures of the compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46:

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
1.	Board of Directors	17	Yes	<ul style="list-style-type: none"> ▶ Board Composition and Appointment of Directors ▶ Meetings of Board of Directors and Quorum ▶ Review of Compliance Reports ▶ Plans for orderly succession for appointments ▶ Code of Conduct ▶ Fees / Compensation paid to Non-Executive Directors ▶ Minimum Information to be placed before Board ▶ Compliance Certificate by CEO and CFO ▶ Risk Assessment & Management ▶ Performance evaluation of Independent Director
2.	Maximum Number of Directorships	17 A	Yes	<ul style="list-style-type: none"> ▶ Directorships in listed entities
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> ▶ Composition of Audit Committee ▶ Presence of the Chairman of the Committee at the Annual General Meeting ▶ Meetings and Quorum ▶ Role of Committee and Review of information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> ▶ Composition of Nomination & Remuneration Committee ▶ Presence of the Chairman of the Committee at the Annual General Meeting ▶ Meetings and Quorum ▶ Role of Committee
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> ▶ Composition of Stakeholders Relationship Committee ▶ Presence of the Chairman of the Committee at the Annual General Meeting ▶ Meetings and Quorum ▶ Role of Committee
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> ▶ Composition and role of Risk Management Committee ▶ Meeting and Quorum ▶ Role of Committee
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> ▶ Formulation of Vigil Mechanism and Whistleblower policy for Directors and Employee ▶ Adequate safeguards against victimization of Director(s) or employee(s) or any other person
8.	Related Party Transaction	23	Yes	<ul style="list-style-type: none"> ▶ Policy on Materiality of related party transactions and dealing with related party transactions ▶ Prior approval including omnibus approval of Audit Committee for related party transactions ▶ Quarterly review of related party transactions ▶ Disclosure on related party transactions
9.	Subsidiaries of the Company	24	Yes	<ul style="list-style-type: none"> ▶ Appointment of Company's Independent Director on the Board of unlisted material subsidiaries ▶ Review of financial statements and investments of unlisted subsidiaries by the Audit Committee ▶ Minutes of the board of Directors of the unlisted subsidiaries are placed at the meeting of the Board of Directors ▶ Significant transactions and arrangements of unlisted subsidiaries are placed at the meeting of the Board of Directors
10.	Secretarial Audit	24A	Yes	<ul style="list-style-type: none"> ▶ Secretarial Audit of the Company and of material unlisted subsidiaries incorporated in India ▶ Secretarial Audit Report of the Company and of material subsidiaries are annexed with the Annual Report of the Company ▶ Annual Secretarial Compliance Report

Sr. No.	Particulars	Regulation	Compliance Status (Yes / No/ NA)	Brief Description of Regulation
11.	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> Maximum Directorship & Tenure Meetings of Independent Directors Appointment and Cessation Review of Performance by the Independent Directors Familiarization of Independent Directors Declaration of Independence Directors and Officers Insurance for all the Independent Directors
12.	Obligations with respect to employees including senior management, key managerial persons, directors and promoters.	26	Yes	<ul style="list-style-type: none"> Memberships/Chairmanships in committees Affirmations with compliance to Code of Conduct from members Board of Directors and Senior Management personnel Disclosures by senior management about potential conflict of Interest
13.	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> Compliance of Discretionary Requirements Filing of Quarterly, Half-Yearly and Yearly Compliance Report on Corporate Governance
14.	Disclosures on Website of the Company	46(2) (b) to (i)	Yes	<ul style="list-style-type: none"> Terms and conditions of appointment of Independent Directors Composition of various committees of Board of Directors Code of Conduct of Board of Directors and Senior Management Personnel Details of establishment of Vigil Mechanism / Whistle Blower policy Criteria of making payments to Non-Executive Directors Policy on dealing with Related Party Transactions Policy for determining Material Subsidiaries Details of familiarization programmes imparted to Independent Directors

11.2 Discretionary Requirements under Regulation 27 of Listing Regulation:

The listed entity has complied with the Discretionary requirements as specified in Part E of Schedule II.

a. The Board:

The Chairman of the Company is a Non-Executive Director. The chairperson's office is maintained at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his duties.

b. Shareholders rights:

The quarterly and half yearly financial results of the Company are published in the English newspaper (Business Standard) having a wide circulation all over India and in a Marathi newspaper (Loksatta) having a circulation in Nagpur, the same are not sent separately to the shareholders of the Company, but hosted on the website of the Company.

c. Audit Qualifications:

During the year under review, there is no audit qualification in your Company's financial statements. Your Company continues to adopt best practices to ensure regime of unqualified financial statements.

d. Reporting of Internal Auditor:

The Internal Audit Department of the Company, co-sourced with professional firms of Chartered Accountants, reports directly to the Audit Committee

e. Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:

The Chairman is a Non-Executive Director and is related to the Managing Director & Chief Executive Officer of the Company.

12. CEO AND CFO CERTIFICATION:

The Managing Director & Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations, copy of which is attached to this Report. The CEO and the CFO also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

13. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the certificate from one of the Company's Joint Statutory Auditors, Gandhi Rathi & Co., Chartered Accountants, regarding compliance with the provisions relating to the Corporate Governance as stipulated under the certificate annexed to the report on Corporate Governance Schedule V and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the FY 2022-23, as attached to this report and will be sent to the stock exchanges along with this annual report to be filled by the Company.

Declaration by Chief Executive Officer (CEO)

I, Manish Satyanarayan Nuwal, Managing Director and Chief Executive Officer of Solar Industries India Limited hereby confirm pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, that:

- The Board of Directors of Solar Industries India Limited has laid down a code of conduct for all the Board Members and Senior Management Personnel of the Company. The said code of conduct has also been posted on Company's website: www.solargroup.com.
- All the Board members and senior management personnel have affirmed their compliance with the said code of conduct for the year ended on March 31, 2023.

For Solar Industries India Limited

Place: Nagpur
Date: May 3, 2023

Manish Nuwal
Managing Director
& Chief Executive Officer
DIN: 00164388

Certificate by Chief Executive Officer (CEO) and Chief Financial Officer (CFO)

(Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements, 2015)

To
The Board of Directors,
Solar Industries India Limited

We have reviewed financial statements and the cash flow statements of Solar Industries India Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:

- 1) i. These statements do not contain any materially untrue statement nor omit any material fact or contain statements that might be misleading, and
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) We are, to the best of our knowledge and belief, no transactions entered into by the Company during the FY 2022-23 which are fraudulent, illegal or violative of the Company's code of conduct.
- 3) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- 4) We have indicated to the auditors and the Audit committee of:
 - i. significant changes in internal control over financial reporting during the year,
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvements therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Solar Industries India Limited

Manish Nuwal
Managing Director &
Chief Executive Officer
DIN: 00164388

Place: Nagpur
Date: May 3, 2023

For Solar Industries India Limited

Shalinee Mandhana
Joint CFO

Moneesh Agrawal
Joint CFO

Certificate by the Auditors on Corporate Governance

To
The Members of
Solar Industries India Limited

We have examined the compliance of conditions of Corporate Governance by Solar Industries India Limited, for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of
Gandhi Rathi & Co.
Chartered Accountants

C.N. Rathi
Partner

M.No. 39895

Firm Registration No. 103031W
UDIN – 23039895BGXQPC5225

Place: Nagpur
Date: May 3, 2023

To
The Members of
Solar Industries India Limited

Subject: Certificate under Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements), 2015

We, **T.S. Pahade & Associates**, Practising Company Secretaries, have examined the Company and Registrar of Companies records, books and papers of **Solar Industries India Limited (CIN: L74999MH1995PLC085878)** having its Registered Office at "Solar" House, 14, Kachimet, Amravati Road, Nagpur- 440023, Maharashtra, India (the Company) as required to be maintained, under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made thereunder for the Financial Year ended on March 31, 2023.

In our opinion and to the best of our information and according to the examinations carried out by us and explanations and representation furnished to us by the Company, its officers and agents, we certify that none of the following Directors of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2023:

Sr No.	Name of the Director	Designation	Director Identification Number
1.	Shri Satyanarayan Nuwal	Chairman and Non-Executive Director	00713547
2.	Shri Manish Nuwal	Managing Director and CEO	00164388
3.	Shri Suresh Menon	Executive Director	07104090
4.	Shri Milind Deshmukh	Executive Director	09256690
5.	Shri Amrendra Verma	Non-Executive Independent Director	00236108
6.	Smt. Sujitha Karnad	Non-Executive Independent Director	07787485
7.	Shri Natrajan Ramkrishna ¹	Non-Executive Independent Director	06597041
8.	Shri Jagdish Chandra Belwal ²	Non-Executive Independent Director	08644877

Notes:-

1. Appointed w.e.f October 19, 2022.
2. Appointed w.e.f December 5, 2022.

For and on behalf of
T.S. Pahade & Associates

Tushar S. Pahade

FCS 7784
CP 8576
UDIN- F007784E000111822

Place: Nagpur
Date: April 16, 2023

Business Responsibility and Sustainability Report

Our Journey:

At Solar, we are continuously striving to expand our sustainability efforts to encompass our responsibilities to society and the environment. We understand that sustainability is an ongoing journey without specific milestones or endpoints. Therefore, we are committed to driving sustainability through our strong governance and integrating initiatives across our operations and extending to the broader community.

Section A: General Disclosures

I. Details of the Listed Entity

1	Corporate Identity Number (CIN) of the Listed Entity	L74999MH1995PLC085878
2	Name of the Listed Entity	Solar Industries India Limited
3	Year of incorporation	24/02/1995
4	Registered office address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023
5	Corporate address	"Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023
6	E-mail	brr@solargroup.com
7	Telephone	0712-6634555
8	Website	www.solargroup.com
9	The financial year for which reporting is being done	April 1, 2022 to March 31, 2023
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11	Paid-up Capital	90490055 Equity shares of ₹ 2/- each amounting ₹ 18.10 Crores
12	Name of the Contact Person	Mrs. Khushboo Pasari
	Telephone	0712- 6634555
	Email address	khushboo.pasari@solargroup.com
13	Reporting Boundary	The disclosures made in the BRSR Report are on the Standalone basis

II. Product/Services

14. Details of business activities (Accounting for 90% of the entity's turnover on standalone basis.)

S. No.	Description of Main Activity	Description of Business Activity	% Turnover of the Entity
1.	Manufacturing of Industrial Explosives & Initiating Systems	Manufacturing of Industrial Explosives	95

II. Product/Services

15. Products/ Services sold by the entity (Accounting for 90% of the entity's turnover on standalone basis.)

S. No.	Product/ Service	NIC Code	% Of Total Turnover contributed
1.	Industrial Explosives and Initiating Systems	24292	95

Please refer to Company's website (www.solargroup.com) for complete details of products.

III. Operations

16. Number of locations where plants and/ or operations/ offices of the entity are situated:

Location	Number of Plants	No. of Offices	Total
National	25	3	28
International	NA	NA	NA

The Company's operations are spread across the Country. Details of Plant locations are provided under section of shareholders Information in the Corporate Governance Section of the Integrated Annual Report FY 23.

17. Market served by the entity**a. Number of Locations:**

Location	Numbers
National (No. of States)	We offer products in PAN India
International (No. of Countries)	Solar has presence in more than 75 countries.

b. What is the contribution of exports as a percentage of the total turnover of the entity?

On standalone basis exports contributed 5% in the total turnover of the Company.

c. A brief on types of customers

Solar is one of the leading Companies in the manufacturing of Explosives for mining and defence applications. The industries catered by Solar are:

1. CIL (Coal India Limited)
2. Non CIL & Institutional
3. Housing & Infrastructure
4. Exports & overseas
5. Defence

IV. Employees**18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

S. No.	Particulars	Total No.(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent Employees (D)	790	732	92.7	58	7.3
2	Other than Permanent Employees (E)	-	-	-	-	-
3	Total Employees (D + E)	790	732	92.7	58	7.3
Workers						
4	Permanent (F)	991	959	96.8	32	3.2
5	Other than Permanent (G)	2536	1893	74.6	643	25.4
6	Total Workers (F + G)	3527	2852	80.9	675	19.1

b. Differently abled Employees and workers:

S. No.	Particulars	Total No.(A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1	Permanent Employees (D)	0	0	0	0	0
2	Other than Permanent Employees (E)	0	0	0	0	0
3	Total Employees (D + E)	0	0	0	0	0
Workers						
4	Permanent (F)	3	3	100	0	0
5	Other than Permanent (G)	2	2	100	0	0
6	Total Differently Abled Employees (F + G)	5	5	100	0	0

19. Participation/ Inclusion/ Representation of women

S. No.	Category	Total No. (A)	No. and % of females	
			No. (B)	% (B/A)
1	Board of Directors	8	1	12.5
2	Key Management Personnel	6	2	33.33

20. Turnover rate for permanent employees and workers

Category	FY 23			FY 22			FY 21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.02%	1.88%	12.90%	10.11%	2.41%	12.52%	7.39%	2.61%	10%
Permanent Workers	12.03%	0.39%	12.42%	11.88%	0.22%	12.10%	11.61%	0.39%	12%

V. Holding, Subsidiary and Associate Companies (including joint ventures)**21. Names of holding/ subsidiary/ associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether it is a holding/ Subsidiary/ Associate / or Joint Venture	% Of shares held by listed entity*	Does the entity indicated at Column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/ No)
1.	Economic Explosives Limited	Subsidiary	100	Yes
2.	Solar Defence Limited	Subsidiary	100	No
3.	Solar Defence Systems Limited	Subsidiary	100	No
4.	Emul Tek Private Limited	Subsidiary	100	No
5.	Solar Avionics Limited	Subsidiary	100	No
6.	Solar Explochem Limited	Subsidiary	100	No
7.	Solar Overseas Mauritius Limited	Subsidiary	100	No
8.	Solar Explochem Zambia Limited	Step down Subsidiary	-	No
9.	Nigachem Nigeria Limited	Step down Subsidiary	-	No
10.	Solar Patlayici Maddeler San. A.S.	Step down Subsidiary	-	No
11.	Solar Overseas Netherlands B.V.	Step down Subsidiary	-	No
12.	Solar Mining Services Pty Limited, South Africa	Step down Subsidiary	-	No
13.	P.T. Solar Mining Services	Step down Subsidiary	-	No
14.	Solar Nitro Ghana Limited	Step down Subsidiary	-	No
15.	Solar Madencilik Hizmetleri A.S.	Step down Subsidiary	-	No
16.	Solar Overseas Netherlands Cooperative U.A.	Step down Subsidiary	-	No
17.	Solar Overseas Singapore Pte Limited	Step down Subsidiary	-	No
18.	Solar Industries Africa Limited	Step down Subsidiary	-	No
19.	Solar Nitro Zimbabwe (Private) Limited	Step down Subsidiary	-	No
20.	Solar Nitro Chemicals Limited	Stepdown Subsidiary	-	No
21.	Solar Mining Services Pty Limited, Australia	Step down Subsidiary	-	No
22.	Solar Mining Services Cote D'ivoire Limited Sarl	Step down Subsidiary	-	No
23.	Solar Venture Company Limited	Step down Subsidiary	-	No
24.	Solar Mining Services Burkina Faso Sarl	Step down Subsidiary	-	No
25.	Solar Mining Services Albania	Step down Subsidiary	-	No
26.	Solar Nitro SARL	Step down Subsidiary	-	No
27.	Astra Resources Pty Limited, South Africa	Joint Venture	-	No
28.	ZMotion Autonomus Systems Private Limited	Associate	45	No

VI. CSR Details**22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013:**

Yes, CSR is applicable under section 135 of Companies Act, 2013.

(ii) Turnover of the Company for FY 23 is: ₹ 4162.24 Crore

(iii) Net worth of the Company for FY 23 is: ₹ 1767.42 Crore

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for the grievance redress policy) (Refer note: 2)	FY 23			FY 22		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks
Communities	Yes, Solar has a structured process for engaging with the communities in the vicinity of the Company operations. During FY 23, no grievances were raised by the communities during such interactions.	Nil	NA	NA	Nil	NA	NA
Investors (other than shareholders)	NA	NA	NA	NA	NA	NA	NA
Shareholders	Yes, During FY 23, one complaint of shareholder is pending.	Nil	1	The details about the pending shareholder complaint of Shri KailashChandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 23.	Nil	1	The details about the pending shareholder complaint of Shri KailashChandra Nuwal is provided in the Corporate Governance Report forming part of this Integrated Annual Report FY 23.
Customers	Yes, Robust systems have been put in place across Solar Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner.	10	NIL	NA	24	NIL	NA
Value Chain Partners	Yes, As per the Company's Code of Conduct for Suppliers and Service Providers, they are encouraged to report any known or suspected improper behaviour of any of the Solar employees. Such reports are treated in a confidential manner.	Nil	NA	NA	Nil	NA	NA

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If Yes, then provide web-link for the grievance redress policy) (Refer note: 2)	FY 23			FY 22		
		No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at the close of the year	Remarks
Employees and workers	Yes, Solar has a Grievance Redressal Procedure with appropriate systems and mechanisms to address employee concerns and complaints pertaining to human rights and labour practices. It aims to facilitate structured discussions and resolutions of the grievances raised on labour practices and human rights.	Nil	NA	NA	Nil	NA	NA

The Policies are hosted on the website of the Company www.solargroup.com

24. Overview of the entity's material responsible business conduct issues

The Company conducts materiality assessments to identify the material issues including environmental and social ones and understand the relative importance of these issues for its stakeholders and its business. Accordingly specific action plans are devised for addressing each material issue at regular intervals. Such assessments help in identifying key drivers for value creation over a period. In FY 22, Solar engaged with a diverse set of internal and external stakeholders in order to update its materiality matrix. Going forward, Solar will continue to engage with its key internal and external stakeholders on an ongoing basis to ensure a more dynamic materiality assessment.

Solar has robust Risk Management System covering operational, Environmental, social and Governance related Risks. For more information on Risk Management Framework, 'Strategic Risk Management' and 'Material Issues' refer to sections of ESG and Integrated Annual Report FY 23.

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/ opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
Climate Change, Energy and Emissions	Risk/ Opportunity	<ul style="list-style-type: none"> Risk: Climate risk can pose challenges to our operations(production & Supply chain disruption) due to harsh climatic conditions (flood, cyclone, higher temperature etc.) Opportunity: Climate adaptation and mitigation are key to building a future-ready organisation. They can also reduce operational costs and drive greater efficiencies for the business. 	<ul style="list-style-type: none"> Climate change pose risk to our operations, to mitigate the same we are accelerating the process of decarbonization and stimulating activity along the value chain. We are monitoring our emissions and establishing goals and targets along with implementation of energy saving and energy efficiency measures. 	Negative/ Positive

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/ opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
Environmental Risk and Compliance	Risk	<ul style="list-style-type: none"> Explosive industry is subjected to various government's laws and regulations. Non-compliance to these regulations can result in monetary forfeiture, legal fines and penalties, harm to brand reputation, loss of business opportunities, and a loss of value. 	<ul style="list-style-type: none"> We are dedicated to improving our environmental performance and maintaining positive legal compliance. The Company is ISO 14001 certified and has well established Environmental Management System which ensures continuous monitoring and subsequent improvement of environmental parameters. 	Negative/ Positive
Water Conservation and Management	Risk	<ul style="list-style-type: none"> Effective water management is crucial for the Company's operations, as continuous and reliable water sourcing is vital to its functioning. As climate changes and droughts become more frequent, water availability is becoming a significant risk in various regions. 	<ul style="list-style-type: none"> The Company not only meets the statutory criteria set by regulatory authorities for water sourcing but also takes proactive measures to optimize its usage. The Company's water management strategy includes reducing freshwater consumption, implementing water recycling/ reuse, and promoting water-saving initiatives. 	Negative
Waste and Hazardous Materials Management	Risk	<ul style="list-style-type: none"> Mismanagement of hazardous materials can jeopardize the well-being and safety of employees, while also resulting in considerable environmental harm, including contamination of soil and water. 	<ul style="list-style-type: none"> We have a well-established waste management practice in place which ensure the appropriate waste disposal as per the waste category defined by the State Pollution Control Board. 	Negative
Occupational Health and Safety	Risk	<ul style="list-style-type: none"> Our nature of operation is sensitive and even a small non-adherence to any of the safety measures can result in injury or loss of lives and affect business sustainability. 	<ul style="list-style-type: none"> Our Company has SHE framework in place to ensure safe operations. We provide safety training and conduct periodic safety audits, to enforce safety protocols. Our organization has adopted safety and health standards that are considered benchmarks within the global industry. 	Negative
Employee Health and wellbeing	Opportunity	<ul style="list-style-type: none"> Solar ensures access to healthcare services, wellness programs and other benefits that help employees maintain a healthy work-life balance. Providing such opportunities can lead to improved employee satisfaction, increased productivity, and reduced absenteeism and turnover rates. 	<ul style="list-style-type: none"> NA 	Positive
Human Rights	Risk	<ul style="list-style-type: none"> We are committed to uphold human rights of our employees, communities and other stakeholders. 	<ul style="list-style-type: none"> We have human rights policy which ensures that any non-compliance related to human rights will be addressed and resolved in a timely manner. 	Negative

Material Issue Identified	Indicate whether risk or opportunity	The rationale for identifying the risk/ opportunity	In case of risk, an approach to adapt or mitigate	Financial implications of the risk or opportunity
Diversity and Inclusion	Opportunity	<ul style="list-style-type: none"> Developing a diverse and inclusive work culture enables an organisation's position as an employer of choice. 	<ul style="list-style-type: none"> NA 	Positive
Customer Satisfaction	Opportunity	<ul style="list-style-type: none"> Customer relationship management plays a significant role in our business operations. 	<ul style="list-style-type: none"> NA 	Positive
Data Privacy & Security	Risk	<ul style="list-style-type: none"> Safeguarding the security of the data and the entire value chain, particularly customers is important for its business operations. 	<ul style="list-style-type: none"> Safeguarding the security of the data and the entire value chain through cyber risk assessment and implementation of business continuity plan for IT platforms. 	Positive/ Negative
Skill Development	Opportunity	<ul style="list-style-type: none"> Creating a best employee experience and gaining recognition as one of the good employers in our main operating areas will aid us in attracting, hiring, and retaining talented individuals. 	<ul style="list-style-type: none"> NA 	Positive
Supply Chain Management and Materials Sourcing	Risk	<ul style="list-style-type: none"> We are facing risks in supply chain management and materials sourcing, transportation, regulatory compliance, and supplier relationship. 	<ul style="list-style-type: none"> Enhancing the supply chain management by developing innovative technology and working with reliable partners. We are developing innovative logistics solutions that can reduce transport costs and enhance safety. 	Negative/ Positive
Regulatory Compliance	Opportunity	<ul style="list-style-type: none"> Regulatory compliance is an opportunity for our industry to demonstrate its commitment for sustainable operations and market presence across the global. 	<ul style="list-style-type: none"> NA 	Positive
Innovation and R&D	Opportunity	<ul style="list-style-type: none"> Investing in research and development, product testing, and continuous improvement can lead to innovative products that meet customers' needs and exceed their expectations. 	<ul style="list-style-type: none"> NA 	Positive
Ethical Business Conduct	Opportunity	<ul style="list-style-type: none"> Non-compliance with ethical business practices and integrity-related obligations can lead to legal fines and penalties, financial losses, damage to brand reputation, missed business opportunities, and a decrease in company value. 	<ul style="list-style-type: none"> NA 	Negative/ Positive

Section B: Management and Process Disclosures

The objective of this section is to assist enterprises in showcasing their establishment of structures, policies, and procedures to implement the NGRBC Principles and Core Elements, thereby exhibiting their commitment towards sustainability.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1 a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web link of the policies, if available	Policy on Anti – Corruption And Bribery	Policy on Life Cycle Sustainability	Policy on Employee Well being	Policy on Stakeholder Engagement	Policy on Human Rights	Policy on- Environment- Health-and- Safety	Policy on- Responsible- Advocacy	CSR Policy	Policy on Responsibility to Customers and their Engagement
2 Whether the entity has translated the policy into procedures.	Guidelines & procedures have been developed in line with and covering all the 9 principles related to the respective policies.								
3 Do the enlisted policies extend to your value chain partners?	Yes, enlisted policies extend to our value chain partners.								
4 Name of the national and international codes/ certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Solar's manufacturing facilities have well defined Quality, Environment, Health & Safety management systems in place and are aligned with the international (United Nations guidelines ISO 14001:2015, ISO 45001:2018, ISO 9001-2015, ISO/IEC 17025-2017) and national (NGRBC, NABL Certification) standards and guidelines.								
5 Specific commitments, goals, and targets set by the entity with defined timelines, if any.	We have procedures in place to track key parameters like customer complaints, shareholder complaints, employee satisfaction surveys, consumption of resources like water and energy consumption.								
6 Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met.	Solar has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and biodiversity conservation etc. The ESG section forming part of this Integrated Annual Report provides details about the ESG Objectives of the Company. In Order to achieve such targets, the Company has established management systems that entail regular monitoring of Environment KPI's and reviewing progress on a regular basis to ensure that businesses are aligned with ESG Goals. We track key parameters in policies and record it for learning and development to enhance our policies. Please refer ESG Section on page no. 56 of Integrated Annual Report FY 23 for more information.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, Leadership, and Oversight									
7 Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievement	Please refer to the Chairman's and MD statement Section in Integrated Annual Report FY 23.								
8 Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (is).	At highest level the Board of Directors of the Company represented by Shri Manish Nuwal (Managing Director & Chief Executive Officer) has the primary role in the strategic supervision of the ESG Policies of the Company. The CSR Committee is there to ensure implementation of the Sustainability objectives of the Company. The SCRC Committee monitors and evaluates the compliance with these Policies.								
9 Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes/ No). If yes, provide details.i	Yes, The Corporate Social Responsibility Committee is responsible for sustainability related issues.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	This policy will undergo regular reviews to ensure its appropriateness and will be updated as needed.																	
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	The Company is in compliance with applicable laws & regulations.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P1	P2	P3	P4	P5	P6	P7	P8	P9
	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policies are currently evaluated internally. Third-party assessments and certifications will be conducted as and when required.								

Section-C:

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company has an exhaustive Code of Conduct which is based upon the principles of fairness, ethics and corporate governance and covers ethics, bribery and corruption. The Company expects all the employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct which includes handling of actual or apparent conflict of interests between personal and professional relationships, free from fraud and deception. Ethics and integrity are at the very heart of the work culture and applies to our stakeholders that include employees, customers, suppliers, government and the community.

Solar believes that since we employ societal and environmental resources, our governance processes must ensure that they are utilized in a manner that meets stakeholders' aspirations and societal expectations. The Solar's Code of Conduct as well as the Vigil Mechanism and Whistle Blower Policy ensure that the highest standards of personal and professional integrity are maintained within the Company.

Essential Indicator**1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	%Age of persons in respective category covered by the awareness programmes
Board of Directors	2 Familiarisation Programs. Quarterly presentations in Board and Committee Meetings	During FY 23, various updates were made at the Board and Committee meetings. Independent Directors in their capacity as members of various Committees of the Board were informed on developments relating to regulatory, economic, and operating environmental changes, new business initiatives, strategic investments, corporate governance, information technology, and various risk indicators. Familiarisation programs were arranged during the year for newly inducted Independent Directors of the Company. Further, updates on performance review, strategy and key regulatory developments, CSR initiatives and ESG are presented at the quarterly board meetings through presentations. The Board and Audit Committee is updated on key compliance, risk and audit observations, impact arising out of the issues along with management action plans. During FY 23, approximately 25 hours have been spent by the Board of Directors on various familiarization programs, attending Board/Committee meetings presentations, one-on-one and group sessions.	100
Key Management Personnel	4	Solar has designed training programs specifically for the leadership team, covering important topics to enhance their skills and competencies. The key training sessions covered important topics such as the Code of Conduct, which focused on corporate governance and good corporate citizenship. Additionally, the sessions addressed the Company's whistle-blower policy and its sustainability policies.	100
Employees other than BODs and KMPs	45 sessions covering 38 topics	The Company places great emphasis on employee learning and development. The employees undergo various training/awareness sessions such as induction training at the time of joining, safety training, technical and compliance training during employment. During FY23 periodic awareness programs on topics like ESG, Code of Conduct, sexual harassment, Insider trading, Vigil mechanism, etc were conducted by the Company.	97
Workers	350	Safety training is provided to the workers on a continuous basis. Additionally, the Company has developed special training programs for the workers to enhance their skills. The key topics covered in such trainings are Job specific training, Safety and quality training, 5S etc.	90

2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.**a. Monetary**

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil	Nil	Nil	Nil	Nil
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

b. Non-monetary

Type	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. The Company has an anti-corruption and anti-bribery policy, which is applicable to all its subsidiaries across the globe. The policy emphasizes our zero-tolerance approach towards corruption and bribery. The policy also provides information and guidance on how to recognize and deal with bribery and corruption issues. As a part of our training on the Code of Conduct, training is also imparted to employees on Anti-Corruption and Anti-bribery topics. The weblink for this policy is: <https://solargroup.com/wp-content>.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 23	FY 22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regards to conflict of interest:

Category	FY 23		FY 22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

NA

Leadership Indicator

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, Solar has Code of Conduct and Corporate Governance Policies which provide a framework for ethical behavior and effective management of conflicts with various entities or individuals, ensuring accountability and transparency in all dealings. To prevent any conflict between personal interests and the interests of the company, the board of directors and senior management ensure that they disclose any involvement they may have, either directly or indirectly, in company transactions to the board on a regular basis.

The Company has in place the 'Policy on Related Party Transactions', which are applicable to our board members. Transactions with the board members or any entity in which such board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Our sturdy commitment to ensure acquiescence with relevant standards to preserve environment clean and safe using practices and products that are less hazardous to health and environment at the initial stage, wherein pertinent health, and safety elements across designing, manufacturing, supply chain and consumption are identified and evaluated. Our aim is to create goods that are both environmentally sustainable and safe that are supported by state-of-the-art R & D center of our Company.

Solar endeavor towards responsible product stewardship and producing sustainable products which enhancing the safety in operation and minimum damage to environment. The Company objective is to make its products safer and environment friendly.

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Type	FY 23	FY 22	Details of improvement in social and environmental aspects
Research & Development (R&D)	-	-	Nil
Capital Expenditure (CAPEX)	-	-	Nil

Solar conducts R&D linked to environmental and social Initiatives, however currently the expenditures are not tracked.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Supplier screening/ Criteria. b. If yes, what percentage of inputs were sourced sustainably?

Yes, At Solar, sustainable sourcing performance factors are considered in the process of selection of suppliers of major raw material. During the FY 23, 31% of the inputs were sourced sustainably. The Company has established procedures to ensure reasonable sourcing backed up by supplier code of conduct. Through the Supplier code of Conduct, the Company aims to encourage sustainability among its vendors and promote responsible behavior beyond its manufacturing facilities.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Solar Products are explosive in nature and hence, not permissible to reuse or recycle in accordance with Explosives Rules, 2008, the guideline of Petroleum & Explosives Safety Organisation.

The packaging materials are mainly corrugated fibre board boxes, which are collected by the local vendors at the customer site and sold to paper board recyclers.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

NA

Principle 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

The Company is dedicated to ensuring a safe and healthy workplace for all employees. We strive to create a conducive environment that supports their learning and career growth, fostering leadership development. Additionally, the Company places a high priority on work-life balance and employee well-being, as demonstrated by our HR policies and practices. Our comprehensive range of benefits is designed to provide valuable support to our employees and workers.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	732	732	100	732	100	0	0	732	100	0	0
Female	58	58	100	58	100	58	100	0	0	0	0
Total	790	790	100	790	100	58	7	732	93	0	0
Other than Permanent Employees											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

b. Details of measures for the well-being of workers:

Category	% Of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No.(D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	959	959	100	959	100	0	0	959	100	0	0
Female	32	32	100	32	100	32	100	0	0	0	0
Total	991	991	100	991	100	32	3	959	97	0	0
Other than Permanent Workers											
Male	1893	1893	100	1893	100	0	0	1893	100	0	0
Female	643	643	100	643	100	643	100	0	0	0	0
Total	2536	2536	100	2536	100	643	25	1893	75	0	0

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Sr. No.	Benefits	FY 23			FY 22		
		No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total worker	Deducted and deposited with the authority
1	PF	100%	100%	Yes	100%	100%	Yes
2	Gratuity	100%	100%	Yes	100%	100%	Yes
3	ESI	35%	98.41%	Yes	35%	97.78%	Yes
4	Others-Please Specify	NA	NA	NA	NA	NA	NA

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Accessibility facilities are provided to the differently abled individuals of the Company.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has policy on Diversity Equity and inclusion.

Link: [policyonhumanrights](#).

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Total number of people returned after parental leave in FY	Total Number of people who took parental leave in FY	Return to work rate	Total Number of people retained for 12 months after returning from parental leave	Total number of people returned from parental leave in prior FY	Retention Rate
Permanent Employees						
Male	12	12	100%	NA	NA	-
Female	6	6	100%	6	6	100%
Others	-	-	-	-	-	-
Total	18	18	100%	6	6	100%
Permanent Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Others	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes, Solar has a well-structured grievance redressal mechanism which addresses the grievances of the employees and workers. Employees are encouraged to directly report their concerns to their departmental head, HR head as a first reporting authority and attempt to arrive at a solution before invoking formal redressal mechanism. Workers are encouraged to report to their supervisors in case of any grievances. The grievance reported by the employees and workers are redressed in a timely, transparent and fair manner.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 23			FY 22		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	732	-	-	-	-	-
Female	58	-	-	-	-	-
Total	790	-	-	-	-	-
Permanent Workers						
Male	959	959	100	868	868	100
Female	32	32	100	21	21	100
Total	991	991	100	889	889	100

8. Details of training given to employees and workers:

a. Details of Skill training and Details of training on Health and Safety given to employees and workers.

Category	FY 23					FY 22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	732	732	100	732	100	733	733	100	733	100
Female	58	58	100	58	100	43	43	100	43	100
Total	790	790	100	790	100	776	776	100	776	100
Workers										
Male	959	959	100	959	100	932	932	100	932	100
Female	32	32	100	32	100	27	27	100	27	100
Total	991	991	100	991	100	959	959	100	959	100

9. Details of performance and career development reviews of employees and worker:

Category	FY 23			FY 22		
	Total employees/workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Permanent Employees						
Male	732	732	100	733	733	100
Female	58	58	100	43	43	100
Total	790	790	100	776	776	100
Permanent Workers						
Male	959	959	100	932	932	100
Female	32	32	100	27	27	100
Total	991	991	100	959	959	100

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). What is the coverage of such system?

Yes, The Company's Environmental, Health, and Safety (EHS) function is effectively managed through an established EHS policy that is uniformly applied across all of its manufacturing facilities, corporate offices, and R&D center. Key manufacturing facilities are certified with ISO 45001:2018 standard.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, The Company believes that safe & healthy workplace is a prerequisite for employee wellbeing. It has implemented occupational health and management safety system. It promotes culture of Safety through various training programs while continuously investing in state-of-the-art technology to meet the highest level of safety parameters.

Company is conducting HIRA and HAZOP studies to identify the risks related to operations. To prevent the potential hazards, we monitor near miss incidents, unsafe acts and unsafe conditions. Internal, External audits and Mock drills are conducted to check the effectiveness of the implemented measures.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)

Yes, A system is in place to spot and report the work-related hazards. We have an online incident reporting system that enables us to monitor any incidents that occurred across the manufacturing facilities. Based on these reports, Corrective and Preventive Actions (CAPA) reports are issued to all concerned heads/ individuals. This helps us to prevent similar incidents from occurring in the future. Training and proper PPEs are being provided to the individuals to prevent any safety incidents.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all the sites have access to non-occupational medical and healthcare services either on-site or through tie-ups with reputed medical centers in close proximity. In addition, personnel are being trained to respond appropriately to medical emergencies on-site.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 23	FY 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	4
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

- Hazard identification, Risk Assessment and Management is done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure and Job Safety Analysis (JSA) Procedure.
- Hierarchy of controls is followed for application of risk control measures, Control Plans commensurate to risk are deployed before execution of job. No job is executed until risks are brought to acceptable range.
- Safety Committees are in place at various levels to review the adequacy of resources for safety and to provide support for safety management system deployment.
- Deployment of Safe and Healthy system of work is assured through periodic safety audits and inspections across sites.

13. Number of Complaints on the following made by employees and workers:

The Company has not received any complaint on "Health & Safety" and "Working Conditions" in FY23 and FY22. However, the Company encourages its employees and contractor workers to proactively submit safety observations and report unsafe acts and conditions at workplace as a preventive action.

Topic	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year:

Topic	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- All safety related accidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective actions to stop recurrence of such incidents. Effectiveness of Corrective actions deployment being checked during safety Audits.
- Significant risks/concerns arising from assessment of Health and Safety Practices are addressed through elimination of manual job by use of Technology/Digitization, Safety Capability Building, Monitoring and supervision, etc.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of?**

All the employees and workers are covered under the life insurance policy. Additionally, the employees get mediclaim policy and the workers are covered under the ESIC policy. In the event of death over and above the insurance, the Company also provides financial support to the bereaved families.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions entered with its value chain partners are deducted and deposited in accordance with applicable laws.

3. Provide the number of employees/ workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Category	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23	FY 22	FY 23	FY 22
Employees	0	0	0	0
Workers	0	0	0	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No).

Yes, to make well-informed choices for their future.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.

The Company firmly believes that engaging with stakeholders is essential as it fosters cooperation, responsibility, and the establishment of trust. The stakeholders we refer to encompass a diverse range of groups such as the community, shareholders, investors, customers, employees, and regulatory bodies. By involving stakeholders in Company's decision-making processes leads to strong partnerships with stakeholders.

Essential Indicator**1. Describe the processes for identifying key stakeholder groups of the entity:**

The Company recognizes individuals or groups who have a vested interest in, or are impacted by, or add value to the business activities as key stakeholders. These stakeholders include customers, investors, lenders, vendors, government agencies, shareholders, media, regulators, value chain partners, employees, and society. The Company places great importance on listening to its stakeholders and has set up multiple touchpoints and communication tools to promote fair engagement. Please refer stakeholders section in Integrated Annual Report FY 23.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Solar believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Refer stakeholders engagement section on page no. 22 of Integrated Annual Report FY 23 for further details.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	<ul style="list-style-type: none"> Reports One-to-one Interaction Events E-mail communication Letters 	Engagement as per need	<ul style="list-style-type: none"> Compliance with industry norms, laws and regulations in substance and spirit Transparent Disclosers Participation in various industry forums and meets Collaboration on national agenda such as Make in India

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> Employee Engagement surveys Joint Consultation system Grievance mechanism Rewards and Recognition Face to Face interactions Cultural events Training and Workshops. 	Annually, Periodic, event based, continuous	<ul style="list-style-type: none"> Employee well-being and safety Fair wages and compensations per industry standards Learning and Development Occupational health and safety Growth opportunities Talent and skill management Diversity and inclusion Job security
Customers	No	<ul style="list-style-type: none"> One-to-One Interactions Site-Visits Customer Meeting E-mails Online Survey Digital channels Trial and improvement programs 	Monthly, Quarterly, Half yearly, annually, need based,	<ul style="list-style-type: none"> Product safety quality reliability Confidentiality in case of Sensitive Contracts Operational efficiency Innovative products
Business partners	No	<ul style="list-style-type: none"> E-mail communication Site Visits One-to-One Interactions Business partner survey Structured meetings 	annually, need based, continuous, periodic	<ul style="list-style-type: none"> Timely payments Fair and long term business relations Capacity building Transparency Value Creation
Communities	Yes	<ul style="list-style-type: none"> CSR initiatives Face to face interaction Field visits Collaborations through NGO's 	Engagement as per need	<ul style="list-style-type: none"> Upliftment of society Live hood opportunities Health and sanitation initiatives
shareholders and Investors	Yes	<ul style="list-style-type: none"> Annual general meeting Conference call News channels presentation Investor Grievance redressal mechanism Annual report Press release Website updates Stock Exchange releases Stock Exchange releases 	Quarterly, Annually, periodic Event based	<ul style="list-style-type: none"> Consistent, competitive and profitable growth and returns. Consistent dividend pay-outs. Superior stakeholder returns through optimal utilization of resources. Better disclosures, transparency and credibility of financials Effective risk management Wealth creation Sound governance practices.
Media	No	<ul style="list-style-type: none"> Newspaper Advertisement Press Release 	Event Based	<ul style="list-style-type: none"> Growth, Awareness Public Image

Principle 5: Businesses should respect and promote human rights

Respecting human rights is fundamental to our values, policies and business strategy. The Company is determined to have a workplace where everyone is treated equitably, without any discrimination based on gender, caste, creed, or religion.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23			FY 22		
	Total (A)	No. of employees/workers covered (B)	% (B / A)	Total (C)	No. of employees/workers covered (D)	% (D / C)
Employees						
Male	732	732	100	733	733	100
Female	58	58	100	43	43	100
Others	0	0	0	0	0	0
Total	790	790	100	776	776	100
Other than Permanent Employees						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
Others	0	0	0	0	0	0
Total	0	0	0	0	0	0
Workers						
Male	959	959	100	932	932	100
Female	32	32	100	27	27	100
Others	0	0	0	0	0	0
Total	991	991	100	959	959	100
Other Than Permanent Workers						
Male	1893	1893	100	1547	1547	100
Female	643	643	100	464	464	100
Others	0	0	0	0	0	0
Total	2536	2536	100	2011	2011	100
Grand Total	4317	4317	100	3746	3746	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 23						FY 22					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage			
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)		
Permanent Employees												
Male	732	732	100	732	100	733	733	100	733	100		
Female	58	58	100	58	100	43	43	100	43	100		
Others	0	0	0	0	0	0	0	0	0	0		
Total	790	790	100	790	100	776	776	100	776	100		
Other than Permanent												
Male	0	0	0	0	0	0	0	0	0	0		
Female	0	0	0	0	0	0	0	0	0	0		
Others	0	0	0	0	0	0	0	0	0	0		
Total	0	0	0	0	0	0	0	0	0	0		
Permanent Workers												
Male	959	959	100	0	0	932	932	100	932	100		
Female	32	32	100	0	0	27	27	100%	27	100		
Others	0	0	0	0	0	0	0	0	0	0		
Total	991	991	100	0	0	959	959	100	959	100		
Other than Permanent												
Male	1893	1893	100	0	0	1547	1547	100	1547	100		
Female	643	643	100	0	0	464	464	100	464	100		
Others	0	0	0	0	0	0	0	0	0	0		
Total	2536	2536	100	0	0	2011	2011	100	2011	100		
Grand Total	4317	4317	100	790	100	3746	3746	100	3746	100		

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	3	6,24,631	0	0
Key Managerial Personnel	4	5,62,315	2	2,17,381
Employees other than BoD and KMP	732	30,884	58	27,796
Workers	959	20,890	32	13,830

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Solar has constituted Sustainability Compliance Review Committee (SCRC) which is responsible to address grievances related to human rights issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has Human rights policy that guides in case of any grievance reported related to Human rights, evaluation is carried out basis which remediation action is planned by Human Resource Department.

The Company has adopted employee-oriented policies covering areas such as Human Rights Policy, Diversity, Equity and Inclusion Policy, Code of Conduct and Business Ethics, Whistle Blower Policy and prevention of sexual harassment at workplace, which endeavors to provide an environment of care, nurturance and opportunity to accomplish professional aspirations and provide a safe redressal mechanism for employee grievances. With regards to internal mechanisms centered around the policies, the head of Human Resources function ensures that all employee-related grievances are suitably investigated, and action is taken as per due process stipulated in the respective redressal policies. Anonymous grievances are also investigated appropriately.

6. Number of Complaints on the following made by employees and workers:

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	Nil	Nil	NA
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company maintains a zero-tolerance against Sexual Harassment and Discrimination. For grievances pertaining to sexual harassment, the Internal Complaints Committee (ICC) is constituted in line with the provisions of The Sexual Harassment of Women at Workplace. The Cases related to the prevention of sexual harassment at workplace are treated with utmost sensitivity and in a confidential manner.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human rights requirements forms a part of the company's agreements and Contracts

9. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	100
Forced/involuntary labor	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others please specify	100

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

NA, as no human rights violations were reported during FY 23.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

The Company is committed to protecting the environment by prioritizing sustainability. We strongly believe that our efforts can make a difference and have undertaken several measures aimed at mitigating carbon emissions, minimizing water discharge, and enhancing waste management practices. We consistently evaluate and improve operational efficiency and apply effective strategies across the facilities in order to minimize our environmental impact.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 23	FY 22
Total electricity consumption (A) (GJ)	77,594.35	61,345.30
Total fuel consumption (B) (GJ)	6,55,065.52	5,80,342.63
Energy consumption through other sources (C) (GJ)	0	0
Total energy consumption (A+B+C) (GJ)	7,32,659.86	6,41,687.93
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ per crore ₹)	159.14	190.19
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? b. If yes, name of the external agency.

No, The Company has not undergone any third-party assessment.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (a.) If yes, disclose whether targets set under the PAT scheme have been achieved. (b.) In case targets have not been achieved, provide the remedial action taken, if any.

PAT scheme is NA to the Company.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23	FY 22
Water withdrawal by source (in kiloliters)		
(i) Surface water	27,159.60	6,566.36
(ii) Groundwater	4,55,980.08	4,29,737.07
(iii) Third party water	23,623.56	20,306.49
(iv) Seawater / desalinated water	0	0
(v) Others (Rainwater storage)	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,06,763.24	4,56,609.92
Total volume of water consumption (in kilolitres)	5,06,763.24	4,56,609.92
Water intensity per rupee of turnover (Water consumed / turnover) (kl per crore ₹ of revenue)	110	135
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

We have conducted water audit for the FY 23.

b. If yes, name of the external agency

The independent assessment of the Company was conducted by the PHD Chamber of Trade & Industry.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, The Company has implemented Zero Liquid Discharge (ZLD) across the manufacturing facilities. Wastewater treatment system comprises of Sewage Treatment Plant (STP), Effluent Treatment Plant (ETP), Multi-effect Evaporator (MEE). These state-of-the-art technologies ensure to make treated wastewater is fit for reuse/ recycle.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify Unit	FY 23	FY 22
NOx	MT/A	1.654	2.151
SOx	MT/A	2.789	1.970
Particulate matter (PM)	MT/A	1.404	0.483
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	NA	NA	NA

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N).

No, The Company has not undergone any third-party assessment.

b. If yes, name of the external agency.

NA

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity in the following format:

Parameter	Unit	FY 23	FY 22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	45,829.83	44,740.99
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	13,038.84	12,127.94
Total Scope 1 and Scope 2 emissions (per crore ₹ of turnover)	tCO ₂ e	12.79	16.86
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity	-	NIL	NIL
Total Scope 1 and Scope 2 emission intensity (optional)	-	NA	NA

a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No, The Company has not undergone any third-party assessment.

b. If yes, name of the external agency.

NA.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide detail

Yes, The Company has undertaken various initiatives to reduce greenhouse gas emissions like:

1. Implemented 3 MW solar power plant, that resulted in 15% of electricity contribution from renewable sources.
2. Retrofitting of 16 chillers to make them compatible with environment-friendly refrigerant gases.
3. VFD installations in cooling towers, agitators, and air compressors.
4. Replaced conventional lights with LEDs resulted in a reduction in electricity consumption.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23	FY 22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	572.44	505.93
E-waste (B)	4.05	3.76
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0.865	1.537
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	539.71	827.95
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	3,892.068	2,308.16
Total (A+B + C + D + E + F + G+ H)	5,009.13	3,647.34

Parameter	FY 23				FY 22			
	Waste Recycled	Waste Reused	Other Recovery	Total Recovered	Waste Recycled	Waste Reused	Other Recovery	Total Recovered
Plastic waste (A)	572.44	0	0	0	505.93	0	0	0
E-waste (B)	4.05	0	0	0	3.76	0	0	0
Bio-medical waste (C)	0	0	0	0	0	0	0	0
Construction and demolition waste (D)	0	0	0	0	0	0	0	0
Battery waste (E)	0.865	0	0	0	1.537	0	0	0
Radioactive waste (F)	0	0	0	0	0	0	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0	0	0	0	0	0	0
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	535.44	0	0	0	315.85	0	0	0
Total Waste Recovered (A+B + C + D + E + F + G + H)	1112.79	0	0	0	827.078	0	0	0

Parameter	FY 23				FY 22			
	Waste Incinerated	Waste in landfill	Another disposal	Total disposed	Waste Incinerated	Waste in landfill	Another disposal	Total disposed
Plastic waste (A)	0	0	0	0	0	0	0	0
E-waste (B)	0	0	0	0	0	0	0	0
Bio-medical waste (C)	0	0	0	0	0	0	0	0
Construction and demolition waste (D)	0	0	0	0	0	0	0	0
Battery waste (E)	0	0	0	0	0	0	0	0
Radioactive waste (F)	0	0	0	0	0	0	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0	83.56	83.56	0	0	55.28	55.28
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	0	0	0	0	0	0	0	0
Total Waste Recovered (A+B + C + D + E + F + G + H)	0	0	83.56	83.56	0	0	55.28	55.28

- a. Indicate if any independent assessment/ evaluation/ assurance has been carried out for Waste Category by an external agency?

No, The Company has not undergone any third-party assessment.

- b. If yes, name of the external agency

NA

9. a. Briefly describe the waste management practices adopted in your establishments.

The Company has adopted 3R principles of waste management - Reduce, Reuse and Recycle. The Company has developed standard operating procedures for the proper handling of waste in alignment with the regulations and guidelines set by the Central/State Pollution Control Boards (CPCB/SPCB). Waste is segregated at its source into hazardous and non-hazardous waste, which are then stored separately in dedicated spaces or bins within the manufacturing facilities and is disposed to registered recyclers to the possible extent and remaining waste is disposed through manifest system to a designated disposal facility as per the consent conditions.

- b. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have adopted several ways to minimize the waste, such as, using alternative raw materials, optimizing the consumption, improving the process efficiency, etc.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

No there were no Environmental Impact Assessments of projects were undertaken during the reporting period.

12. a. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder

Yes, The Company is compliant with the stated laws.

- b. If not, provide details of all such non-compliances, in the following format:

NA

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

S. No.	Parameter	FY 23	FY 22
1	Total electricity consumption (A) From Renewable Sources	11,944.23	281.54
2	Total fuel consumption (B) From Renewable Sources	1,43,159.72	73,706.51
3	Energy consumption through other renewable sources (C)	0	0
4	Total energy consumed from renewable sources A+B+C	1,55,103.95	73,988.05
5	Total electricity consumption From Non-Renewable Sources (D)	65,650.11	61,063.76
6	Total fuel consumption From Non-Renewable Sources (E)	5,11,905.80	5,06,636.13
7	Energy consumption through other Non-renewable sources (F)	0	0
8	Total energy consumed from non-renewable sources D+E+F	5,77,555.91	5,67,699.89

- a. Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

No, The Company has not undergone any third-party assessment.

- b. If yes, name of the external agency.

NA

2. Provide the following details related to water discharged:

Parameter	FY 23	FY 22
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(iv) Sent to third parties		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of Treatment	0	0
Total water discharged (in kiloliters)	0	0

- a. Indicate if any independent assessment/ evaluation/assurance has been carried out for Water Discharged by an external agency? (Yes/No)

Yes

- b. If yes, name of the external agency

The independent assessment of the Company was conducted by the PHD Chamber of Trade & Industry.

Principle 7: Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Solar strives to engage with stakeholders in a responsible manner, guided by the values of commitment, integrity, and transparency.

Essential Indicators

1. a) Number of affiliations with trade and industry chambers/ associations.

The Company is associated with 7 trade and industry chambers/ associations.

- b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

List of key trade and industry chambers/ associations

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Confederation of Indian Industry (CII)	National
3	Society of Indian Defence Manufacturers	National
4	PHD Chamber of Commerce and Industry	National
5	Bharat Shakti	National
6	Vidarbha Industries Association	State
7	Quality Circle Forum of India (QCFI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

NA

Principle 8: Businesses should promote inclusive growth and equitable development.

Our CSR programs are in line with our mission to promote socio-economic growth in the regions where we operate. We meticulously plan and execute our community development initiatives in strict accordance with our CSR Policy.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification no.	Date of notification	Whether conducted by independent external agency (Yes / No)	Resulted communicated in public domain	Relevant Web Link
NIL					

**No SIA projects were done during the reporting period.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

NA

3. Describe the mechanisms to receive and redress grievances of the community.

The Company engages with the community through informal and formal sessions held throughout the year to facilitate interactions and take their feedback and concerns through CSR programs.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 23	FY 22
Directly sourced from MSMEs/ Small producers	13.90%	15.22%
Sourced directly from within the district and neighboring districts	20.56%	22.55%

Principle 9: Businesses should engage with and provide value to their consumers in responsible manner.

At Solar, we prioritize our customers and strive to meet their expectations with our products and services. We take a customer-centric approach by providing tailored solutions and resolving grievances promptly. We value customer feedback and use it to continuously improve our offerings.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Solar has a well established system of receiving complaints & feedbacks, which are analysed and necessary action are taken. Customers can raise their concerns through the CRM system and track their resolution status. Solar places a high priority on addressing customer concerns in a timely and efficient manner.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

information related to	As a percentage to total turnover
Environment and Social parameters relevant to the product	NA
Safe and responsible usage	100%
Recycling and/or safe disposal	NA

3. Number of consumer complaints in respect of the following:

	FY 23		Remarks	FY 22		Remarks
	Received during the year	Pending resolution at the end of year		Received during the year	Pending resolution at the end of year	
Data privacy	0	0	NA	0	0	NA
Advertising	0	0	NA	0	0	NA
Cyber-security	0	0	NA	0	0	NA
Delivery of essential services	0	0	NA	0	0	NA
Restrictive Trade Practices	0	0	NA	0	0	NA
Unfair Trade Practices	0	0	NA	0	0	NA
Others	10	Nil	NA	24	0	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

No instances of issues relating to advertising, and delivery of essential services; and data privacy of customers; product recalls were reported in FY 23.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available).

All the product information with Technical Safety Data Sheet is available on our Company's website www.solargroup.com. Customer's specifically requesting copies of the same are forwarded through e-mail or in a physical copy.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We understand the importance of providing accurate and transparent product information to our customers. TDS are made available with the product which is also available on the Company's website. Regular interaction with customers is done by our technical team and various trainee programs are conducted to educate on safe and efficient use of products.

3 A. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/NA) If yes, provide details in brief.

Yes, The Company ensures strict adherence to all the applicable regulations for product information and labeling. All the critical products are supplied with safety instructions highlighting the Do's and Don'ts while handling the products.

B. Did your entity carry out any survey about consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes, Solar conducts customer satisfaction surveys to improve its services and to meet the customer's expectations.

Independent Auditor's Report

To
The Members of
Solar Industries India Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Solar Industries India Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone 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 Act 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 audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition (as described in note 2.2 (j) of the standalone financial statements)</p> <p>Revenue from sale of goods is recognized as outlined in note 18 of the standalone financial statements.</p> <p>The Company estimates provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customers' 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 which is reduced from the sales for the period.</p> <p>As at March 31, 2023, the Company is carrying a powder factor provision of Rs. 38.81 crore.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> Evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). Assessed and tested the design and operating effectiveness of the Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision. Read the agreement with customers for validating terms relating to powder factor.

Key audit matters	How our audit addressed the key audit matter
<p>This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.</p>	<ul style="list-style-type: none"> Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. Evaluated the historical trend against the actual powder factor deduction. Assessed and read the disclosures made by the Company in the standalone financial statements.
<p>Carrying value of trade receivables (as described in note 2.2(i)(4) of the standalone financial statements)</p> <p>As at March 31, 2023, trade receivables constitutes approximately 20% of total assets of the Company. The Company is required to regularly assess the recoverability of its trade receivables.</p> <p>The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.</p> <p>This is a key audit matter as significant judgement is involved to establish the provision matrix.</p> <p>The trade receivables balance, credit terms and aging as well as the Company's policy on impairment of receivables have been disclosed in note 7 to the standalone financial statements.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> Evaluated the Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 - Financial Instruments. Assessed and tested the design and operating effectiveness of the Company's internal financial controls over provision for expected credit loss. Evaluated management's assumption and judgment relating to various parameters which included the historical default rates and business environment in which the entity operates for estimating the amount of such provision. Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. Assessed and read the disclosures made by the Company in the standalone financial statements.
<p>Fair Valuation of Non-current Investments (as described in note 2.2 (i)(1) of the standalone financial statements)</p> <p>The Company has classified certain investment amounting to Rs. 49.92 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109. These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market.</p> <p>The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs.</p> <p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Obtained and read the fair valuation reports provided by the management by involvement of external valuation experts. Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts. Involved internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value. Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts. Assessed the objectivity and competence of our internal expert and Company's external specialists involved in the process. Assessed and read the disclosures made by the Company in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such 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 for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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 standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 standalone financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial /statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 25 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or

entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 11B to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing

Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number:
103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 23039895BGXQPI3808

Place: Nagpur
Date: May 03, 2023

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 23105497BGXBNS3248

Place: Nagpur
Date: May 03, 2023

Annexure 1 to the Independent Auditor's Report of even date on the Standalone IND as Financial Statements of Solar Industries India Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification, which, in our opinion, is reasonable having regard to the size of the Company
- and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in note 3A to the financial statements are held in the name of the Company except one immovable property as indicated in the below table for which title deeds are not in the name of the Company:

Description of property	Gross carrying value (Rs. crores)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Protected forest land located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District – Nagpur.	10.36	Revenue and Forest Department – Govt. of Maharashtra	No	Since 01.01.2020	Protected forest land

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate
- for each class of inventory were not noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at year end and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations.
- (b) As disclosed in note 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of account of the Company.

- iii) (a) During the year, the Company has provided loans, advances in the nature of loans, investments and guarantees to companies as follows:

Particulars	Loans	Investments	Guarantee
Aggregate amount granted/Provided during the year	493	28	324
Subsidiaries	493	0*	324
Associate	-	28	-
Others	-	0*	-
Balance outstanding as at balance sheet date			
Subsidiaries	392	128	810
Associate	-	28	-
Others	-	51	-

*Amount is Less than Rs 1 Crore

- (b) During the year, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans, investments and guarantees to companies are not prejudicial to the Company's interest.
- (c) The Company has granted loans during the year to companies where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (d) There are no amounts of loans and advances in the nature of loans granted to companies which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 of the Companies Act, 2013 are applicable. Further, where loans, investments, guarantees and security in respect of which provisions of sections 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to manufacture of industrial explosive and explosive initiating device, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Demand of excise duty (including penalty)	3.37	0.20	2000-2008	Tribunal
Central Excise Act, 1944	Demand of excise duty (including penalty)	1.16	-	2007-2009	Commissionerate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.68	0.03	2015-2017	Commissionerate
Central Excise Act, 1944	Demand of excise duty (including penalty)	0.10	0.09	2011-2016	High Court

Name of the statute	Nature of the dues	Amount (Rs. in crore)	Amount deposited under protest (Rs. in crore)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Tax Act, 2017	Demand of GST (Including penalty)	1.70	0.11	2017-2018	Tribunal
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.42	0.04	2008-2009	Tribunal
Employee Provident Fund	Demand of Provident Fund Contribution	0.15	0.15	2015-2017	Appellate Authority
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	28.03	1.95	2012-2018	Tribunal
Central Sales Tax Act, 1956 and State Sales Tax Act	Demand of CST and VAT	0.86	0.03	2013-2017	Commissionerate
State Sales Tax Act	Demand of VAT	0.43	0.07	2013-2016	High Court
Goods and Service Tax Act, 2017	Demand of transitional credit (including penalty)	0.01	-	2017-2018	Commissionerate
The Customs Act, 1962	Demand of Custom Duty	2.09	2.09	2021-2022	Commissioner (Appeals)

- viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer
- (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by using Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)/(b)/(c) of the Order is not applicable to the Company.
- xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) (d) of the Order is not applicable to the Company.

xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix) On the basis of the financial ratios disclosed in note to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date

of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25(b) to the financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25(b) to the financial statements.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number:
103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 23039895BGXQPI3808

Place: Nagpur
Date: May 03, 2023

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 23105497BGXBNS3248

Place: Nagpur
Date: May 03, 2023

Annexure 2 to the Independent Auditor's Report of even date on the Standalone Financial Statements of Solar Industries India Limited

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

We have audited the internal financial controls with reference to standalone financial statements of Solar Industries India Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements 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 controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For Gandhi Rathi & Co.
Chartered Accountants
ICAI Firm Reg. number:
103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 23039895BGXQPI3808

Place: Nagpur
Date: May 03, 2023

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 23105497BGXBNS3248

Place: Nagpur
Date: May 03, 2023

Balance Sheet

as at March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3A	769.24	696.42
Capital work in progress	3A	76.04	40.78
Intangible assets	3B	5.73	7.61
Intangible assets under development	3B	2.37	0.13
Right-of-use assets	3C	4.33	2.16
Financial assets			
Investments	4	206.41	145.79
Loans	5	301.16	247.04
Other financial assets	6	100.82	90.45
Current tax assets (net)		5.20	7.62
Other non-current assets	9	21.23	18.57
Total non-current assets		1,492.53	1,256.57
Current assets			
Inventories	10	460.05	273.87
Financial assets			
Investments	4	20.00	-
Trade receivables	7	539.46	297.75
Cash and cash equivalents	8	58.16	23.13
Bank balances other than cash and cash equivalents	8	2.79	2.11
Loans	5	90.38	39.88
Other financial assets	6	13.38	53.57
Other current assets	9	92.42	59.29
Total current assets		1,276.64	749.60
Non-current assets classified as held for sale	3D	-	2.91
Total assets		2,769.17	2,009.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	18.10	18.10
Other equity	11A	1,749.35	1,347.49
Total equity		1,767.45	1,365.59
LIABILITIES			
Non-current liabilities			
<i>Financial Liabilities</i>			
Borrowings	12	182.47	118.56
Lease Liabilities	3C	2.48	0.57
Deferred tax liabilities (net)	14	105.65	85.66
Total non-current liabilities		290.60	204.79
Current liabilities			
<i>Financial liabilities</i>			
Borrowings	13	238.45	36.09
Trade payables	15		
a) total outstanding dues to micro enterprises and small enterprises		8.04	8.35
b) total outstanding dues to creditors other than micro enterprises and small enterprises		385.87	327.00
Lease Liabilities	3C	1.04	0.76
Other financial liabilities	16	38.45	33.93
Other current liabilities	17	34.70	28.51
Provisions	17A	4.57	4.06
Total current liabilities		711.12	438.70
Total liabilities		1,001.72	643.49
Total equity and liabilities		2,769.17	2,009.08
Summary of significant accounting policies	2.2 and 2.3		

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
ICAI Firm Registration Number:103031Wper **C.N. Rathi**
Partner
Membership No.- 39895For **S R B C & CO LLP**Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003per **Pramod Kumar Bapna**
Partner
Membership No. - 105497

For and on behalf of the Board of Directors of

Solar Industries India Limited**Manish Nuwal**
Managing Director &
CEO
DIN: 00164388**Moneesh Agrawal**
(Joint CFO)**Khushboo Pasari**
Company Secretary
Membership No.- F7347**Place :** Nagpur
Date : May 03, 2023**Milind Deshmukh**
Executive Director

DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Statement of Profit and Loss

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	18	4,162.25	2,528.34
Other income	19	55.84	36.17
Total income		4,218.09	2,564.51
Expenses			
Cost of materials consumed	20	2,796.77	1,647.19
Purchases of stock-in-trade		213.56	160.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(5.51)	(25.36)
Employee benefit expense	22	145.36	131.89
Finance costs	23	27.57	8.85
Depreciation and amortisation expense	24	57.02	49.44
Other expenses	25	383.24	239.13
Total expenses		3,618.01	2,211.49
Profit before tax		600.08	353.02
Tax expense :			
- Current tax		142.07	77.08
- Adjustment of tax relating to earlier periods		-	1.27
- Deferred tax		12.62	13.15
Total tax expense	14	154.69	91.50
Profit for the year		445.39	261.52
Other comprehensive income/ (loss)			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (loss) on defined benefit plans		(0.70)	1.98
Income tax effect on defined benefit plans		0.18	(0.50)
Remeasurement gain/ (loss) on Investment in Equity instruments		32.42	-
Income tax effect on Investment in Equity instruments		(7.55)	-
		24.35	1.48
Items that will be reclassified to profit or loss			
Net movement on Cash Flow Hedge Reserve		-	0.10
Income tax effect		-	(0.03)
		-	0.07
Total Other comprehensive income for the year, net of tax		24.35	1.55
Total comprehensive income for the year		469.74	263.07
Earnings per equity share (Face Value Rs.2 per share)			
Basic and Diluted earnings per share	26	49.22	28.90
Summary of significant accounting policies	2.2 and 2.3		

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
ICAI Firm Registration Number:103031Wper **C.N. Rathi**
Partner
Membership No.- 39895For **S R B C & CO LLP**Chartered Accountants
ICAI Firm Registration
Number: 324982E/E300003per **Pramod Kumar Bapna**
Partner
Membership No. - 105497For and on behalf of the Board of Directors of
Solar Industries India Limited**Manish Nuwal**
Managing Director &
CEO
DIN: 00164388**Moneesh Agrawal**
(Joint CFO)**Khushboo Pasari**
Company Secretary
Membership No.- F7347**Place :** Nagpur
Date : May 03, 2023**Milind Deshmukh**
Executive Director

DIN: 09256690

Shalinee Mandhana
(Joint CFO)**Place :** Nagpur
Date : May 03, 2023**Place :** Mumbai
Date : May 03, 2023

Statement of Cash flows

for the year ended March 31, 2023 (All amounts in ₹, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	600.08	353.02
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	57.02	49.44
Profit on Sale of property, plant and equipment (net)	(1.78)	(0.31)
Profit on Sale of Non current assets held for sale	(0.57)	-
Discard of property, plant and equipment (net)	2.18	2.34
Net (gain)/ loss on financial assets measured at fair value through profit and loss	(0.40)	0.24
Profit on sale of financial assets carried at fair value through profit and loss	(1.18)	(0.32)
Sales tax mega project (PF Incentive) written off	2.03	-
Dividend and interest income	(34.49)	(23.03)
Finance costs	27.57	8.85
Impairment (gain)/ loss on financial assets	(7.36)	(15.36)
Impairment (gain)/ loss on non current assets	-	5.47
Bad debts written off	9.62	0.95
Advances written off	0.66	0.02
Provision wrtten back	(0.49)	-
Effect of Exchange Rate Change	(19.34)	(12.23)
Operating profit before working capital changes	633.55	369.08
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(242.84)	21.41
(Increase)/Decrease in inventories	(186.19)	(131.12)
Increase/(Decrease) in trade payables	59.00	147.12
(Increase)/ Decrease in other assets	(2.15)	(49.14)
Increase/(Decrease) in other liabilities	11.00	9.55
Cash generated from operations	272.37	366.90
Less : Income taxes paid	139.65	72.89
Net cash flows from operating activities	132.72	294.01
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(170.36)	(128.99)
Proceeds from sale of property, plant and equipment	4.30	0.44
Advance received against land	-	3.48
Loan given to related parties	(490.53)	(944.89)
Loan recovered from related parties	404.47	792.72
Net Proceeds from (Purchase)/ sale of non-current investments	(27.82)	(17.50)
Net Proceeds from (Purchase)/ sale of current investments	(18.82)	0.32
(Investment)/Redemption in fixed deposits	(0.69)	0.17
Dividend and interest income received	28.72	14.04
Net cash flows used in investing activities	(270.73)	(280.21)
Cash flows from financing activities		
Proceeds from long term borrowings	180.00	80.00
Repayment of long term borrowings	(56.09)	(30.75)
Proceeds from / (Repayment of) short term borrowings	142.36	(20.00)
Payment of principal portion of lease liabilities	(1.01)	(0.87)
Interest paid	(24.35)	(10.11)
Dividend paid	(67.87)	(54.29)
Net cash flows used in financing activities	173.04	(36.02)
Net increase / (decrease) in cash and cash equivalents	35.03	(22.22)
Add:-Cash and cash equivalents at the beginning of the year	23.13	45.35
Cash and cash equivalents at end of the year (refer note 8)	58.16	23.13

Statement of Cash flows

for the year ended March 31, 2023 (All amounts in ₹, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	March 31, 2022	Cash flows	Foreign exchange impact	March 31, 2023
Short Term borrowings (Excluding current maturities of long term borrowing)	-	142.36	-	142.36
Long Term borrowings (Including current maturities of long term borrowing)	154.65	123.91	-	278.56
Total liabilities from financing activities	154.65	266.27	-	420.92

Particulars	March 31, 2021	Cash flows	Foreign exchange impact	March 31, 2022
Short Term borrowings (Excluding current maturities of long term borrowing)	20.00	(20.00)	-	-
Long Term borrowings (Including current maturities of long term borrowing)	105.40	48.76	0.49	154.65
Total liabilities from financing activities	125.40	28.76	0.49	154.65

Summary of significant accounting policies (refer note 2.2 and 2.3)

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

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

As per our report of even date attached

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

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

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

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

per **Pramod Kumar Bapna**
Partner
Membership No.- - 105497

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 03, 2023

Place : Mumbai
Date : May 03, 2023

Place : Nagpur
Date : May 03, 2023

Statement of Changes in equity

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

A. Equity share capital

Particulars	No. of Shares	Amount
As at April 1, 2021 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2022 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
As at March 31, 2023 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10

B. Other equity

Particulars	Reserves and surplus				OCI		Total Other equity
	Securities premium (Note 11A)	Retained earnings (Note 11A)	Capital reserve (Note 11A)	General reserve (Note 11A)	Cash flow hedge reserve (Note 11A)	Equity Instrument (Note 11A)	
Balance as at April 1, 2021	149.13	483.72	4.29	501.61	(0.04)	-	1,138.71
Profit for the year	-	261.52	-	-	-	-	261.52
Transfer from retained earnings	-	-	-	100.00	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	(100.00)
Other comprehensive income :							
Net movement in Cash Flow Hedges (net of tax)	-	-	-	-	0.07	-	0.07
Remeasurement loss on defined benefit plans (net of tax)	-	1.48	-	-	-	-	1.48
Transactions with owners :							
Dividend paid	-	(54.29)	-	-	-	-	(54.29)
Balance as at March 31, 2022	149.13	592.43	4.29	601.61	0.03	-	1,347.49
Balance as at April 1, 2022	149.13	592.43	4.29	601.61	0.03	-	1,347.49
Profit for the year	-	445.39	-	-	-	-	445.39
Transfer from retained earnings	-	-	-	100.00	-	-	100.00
Transfer to General reserve	-	(100.00)	-	-	-	-	(100.00)
Other comprehensive income :							
Remeasurement loss on defined benefit plans (net of tax)	-	(0.53)	-	-	-	-	(0.53)
Remeasurement gain/ (loss) on Investment in Equity instruments	-	-	-	-	-	24.87	24.87
Transactions with owners :							
Dividend paid	-	(67.87)	-	-	-	-	(67.87)
Balance as at March 31, 2023	149.13	869.42	4.29	701.61	0.03	24.87	1,749.35

As per our report of even date attached

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

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

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

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 03, 2023

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Place : Nagpur
Date : May 03, 2023

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 1. Corporate Information

Solar Industries India Limited ('the Company') is a company domiciled in India and has its registered office at Solar House 14, Kachimet, Amravati Road, Nagpur – 440023 (Maharashtra). The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2. Basis of preparation and Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements.

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

Current and non-current classification

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

An asset is treated as current when it is :

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

All other assets are classified as non-current.

A liability is treated as current when it is :

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading

- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

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

2.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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 for their intended 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

equipment. All other repair and maintenance costs are recognised in profit or loss as incurred.

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 year during which such expenses are incurred.

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

c. Intangible assets

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

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

Gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net

disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development

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

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

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

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

The estimated useful life for Product related intangibles is 5 years once the development is complete.

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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 (in years)	Useful life as prescribed under Schedule II to the Companies Act, 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	30	30
Other buildings	60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	15 to 25	15 to 20
Electrical installations and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	8 to 10	10
Vehicles	8 to 10	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Company's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology, Technical know-how)	5-10

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets and Right-of-use assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of

the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case,

Notes to Standalone Financial Statements

for the year ended March 31, 2023

this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

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

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

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production 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. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

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

Company as a Lessee:

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

i. Right-of-use assets:

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

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

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

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

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

ii. Lease Liabilities:

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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

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

h. Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognized at cost, less impairment loss (if any) as per Ind AS 27 – Separate Financial Statements. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

i. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories:

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

Measurement

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

A. Debt instruments

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

A.1 Amortized cost:

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

A.2 Fair value through profit and loss:

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

B. Equity instruments

B.1 Fair value through OCI:

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established

Notes to Standalone Financial Statements

for the year ended March 31, 2023

C. De-recognition

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

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

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

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

2. 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 amortized cost

Measurement

A. Financial liabilities at amortized cost

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

B. Financial liabilities at fair value through profit and loss

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

C. Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3. Derivative financial instruments and hedge accounting

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

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

4. 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) during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

j. Revenue Recognition

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

a. 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 30-120 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 goods or rendering of services, the Company considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. 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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

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's 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.

- **Other deductions:**

The Company accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site etc. The aforesaid charges are deducted by the customer, and are deducted from consideration from sale of product.

2. 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 goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

- **Sale of projects:**

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

- **Interest Income:**

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

- **Dividend:**

Dividend income 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) (1) 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

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for the year ended March 31, 2023

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.

- k. **Government grants**

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/ Sales Tax subsidy/Reimbursement of Provident Fund has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

- l. **Foreign currencies Transactions and Translation**

- (i) **Functional and presentation currency**

The financial statements are presented in Indian rupee (₹), which is also its functional currency.

- (ii) **Transactions and balances**

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss.

- m. **Inventories**

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

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

- (i) **Raw materials:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

- (ii) **Finished goods and work in progress:** cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.

- (iii) **Traded goods:** cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

- n. **Retirement and other employee benefits**

- (i) **Provident Fund**

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

- (ii) **Gratuity**

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 29). The scheme is funded with an insurance company in the form of qualifying insurance policy.

- (iii) **Leave encashment**

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit for measurement purposes.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

o. Tax Expenses

Tax expense comprises of current tax and deferred income 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 recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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, 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 to allow all or part of the deferred tax asset to be utilised.

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.

Sales/ value added taxes/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ value added taxes/ GST paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company.

(ii) Segment accounting policies

The Board of Directors of the Company have been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108. CODM reviews overall financial information of the Company together for performance evaluation and allocation

Notes to Standalone Financial Statements

for the year ended March 31, 2023

of resources and does not review any discrete information to evaluate performance of any individual product or geography.

q. Earnings per share (EPS)

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

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

r. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of the obligation. 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, when appropriate, the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

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

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

u. Fair value measurement

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

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

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

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

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

v. Non-current assets held for sale

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

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

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

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

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

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Significant accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues,

expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

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

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 28
- Financial risk management objectives and policies Note 32
- Sensitivity analyses disclosures Notes 32

Useful Lives of Property, Plant & Equipment

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

Impairment of non-financial assets

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Defined benefit plans (gratuity benefits)

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Fair value measurement of financial instruments

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

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Company uses judgement in

making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Company estimate provision for powder factor on sales made 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 which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 and 2013 (PSI)

The Company is eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, in the form of State Government GST / Sales tax subsidy / reimbursement of provident fund. The eligibility of the benefits are subject to the Company confirming terms and conditions mentioned in the eligibility certificate. The Company uses judgement to establish the recoverability and the timings of the receipts.

2.3 Changes in accounting policies and disclosures

Application of the following amendments to the existing standards did not have any significant impact on the financial statements of the Company:

- Ind AS 16 - Property, Plant and Equipment
- Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets
- Ind AS 41 - Agriculture
- Ind AS 101 - First- time Adoption of Indian Accounting Standards
- Ind AS 103 - Business Combinations
- Ind AS 109 - Financial Instruments

The Company has not early adopted any standards, amendments that have been issued but are not yet effective / notified.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3A. Property, Plant and Equipment

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2021 ¹	81.98	240.15	11.54	326.47	28.51	12.43	701.08
Additions	5.23	66.80	0.97	115.33	7.82	1.58	197.73
Asset held for sale (refer note 3D)	(2.91)	-	-	-	-	-	(2.91)
Asset Written off**	-	(3.14)	(0.13)	(1.58)	-	-	(4.85)
Disposals	-	-	-	(0.62)	(1.68)	(0.01)	(2.31)
Closing Gross Carrying Amount as at March 31, 2022	84.30	303.81	12.38	439.60	34.65	14.00	888.74
Accumulated depreciation							
Opening accumulated depreciation as at April 1, 2021 ¹	-	34.98	3.72	95.77	9.54	6.34	150.35
Depreciation charge for the year	-	11.87	1.09	28.86	3.21	2.01	47.04
Asset Written off**	-	(1.85)	(0.12)	(0.92)	-	-	(2.89)
Disposals	-	-	-	(0.58)	(1.59)	(0.01)	(2.18)
Closing Accumulated Depreciation as at March 31, 2022	-	45.00	4.69	123.13	11.16	8.34	192.32
Net Carrying Amount as at March 31, 2022	84.30	258.81	7.69	316.47	23.49	5.66	696.42
Year Ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2022	84.30	303.81	12.38	439.60	34.65	14.00	888.74
Additions	18.86	26.45	1.18	59.27	21.41	3.19	130.36
Asset Written off**	-	(0.27)	(0.01)	(2.84)	-	(0.01)	(3.13)
Disposals	(0.23)	-	-	(3.94)	(1.98)	(1.36)	(7.51)
Closing Gross Carrying Amount as at March 31, 2023	102.93	329.99	13.55	492.09	54.08	15.82	1,008.46
Opening accumulated depreciation as at April 1, 2022	-	45.00	4.69	123.13	11.16	8.34	192.32
Depreciation charge for the year	-	14.31	1.12	32.16	3.95	2.28	53.82
Asset Written off**	-	(0.13)	(0.01)	(1.79)	-	(0.01)	(1.94)
Disposals	-	-	-	(2.31)	(1.38)	(1.29)	(4.98)
Closing Accumulated Depreciation as at March 31, 2023	-	59.18	5.80	151.19	13.73	9.32	239.22
Net Carrying Amount as at March 31, 2023	102.93	270.81	7.75	340.90	40.35	6.50	769.24

Note 3A:Capital Work in Progress

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2021 ¹	0.08	34.92	0.19	86.27	5.54	0.40	127.40
Additions	5.15	44.46	0.79	56.94	2.45	1.32	111.11
Less:- Capitalisation	(5.23)	(66.80)	(0.97)	(115.33)	(7.82)	(1.58)	(197.73)
Closing Gross Carrying amount as at March 31, 2022	0.00	12.58	0.01	27.88	0.17	0.14	40.78

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3A:Capital Work in Progress (Contd..)

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computer	Total
Year Ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2022 ¹	-	12.58	0.01	27.88	0.17	0.14	40.78
Additions	18.86	42.84	1.52	77.78	22.13	3.47	166.60
Less:- Capitalisation	(18.86)	(26.45)	(1.18)	(59.27)	(21.41)	(3.19)	(130.36)
Asset Written off**	-	(0.98)	-	-	-	-	(0.98)
Closing Gross Carrying amount as at March 31, 2023	0.00	27.99	0.35	46.39	0.89	0.42	76.04

Notes:-

- ¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.
- The above property, plant and equipment are subject to first pari passu charge on the non current loans from banks and second pari passu charge on the working capital loans, both present and future (refer note 13A).
- ** The Company has discarded certain assets based on the physical verification conducted. During the year ended on March 31, 2023, the loss on such assets is ₹ 2.16 (net) (March 31, 2022: ₹ 1.97) in Building, Furniture & Fixture and Plant & machinery due to wear and tear over a period of time.
- The amount of borrowing costs capitalised during the year ended March 31, 2023 was ₹ 1.72 (March 31, 2022: ₹ 1.33). The average rate used to determine the amount of borrowing costs eligible for capitalisation was 7.14 %, which is the effective interest rate of the borrowings made specifically to acquire/ construct the qualifying asset (refer note 23).
- Land includes ₹ 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District - Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.

6. Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2023

(a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	74.00	1.78	0.01	-	75.79
- Projects temporarily suspended	-	-	-	0.25	0.25
Total	74.00	1.78	0.01	0.25	76.04

(b) CWIP overdue completion schedule

CWIP	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	0.25	-	-	-	0.25

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3A: Capital Work in Progress (Contd..)

B. CWIP ageing as on March 31, 2022

(a) CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	31.68	7.51	0.12	0.30	39.61
- Projects temporarily suspended	0.01	-	-	1.16	1.17
Total	31.69	7.51	0.12	1.46	40.78

(b) CWIP overdue completion schedule

CWIP	To be completed in				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
Bulk Project at Badsoda	-	1.17	-	-	1.17

Note 3B. Intangible assets

	Software & License	Others ²	Total
Year ended March 31, 2022			
Gross carrying amount			
Opening gross carrying amount April 1, 2021 ¹	5.41	1.81	7.22
Additions	2.71	1.50	4.21
Gross carrying amount as at March 31, 2022	8.12	3.31	11.43
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2021 ¹	1.92	0.43	2.35
Amortisation for the year	1.13	0.34	1.47
Accumulated amortisation as at March 31, 2022	3.05	0.77	3.82
Net carrying amount as at March 31, 2022	5.07	2.54	7.61
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount as at April 1, 2022	8.12	3.31	11.43
Additions	0.27	-	0.27
Gross carrying amount as at March 31, 2023	8.39	3.31	11.70
Accumulated amortisation			
Opening accumulated amortisation as at April 1, 2022	3.05	0.77	3.82
Amortization for the year	1.57	0.58	2.15
Accumulated amortisation as at March 31, 2023	4.62	1.35	5.97
Net carrying amount as at March 31, 2023	3.77	1.96	5.73

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3B: Intangible Asset under development

	Transfer of Technology (ToT)	Software & Licence	Total
Year Ended March 31, 2022			
Gross carrying amount			
Opening carrying amount as at April 1, 2021	0.50	1.79	2.29
Additions	1.00	1.43	2.43
Less:- Capitalisation	(1.50)	(2.71)	(4.21)
Less:- Asset Written off**	-	(0.38)	(0.38)
Closing Carrying amount as at March 31, 2022	-	0.13	0.13
Year Ended March 31, 2023			
Gross carrying amount			
Opening Carrying Amount as at April 1, 2022	-	0.13	0.13
Additions	-	2.51	2.51
Less:- Capitalisation	-	(0.27)	(0.27)
Closing Carrying amount as at March 31, 2023	-	2.37	2.37

Notes:-

- ¹ Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Company as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Company.
- ² Others represents Cast Booster Technical know-how for limited period of 5 Years, Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for limited period of 10 years and Transfer of Technology of Multi Role Precision Kill Systems by Godavari Explosives Limited for a limited period of 5 years.
- ³** The Company has discarded an asset based on the technical evaluation. During the year ended on March 31, 2023, the loss on such assets is ₹ Nil (March 31, 2022: ₹ 0.38) on software and license.

4. Intangible Assets Under development (IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2023

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	2.37	-	-	-	2.37
- Projects temporarily suspended	-	-	-	-	-
Total	2.37	-	-	-	2.37

B. IAUD ageing as on March 31, 2022

(a) IAUD ageing schedule

IAUD	Amount in IAUD for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	0.13	-	-	-	0.13
- Projects temporarily suspended	-	-	-	-	-
Total	0.13	-	-	-	0.13

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3C. Leases

Company as Lessee

The Company has lease contracts for Office buildings and Leasehold land. Leases of office building generally have lease terms between 2 and 10 years, while leasehold land generally have lease terms between 30 and 99 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets.

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

A. Right-of-use assets

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

	Office Buildings	Leasehold land	Total
Year ended March 31, 2022			
As at April 1, 2021	1.20	0.96	2.16
Additions	0.93	-	0.93
Termination	-	-	-
Depreciation	(0.89)	(0.04)	(0.93)
As at March 31, 2022	1.24	0.92	2.16
Year ended March 31, 2023			
As at April 1, 2022	1.24	0.92	2.16
Additions	3.22	-	3.22
Termination	-	-	-
Depreciation	(1.01)	(0.04)	(1.05)
As at March 31, 2023	3.45	0.88	4.33

B. Lease Liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the year:

	March 31, 2023	March 31, 2022
As at April 1, 2022	1.33	1.27
Additions	3.18	0.92
Termination	-	-
Accretion of interest	0.14	0.10
Payments	(1.13)	(0.96)
As at March 31, 2023	3.52	1.33
Current	1.04	0.76
Non-current	2.48	0.57

The maturity analysis of lease liabilities are disclosed in Note 32.

The effective interest rate for lease liabilities is 6.60% to 6.86%, with maturity between 2021-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets	1.05	0.93
Interest expense on lease liabilities	0.14	0.10
Expense relating to short-term leases (included in other expenses)	0.28	0.44
Total amount recognised in profit or loss	1.47	1.47

The Company had total cash outflows for leases of ₹ 1.41 in March 31, 2023 (₹ 1.41 in March 31, 2022).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 3D. Non-current Assets classified as held for sale

	March 31, 2023	March 31, 2022
Freehold Land	-	2.91
Total	-	2.91

Note:-

During the year, the Company has disposed off the freehold land which was previously held for setting up a manufacturing plant.

Note 4. Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unquoted					
Investment carried at Cost					
Investment in Equity instruments in :					
Wholly owned subsidiaries (fully paid up)					
Economic Explosives Limited	₹ 10	48,00,000	48,00,000	14.50	14.50
Emul Tek Private Limited	₹ 10	59,67,700	59,67,700	6.21	6.21
Solar Defence Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Defence System Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Avionics Limited	₹ 10	50,000	50,000	0.05	0.05
Solar Overseas Mauritius Limited	\$ 100	1,80,000	1,80,000	106.79	106.79
Solar Explochem Limited	₹ 10	50,000	-	0.05	-
				127.70	127.65
Investment carried at cost					
Investment in Equity Instruments of Associate :					
Zmotion Autonomous System Private Limited	₹ 1	8,75,880	-	27.75	-
				27.75	-
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.43	0.11
				0.43	0.11
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.61	0.53
				0.61	0.53
Investment carried at Fair Value through Other Comprehensive Income					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	19,300	49.91	17.50
Equity Shares of Skyroot Aerospace Private Limited (Refer note below)	₹ 1	5	5	0.01	-
				49.92	17.50
Aggregate amount of unquoted investments				206.41	145.79
Aggregate amount of impairment in value of investments				-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 4. Investments (Contd..)

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
UnQuoted					
Investment at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Ltd.*	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.* (*Under liquidation)	₹ 1	5,000	5,000	-	-
Investment in Mutual Funds (fully paid-up)					
SBI Overnight Fund (Direct Growth)	₹ 10	54,814.26		20.00	-
				20.00	-
Aggregate amount of quoted investments and market value thereof				20.00	-

Note :- Investment in Skyroot Aerospace Private Limited has been classified as fair value through other comprehensive income as it is a strategic investment for the Company and is not held for trading purpose. Accordingly fair value gain amounting to Rs. 32.42 Cr has been accounted in OCI for the year ended March 31, 2023.

Note 5. Loans

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to related parties (refer note 29D)	90.38	301.16	39.88	247.04
	90.38	301.16	39.88	247.04

Notes:

- Loans are non derivative financial assets which generate a fixed interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.
- No Loans receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except for the balances disclosed in the notes below.

	March 31,2023		March 31,2022	
	Current	Non-current	Current	Non-current
Solar Explochem Limited	-	8.28	-	-
	-	8.28	-	-

- Current loans to related parties pertain to funds advanced for working capital purposes. The said loans are repayable as per repayment schedule and carry an interest at the rate of 7% - 9% per annum. Whereas non current loans to related parties pertain to funds advanced for business purpose. The said loans are repayable as per the repayment schedule but the management does not intend to recover the same in next year, these loans carry an interest at the rate of 7% - 9% per annum.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 6. Other financial assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit and loss				
Fair valuation of derivative contracts (refer note 31)	-	-	0.82	-
	-	-	0.82	-
Others				
State Government Incentive Receivables	11.03	95.90	47.81	86.66
Interest accrued from related party (refer note 29D)	0.90	-	4.89	-
Interest accrued but not due on Fixed Deposits	0.05	-	0.04	-
Security deposits	0.84	4.92	0.01	3.79
Others receivable	0.56	-	-	-
	13.38	100.82	52.75	90.45
	13.38	100.82	53.57	90.45

Note:

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

Note 7. Trade receivables

	March 31, 2023	March 31, 2022
Trade receivables	271.76	162.55
Receivables from related parties (refer note 29D)	274.75	149.61
Less: Impairment allowance	(7.05)	(14.41)
Total Trade receivables	539.46	297.75

Break-up of security details

	March 31, 2023	March 31, 2022
Secured, considered good	10.56	21.75
Unsecured, considered good	534.12	279.86
Trade Receivables - credit impaired	1.83	3.99
Trade Receivables which have significant increase in credit risk	-	6.56
	546.51	312.16
Impairment allowance		
Unsecured, considered good	(5.22)	(3.86)
Trade Receivables - credit impaired	(1.83)	(3.99)
Trade Receivables which have significant increase in credit risk	-	(6.56)
	(7.05)	(14.41)
	539.46	297.75

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 7. Trade receivables (Contd..)

Trade Receivable ageing schedule

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2023					
		< 6 month	6 month- 1 Year	1-2 Years	2-3 Years	>3 Years	Total
		(i) Undisputed Trade receivables - considered good	286.43	228.91	24.38	4.69	0.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	1.83	1.83
Total	286.43	228.91	24.38	4.69	0.14	1.96	546.51

Particulars	Not Due	Outstanding for following periods from due date of payment - March 31, 2022					
		< 6 month	6 month- 1 Year	1-2 Years	2-3 Years	>3 Years	Total
		(i) Undisputed Trade receivables - considered good	165.08	79.23	56.50	0.27	0.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	6.56	6.56
(iii) Undisputed Trade Receivables – credit impaired		-	-	0.01	2.73	1.25	3.99
Total	165.08	79.23	56.50	0.28	3.26	7.81	312.16

Notes :-

- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
- There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

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

	March 31, 2023	March 31, 2022
As at April 1,	14.41	29.77
Provision/(Reversal) for expected credit losses	(7.36)	(15.36)
As at March 31,	7.05	14.41

Note 8. Cash and Bank balances

	March 31, 2023	March 31, 2022
Cash and cash equivalents		
Balances with banks		
On current accounts	57.25	21.28
Deposits with Bank	0.83	0.80
Funds in Transit#	-	1.00
Cash on hand	0.08	0.05
	58.16	23.13

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 8. Cash and Bank balances (Contd..)

	March 31, 2023	March 31, 2022
Bank balances other than cash and cash equivalents		
Balances with Bank held as margin money against bank guarantee & other commitments	2.74	2.06
Earmarked balances with banks *	0.05	0.05
	2.79	2.11

*The Company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by one bank account credited in other bank account subsequently.

Note 9. Other assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Capital advances	-	20.63	-	18.37
Prepayments	9.46	-	9.74	-
Advances to suppliers for goods and services	24.32	-	26.58	-
Advances to staff	0.65	-	0.90	-
Balances with revenue authorities	57.99	0.60	22.07	0.20
	92.42	21.23	59.29	18.57

Note 10. Inventories

	March 31, 2023	March 31, 2022
(At lower of cost and net realisable value)		
Raw materials and packing materials (includes in transit of ₹ 96.70 (Previous year : ₹ 44.46))	356.20	176.07
Work-in-progress (includes in transit of ₹ Nil (Previous year : ₹ 2.91))	34.16	34.82
Finished goods (includes in transit of ₹ 4.86 (Previous year : ₹ 5.65))	47.66	38.87
Stock-in-trade (Includes stock in transit of ₹ Nil (Previous year : ₹ 2.63))	0.47	3.09
Stores and spares (includes in transit of ₹ 0.04 (Previous year : ₹ 0.23))	16.35	14.90
Project inventory in progress	5.21	6.12
	460.05	273.87

Note:-

Value of inventories above is stated after provision of ₹ 1.66 (previous year ₹ 4.01) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11. Equity share capital

	Number of Shares/Units		Amount	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 11. Equity share capital (Contd..)

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2021	9,04,90,055	18.10
As at March 31, 2022	9,04,90,055	18.10
As at March 31, 2023	9,04,90,055	18.10

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

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

Name of the shareholder	% holding		Number of shares	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
Sbi Focused Equity Fund	7.05%	7.05%	63,83,835	63,75,788
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230

Note:-

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.

(e) Details of Shares held by promoters :-

As at March 31, 2023

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		6,61,91,271	-	6,61,91,271	73.15%	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 11. Equity share capital (Contd..)

As at March 31, 2022

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	2,52,32,069	1,00,00,000	3,52,32,069	38.93%	11.05%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	1,32,38,254	(1,00,00,000)	32,38,254	3.58%	-11.05%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt. Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
Total		6,61,91,271	-	6,61,91,271	73.15%	

Note 11A. Other equity

Securities premium¹

As at April 1, 2021	149.13
Movement for the year 2021-22	-
As at March 31, 2022	149.13
Movement for the year 2022-23	-
As at March 31, 2023	149.13

Capital reserve²

As at April 1, 2021	4.29
Movement for the year 2021-22	-
As at March 31, 2022	4.29
Movement for the year 2022-23	-
As at March 31, 2023	4.29

General reserve³

As at April 1, 2021	501.61
Add : Transfer from retained earnings	100.00
As at March 31, 2022	601.61
Add : Transfer from retained earnings	100.00
As at March 31, 2023	701.61

Cash flow hedge reserve⁴

As at April 1, 2021	(0.04)
Movement for the year 2021-22	0.07
As at March 31, 2022	0.03
Movement for the year 2022-23	-
As at March 31, 2023	0.03

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 11A. Other equity (Contd..)

Retained earnings⁵

As at April 1, 2021	483.72
Add : Profit for the year	261.52
Less :Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2020-21	(54.29)
Add: Remeasurement gain on defined benefit plans	1.48
As at March 31, 2022	592.43
Add : Profit for the year	445.39
Less :Transfer to General Reserve	(100.00)
Less : Final Dividend of FY 2021-22	(67.87)
Add : Remeasurement gain on defined benefit plans	(0.53)
As at March 31, 2023	869.42

Investment in Equity Instruments⁶

As at April 1, 2021	-
Movement for the year 2021-22	-
As at March 31, 2022	-
Movement for the year 2022-23	24.87
As at March 31, 2023	24.87

Total other equity

As at April 1, 2021	1,138.71
Movement for the year 2021-22	208.78
As at March 31, 2022	1,347.49
Movement for the year 2022-23	401.86
As at March 31, 2023	1,749.35

Nature and purpose of reserves

1. Securities premium

Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2. Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

3. General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of the Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. The amount transferred to the general reserve can be utilised only in accordance with the specific requirements of the Companies Act, 2013.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 11A. Other equity (Contd..)

4. Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedged reserve is reclassified to the statement of profit and loss when the hedged item affects the statement of profit and loss (e.g. interest payments).

5. Retained Earnings

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve and payment of dividend.

6. Investment in Equity Instruments

The Company has classified certain non-current investments as fair value through other comprehensive income as it is a strategic investment and is not held for trading purpose. The cumulative amount is classified to retained earnings when the investment is disposed off.

Note 11B. Distribution made and proposed

	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared :		
Final dividend for the year ended on March 31, 2022: ₹ 7.50 per share (March 31, 2021 ₹ 6 per share)	67.87	54.29
	67.87	54.29
Proposed dividends on Equity shares*		
Final cash dividend for the year ended on March 31, 2023: ₹ 8.00 per share (March 31, 2022: ₹ 7.50 per share)	72.39	67.87
	72.39	67.87

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Financial liabilities

Note 12. Non-current Borrowings

	March 31, 2023	March 31, 2022
Secured Borrowings carried at amortised cost		
Term loans from banks		
Indian Rupee term loan	223.56	154.65
Interest accrued but not due	1.58	0.83
Unsecured Borrowings carried at amortised cost		
Non-Convertible Debentures	55.00	-
Interest accrued but not due	0.11	-
	280.25	155.48
Less:		
Current maturities of long-term debt (refer note 13)	(96.09)	(36.09)
Interest accrued but not due on non-current borrowings (refer note 16)	(1.69)	(0.83)
	182.47	118.56

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 13. Current Borrowings

	March 31, 2023	March 31, 2022
Secured - at Amortised cost		
From banks		
Current maturities of long term debt	76.09	36.09
Indian Rupee working capital loan from Bank	40.00	-
Interest accrued but not due	0.04	0.14
Unsecured - at Amortised cost		
From banks		
Current maturities of long term debt (NCD)	20.00	-
Indian Rupee working capital loan	63.26	-
Interest accrued but not due	1.27	-
From Related Parties		
Loan from Related party (Refer note 29D)	39.10	-
Interest accrued but not due (Refer note 29D)	1.90	-
	241.66	36.23
Less:		
Interest accrued but not due on current borrowings (refer note 16)	(3.21)	(0.14)
	238.45	36.09

Notes:-

- Quarterly returns or statements of current assets filed with banks are in agreement with the books of account of the Company.
- The Indian rupee working capital loan from Bank carries interest rate from 6.92% to 7.80%

Note 13A. Maturity profile

Maturity profile of Non current Borrowing (Including Current Maturities)

	Maturity date	Terms of repayment	March 31, 2023	March 31, 2022
Secured				
Rupee Term Loan from Bank [#]	September 13, 2024	Repayable in twelve quarterly installment starting after moratorium period of 24 months	25.00	41.67
Rupee Term Loan from Bank [^]	September 26, 2026	Repayable in sixteen quarterly installment starting after moratorium period of 12 months	175.00	80.00
Rupee Term Loan from Bank [^]	August 31, 2025	Repayable in twenty quarterly installment	23.56	32.98
Unsecured				
Non Convertible Debentures [*]	December 23, 2025	Repayable in twelve quarterly instalments (subject to put call option exercisable after 2 years of allotment by debenture holders and Company respectively)	55.00	-
			278.56	154.65

[#]The Indian rupee long term loan from bank carries an interest rate of 1 yr MCLR.

[^]The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

[^]The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

^{*}NCD have been issued at fixed rate of 8.20% p.a.

Security

The above non current loans from banks are secured by first pari passu charge on the property, plant and equipments, both present and future, and second pari passu charge on the Company's current assets, both present and future. Working capital loans have first Pari Passu charge on the Company's entire current assets, both present and future, and second pari passu charge on the Company's property, plant and equipments, both present and future as per security document.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 13A. Maturity profile (Contd..)

Loan covenants

Bank loan contains certain debt covenants relating to Total outside liabilities, tangible net worth, current ratio and debt service coverage ratio (DSCR). The Company has satisfied all debt covenants prescribed in the terms of bank loans.

Note 14. Tax expenses

The major components of tax expense for the year ended March 31, 2023 and March 31, 2022 are :

Statement of profit and loss:

Profit and loss section

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	142.07	77.08
Adjustment of tax relating to earlier periods	-	1.27
Deferred tax:		
Relating to origination and reversal of temporary differences	12.62	13.15
Tax expense reported in the statement of profit and loss	154.69	91.50

Other Comprehensive Income section

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

	March 31, 2023	March 31, 2022
Net (loss)/ gain on Cash flow hedges	-	0.03
Net (loss)/ gain on remeasurements of defined benefit plans	(0.18)	0.50
Net (loss)/gain on Investment in Equity instruments	7.55	-
Income tax charged to OCI	7.37	0.53

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022 :

	March 31, 2023	March 31, 2022
Accounting profit before tax	600.08	353.02
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	151.03	88.85
Effect of :		
Effect of expense not allowed for income tax purpose	1.92	1.53
Others	1.74	(0.14)
Tax in respect of earlier years	-	1.27
Total income tax expense	154.69	91.50

Deferred tax

Deferred tax relates to the following :

Balance sheet

	March 31, 2023	March 31, 2022
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	105.90	95.90
Financial assets at fair value through profit or loss	0.23	(0.13)
Financial assets at fair value through OCI	7.55	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 14. Tax expenses (Contd..)

	March 31, 2023	March 31, 2022
Derivative Instruments at fair value through profit or loss	(0.05)	0.21
Gratuity	0.32	0.50
Provision for discounting of Non current assets	(3.55)	(3.36)
Provision towards trade receivables	(1.77)	(3.63)
Leases	0.20	0.21
Cash Flow Hedges	-	0.02
Provision for Statutory dues	(1.53)	(2.03)
Provision for write down to net realizable value of inventory	-	(1.01)
Employee benefits	(1.15)	(1.02)
Advance Written off	(0.10)	-
Provision for other deposit	(0.06)	-
Disallowance of long term incentive	(0.34)	-
Net deferred tax (assets)/ liabilities	105.65	85.66

Statement of profit and loss

	March 31, 2023	March 31, 2022
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	10.00	13.42
Provision towards trade receivables	1.84	3.86
Provision for discounting of Non current assets	(0.19)	(0.97)
Employee benefits	(0.13)	(0.09)
Financial assets at fair value through profit or loss	0.37	(0.02)
Derivative Instruments at fair value through profit or loss	(0.25)	0.10
Leases	(0.01)	(0.01)
Provision for Statutory dues	0.50	(2.03)
Provision for write down to net realizable value of inventory	1.01	(1.01)
Remeasurement of defined benefit plans	(0.18)	0.41
Revaluation of cash flow hedges	(0.02)	0.02
Advance Written off	(0.10)	-
Provision for other deposit	(0.06)	-
Investment carried at fair value through OCI	7.55	-
Disallowance of Long term incentive	(0.34)	-
Deferred tax expense/(income)	19.99	13.68

Reconciliation of Deferred tax liabilities (net):

	March 31, 2023	March 31, 2022
Opening balance	85.66	71.98
Tax (income)/expense during the period recognised in profit or loss	12.62	13.15
Tax (income)/expense during the period recognised in OCI	7.37	0.53
Closing balance	105.65	85.66

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 15. Trade payables

	March 31, 2023	March 31, 2022
Current		
Trade payables*		
a) total outstanding dues to micro enterprises and small enterprises (refer note 37)	8.04	8.35
b) total outstanding dues to creditors other than micro enterprises and small enterprises	238.53	127.45
Acceptances #*	147.34	199.55
Total Trade payables	393.91	335.35

Break up of trade payables

	March 31, 2023	March 31, 2022
Trade Payables other than related parties (including acceptances)	210.11	332.28
Trade Payables to related parties (refer note 29D)	183.80	3.07
	393.91	335.35

Trade payables ageing schedule

Particulars	Not due	Outstanding for following periods from due date of payment for March 31, 2023				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	>3 Years
(i) Undisputed dues- MSME	6.97	1.06	0.01	-	-	8.04
(ii) Undisputed dues- Others	199.38	186.29	0.17	0.03	-	385.87
Total	206.35	187.35	0.18	0.03	-	393.91

Particulars	Not due	Outstanding for following periods from due date of payment for March 31, 2022				
		<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	>3 Years
(i) Undisputed dues- MSME	6.51	1.84	-	-	-	8.35
(ii) Undisputed dues- Others	316.51	10.45	0.04	-	-	327.00
Total	323.02	12.29	0.04	-	-	335.35

Notes :-

- *Trade payables are non-interest bearing and are normally settled within 0 to 60-days term.
- For trade payables due to Micro and Small enterprises, refer note 37.
- For terms and conditions with related parties, refer note 29B.
- For explanations on the Company's credit risk management processes, refer note 32.
- #Acceptances represents credit availed by the Company from banks for payment to suppliers for raw materials purchased by the Company. The arrangements are generally interest-bearing and are payable within six months to one year.
- There are no "unbilled" trade payables, hence the same are not disclosed in the ageing schedule.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 16. Other current financial liabilities

	March 31, 2023	March 31, 2022
Derivative Instruments at fair value through FVTPL		
Fair valuation of derivative contracts (refer note 31)	0.18	-
	0.18	-
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 12)	1.69	0.83
Interest accrued on current borrowings (refer note 13)	1.31	0.14
Interest Payable - Related Party (refer note 13)	1.90	-
	4.90	0.97
Others		
Capital creditors	3.59	4.45
Capital creditors - Related Party (refer Note 29D)	0.45	-
Employees related payable (including labour related)	24.98	23.01
Liability towards trade discounts	4.30	5.45
Unclaimed dividend	0.05	0.05
	33.37	32.96
	38.45	33.93

Note 17. Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues	6.01	9.07
Contract Liabilities	28.69	15.96
Others	-	3.48
	34.70	28.51

Note 17A. Current Provisions

	March 31, 2023	March 31, 2022
Provision for employee benefits		
Provision for leave encashment	4.57	4.06
	4.57	4.06

Note 18. Revenue from operations

	March 31, 2023	March 31, 2022
Sale of products (refer note 35)	4,086.93	2,452.58
Other operating revenues*	75.32	75.76
	4,162.25	2,528.34

The Company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*Includes accrual of income under Package Scheme of Incentives of ₹ 60.41 (previous year ₹ 74.57).

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 19. Other income

	March 31, 2023	March 31, 2022
Interest income		
On financial assets carried at amortised cost		
from subsidiaries	24.64	15.08
others	9.76	7.88
On deposits with bank	0.10	0.07
Profit on sale of investments carried at fair value through profit or loss	1.18	0.32
Interest received on income tax refund	0.86	-
Net gain on disposal of property, plant and equipment	1.78	0.31
Net gain on disposal of asset held for sale	0.57	-
Net gain on financial assets mandatorily measured at fair value through profit or loss	0.40	-
Net gain on foreign currency transaction and translation	11.52	10.72
Provision write back	0.49	-
Miscellaneous Income	4.54	1.79
	55.84	36.17

Note 20. Cost of materials consumed

	March 31, 2023	March 31, 2022
Raw materials and packing materials at the beginning of the year	176.07	79.75
Add: Purchases during the year	2,976.90	1,743.51
Less: Raw materials and packing materials at the end of the year	356.20	176.07
	2,796.77	1,647.19

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

	March 31, 2023	March 31, 2022
Opening balance		
Work-in progress	34.82	18.49
Finished goods	38.87	30.62
Stock-in-trade	3.09	2.31
	76.78	51.42
Closing balance		
Work-in progress	34.16	34.82
Finished goods	47.66	38.87
Stock-in-trade	0.47	3.09
	82.29	76.78
	(5.51)	(25.36)

Note 22. Employee benefit expense

	March 31, 2023	March 31, 2022
Salaries and wages (including bonus)	62.51	51.40
Remuneration to directors	10.16	20.83
Contribution to provident and other funds (refer note 27)	5.00	4.50
Staff welfare expenses	2.38	2.99
Total - A	80.05	79.72
Labour charges (including bonus)	65.31	52.17
Total - B	65.31	52.17
Total expense (A+B)	145.36	131.89

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 23. Finance costs

	March 31, 2023	March 31, 2022
Interest on debts and borrowings*		
To banks#	24.43	8.50
To related parties	2.94	-
To Others	0.06	0.25
Interest on lease liabilities	0.14	0.10
	27.57	8.85

*Net of borrowing costs capitalised (refer note 3A)

Includes relating hedging cost

Note 24. Depreciation and amortization expense

	March 31, 2023	March 31, 2022
Depreciation of tangible assets (refer note 3A)	53.82	47.04
Amortization of intangible assets (refer note 3B)	2.15	1.47
Depreciation of Right-of-use assets (refer note 3C)	1.05	0.93
	57.02	49.44

Note 25. Other expenses

	March 31, 2023	March 31, 2022
Consumption of stores and spares	13.55	9.04
Repairs and maintenance :		
Plant and machinery	9.27	6.95
Buildings	5.02	2.21
Others	8.13	6.97
Water and electricity charges	45.89	30.56
Rates and taxes	3.12	3.45
Legal and professional fees	11.91	17.36
Travelling and conveyance	7.40	4.95
Sales commission expenses	14.41	9.11
Freight and forwarding charges	125.18	53.24
Transportation charges	43.01	38.07
Pump truck expenses	16.87	13.05
Security service charges	5.34	4.57
Sales promotion expenses	12.74	6.91
Donations	1.55	0.56
Advertisement expenses	3.60	0.78
Advances written off	0.66	0.02
Directors' sitting fees	0.41	0.30
Net loss on financial assets mandatorily measured at fair value through profit or loss	-	0.24
Bad debts written off	9.62	0.95
Impairment (gain)/loss on financial assets	(7.36)	(15.36)
Property , plant and equipment discarded	2.18	2.34
Corporate Social Responsibility expenditure (refer note 25(b))	5.83	5.50
Payments to auditors (refer note 25(a))	1.75	1.64
Testing Charges	0.43	3.40
Sales Tax Mega Project (PF Incentive) Written off	2.03	-
Insurance Charges	9.09	6.95
Miscellaneous expenses (mainly includes bank charges, Information technology, factory, communication, office expenses etc)	31.61	25.37
	383.24	239.13

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 25(a). Details of payments to auditors

	March 31, 2023	March 31, 2022
Payment to auditors		
As auditor:		
Audit fee	1.24	1.20
Limited Review	0.35	0.36
In other capacity		
Taxation matters	0.08	0.04
Certification Fees	0.04	0.04
Others (Including technology fees and out of pocket expense etc.)	0.04	-
	1.75	1.64

Note 25(b). CSR expenditure

	March 31, 2023	March 31, 2022
a) Gross amount required to be spent by the Company during the year	5.82	5.42
b) Amount approved by the Board to be spent during the year	5.82	5.42
c) Amount spent during the year		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	5.83	5.50
d) Details related to spent / unspent obligation :		
i) Contribution to Disaster management including rehabilitation and reconstruction	-	1.46
ii) Contribution to environmental sustainability	0.15	-
iii) Promotion of Education	0.96	0.71
iv) Promoting Health Care	4.51	2.00
v) Animal Welfare and Rural Development	0.04	1.23
vi) Skill Development	0.10	0.10
vii) Welfare activities for senior citizen and Hygiene for under privileged children	0.07	-
	5.83	5.50

Note 26. Earnings per share (EPS)

	March 31, 2023	March 31, 2022
Basic and Diluted EPS		
Profit attributable to the equity holders of the Company for basic and diluted EPS:	445.39	261.52
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (₹)	49.22	28.90
Nominal value of shares (₹)	2.00	2.00

Note 27. Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service. The fund has the form of a trust and it is governed by the Board of Trustees, which consists of an equal number of

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 27. Employee Benefit obligations (Contd..)

employer and employee representatives. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy. Under the gratuity plan, Company makes contribution to Solar Industries India Limited employee group gratuity assurance scheme (Post employment benefit plan of the Company) (refer note 29). The scheme is funded with an insurance company in the form of qualifying insurance policy.

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

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

Expense recognized in statement of Profit and Loss

	March 31, 2023	March 31, 2022
Service cost	1.27	1.13
Net interest cost	(0.23)	(0.06)
Expenses recognized in the statement of Profit and Loss	1.04	1.07

Other Comprehensive Income

	March 31, 2023	March 31, 2022
Actuarial gain / (loss) on liabilities	(0.36)	1.96
Actuarial gain / (loss) on assets	(0.34)	0.02
Closing amount recognized in OCI	(0.70)	1.98

The amount recognized in Balance Sheet

	March 31, 2023	March 31, 2022
Present value of funded obligations	12.77	10.88
Fair value of plan assets	14.49	14.29
Net defined benefit liability / (assets) recognized in balance sheet	(1.72)	(3.41)

Change in Present Value of Obligations

	March 31, 2023	March 31, 2022
Opening defined benefit obligations	10.88	11.45
Service cost	1.27	1.13
Interest Cost	0.74	0.72
Benefit Paid	(0.48)	(0.48)
Actuarial (gain)/ loss on total liabilities	0.36	(1.94)
Closing defined benefit obligations	12.77	10.88

Change in Fair Value of Plan Assets

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	14.29	12.44
Actual Return on Plan Assets	0.63	0.80
Employer Contribution	0.04	1.53
Benefit Paid	(0.47)	(0.48)
Closing fair value of plan assets	14.49	14.29

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 27. Employee Benefit obligations (Contd..)

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

	March 31, 2023	March 31, 2022
Investments with insurer (LIC)	68%	66%
Investments with insurer (ICICI)	32%	34%

The significant actuarial assumptions were as follows :

	March 31, 2023	March 31, 2022
Discount Rate	7.36% per annum	6.81% per annum
Rate of increase in Compensation levels	8.00% per annum	8.00% per annum
Rate of Return on Plan Assets	6.81% per annum	6.25% per annum

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

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

The expected contribution for defined benefit plan for the next financial year will be in line with financial year 2022-23.

Sensitivity Analysis

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

	March 31, 2023	Impact (Absolute)	Impact (%)
Base Liability	12.77		
Increase Discount Rate by 0.50%	12.47	(0.30)	-2.37%
Decrease Discount Rate by 0.50%	13.09	0.32	2.49%
Increase Salary Inflation by 1.00%	13.40	0.64	4.98%
Decrease Salary Inflation by 1.00%	12.18	(0.59)	-4.60%
Increase in Withdrawal Assumption by 5.00%	12.56	(0.21)	-1.65%
Decrease in Withdrawal Assumption by 5.00%	13.05	0.28	2.17%

Notes :

- Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.
- Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.
- The base liability is calculated at discount rate of 7.36% per annum and salary inflation rate of 8.00% per annum for all future years.

Note 28. Commitments and contingencies

Capital Commitments

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	48.95	28.80

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 28. Commitments and contingencies (Contd..)

Contingent liabilities

	March 31, 2023	March 31, 2022
Guarantees		
Corporate guarantees given by the Company on behalf of its wholly owned overseas subsidiary in respect of loans taken	466.91	345.10
Guarantees given by Company's Bankers on behalf of the Company, against sanctioned letter of credit (SBLC's)	342.71	315.81
Claims against the Company not acknowledged as debts (Note a)		
Excise related matters	6.24	6.95
Sales tax / VAT related matters	1.15	1.15
Advance License Import and Export obligation	0.50	0.29

Note a.

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

Note b.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Note 29. Related Party Information

Sr. No.	Name of related party and relationship	Country of Incorporation
A	Subsidiaries :-	
I	Direct Subsidiaries (where control exists)	
1	Economic Explosives Limited	India
2	Emul Tek Private Limited	India
3	Solar Defence Limited (Note - i)	India
4	Solar Defence Systems Limited (Note - i)	India
5	Solar Avionics Limited (Note - i)	India
6	Solar Explochem Limited (Note iii)	India
7	Solar Overseas Mauritius Limited	Mauritius
II	Indirect Subsidiaries (where control exists)	
i)	Subsidiaries of Solar Overseas Mauritius Limited, Mauritius	
	Solar Overseas Singapore Pte Limited	Singapore
	Solar Overseas Netherlands Cooperative U.A	Netherlands
	Solar Industries Africa Limited	Mauritius
	Solar Nitro Zimbabwe (Private) Limited (Note - i)	Zimbabwe
	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Tanzania
ii)	Subsidiaries of Solar Singapore Pte Ltd, Singapore	
	Solar Mining Services Pty Limited	Australia
	Solar Mining Services Cote d'Ivoire Limited SARL (Note -i)	Ivory Coast
	Solar Mining Services Albania	Albania
	Solar Nitro SARL (Note i and iv)	Ivory Coast

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

Sr. No.	Name of related party and relationship	Country of Incorporation
iii)	Subsidiaries of Solar Industries Africa Limited, Mauritius	
	Solar Nitro Chemicals Limited (Note - i)	Tanzania
	Solar Mining Services Burkina Faso SARL (Note -i)	Burkina Faso
iv)	Subsidiaries of Solar Overseas Netherlands Co U.A., Netherlands	
	Solar Mining Services Pty Limited	South Africa
	Nigachem Nigeria Limited	Nigeria
	Solar Overseas Netherlands B.V.	Netherlands
	Solar Explochem Zambia Limited	Zambia
v)	Subsidiaries of Solar Overseas Netherlands B.V. , Netherlands	
	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey
	P.T. Solar Mining Services (Note - i)	Indonesia
	Solar Nitro Ghana Limited	Ghana
	Solar Madencilik Hizmetleri Anonim Sirketi	Turkey
	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey

Note - i: The entity has not commenced its business operations

Note - ii: The entity is under liquidation

Note - iii: The entity incorporated on April 29, 2022

Note - iv: The entity incorporated on December 5, 2022

B Other Related Parties:-

I Key Management Personnel (KMP)

Shri Satyanarayan Nuwal (Ceased to be Executive Director (KMP) w.e.f., May 04 2022 and currently designated as Non Executive Chairman of the Company)

Shri Manish Nuwal (Managing Director and CEO)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director)

Shri Anil Kumar Jain (Executive Director ceased to be a Director w.e.f August 21, 2021)

Shri Nilesh Panpaliya (Chief Financial Officer) (Resigned from the position of Chief Financial Officer (CFO) and Key Managerial Personnel (KMP) of the Company w.e.f. May 14, 2021)

Shri Moneesh Agrawal (Joint Chief Financial Officer)

Smt Shalinee Mandhana (Joint Chief Financial Officer)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

II Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Smt Seemadevi Nuwal

Shri Raghav Nuwal

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

III Non Executive Independent Directors **

Shri Amrendra Verma

Smt. Sujitha Karnad

Shri Sunil Srivastav (Ceased to be a Non-Executive Independent Director w.e.f. January 13, 2022)

Shri Natrajan Ramakrishnan (Appointed as a Non-Executive Independent Director w.e.f. October 19, 2022)

Shri Jagdish Belwal (Appointed as a Non-Executive Independent Director w.e.f. December 5, 2022)

Shri Dilip Patel (Ceased to be a Non-Executive Independent Director w.e.f. October 19, 2022)

Shri Ajai Nigam (Ceased to be a Non-Executive Independent Director w.e.f. March 3, 2023)

Shri Sanjay Sinha (resolution of his appointment, could not passed in 27th Annual General Meeting)

** Non Executive Independent Directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2022-23.

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

IV Entities where Directors/ Close family members of Directors having control/significant influence (with whom transactions have taken place)

Solar Synthetics Private Limited

V Associates

ZMotion Autonomous Private Limited

VI Entities with Joint control

Astra Resources (Pty) Limited

VII Post Employment Benefit Plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

(Post employment benefit plan of the Company)

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

C. Transactions with related parties during the year

Nature of Transaction	March 31, 2023	March 31, 2022
Sales of products and services		
Economic Explosives Limited	116.40	209.48
Emul Tek Private Limited	3.86	0.63
Nigachem Nigeria Limited	53.29	16.72
P.T. Solar Mining Services	1.46	0.34
Solar Explochem Zambia Limited	38.26	18.53
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	53.01	29.09
Solar Mining Services Pty Ltd, South Africa	88.58	54.65
Solar Mining Services Pty Ltd, Australia	78.00	9.03
Solar Nitro Ghana Limited	9.22	2.42
Solar Nitro Chemicals Limited	15.70	0.01
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	11.50	3.51
Total	469.28	344.41
Other operating income		
Emul Tek Private Limited*	0.00	-
Nigachem Nigeria Limited - Technical consultancy	6.20	1.49

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2023	March 31, 2022
Economic Explosives Limited- Transportation	2.91	2.49
Other Income (Arrangement fees)		
Solar Overseas Mauritius Limited	0.80	0.29
Solar Mining Services Pty Ltd, South Africa	0.67	0.79
Nigachem Nigeria Limited	0.05	0.03
Solar Nitro Ghana Limited	0.19	0.21
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.24	0.19
Solar Mining Services (Pty) Ltd Australia	0.40	-
Cross Charges recovered		
Economic Explosives Limited	0.65	0.40
Emul Tek Private Limited	0.03	0.02
Nigachem Nigeria Limited	0.39	0.35
Solar Explochem Zambia Limited	0.18	0.17
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	0.41	0.46
Solar Mining Services Pty Ltd, South Africa	0.16	0.19
Solar Nitro Ghana Limited	0.12	0.13
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	0.05	0.05
Solar Mining Services Pty Ltd, Australia	0.05	0.04
Solar Madencilik Hizmetleri Anonim Sirketi	0.07	0.13
Solar Nitro Chemicals Limited, Tanzania*	0.00	0.00
Total	13.57	7.43
Sale of fixed assets		
Emul Tek Private Limited	1.55	0.01
Economic Explosives Limited	0.01	-
Total	1.56	0.01
Purchase of raw material, components and fixed assets		
Economic Explosives Limited	300.13	161.41
Solar Mining Services Pty Ltd, Australia*	0.01	0.00
Emul Tek Private Limited	0.12	0.77
Total	300.26	162.18
Purchase of License		
Economic Explosives Limited	1.12	1.95
Total	1.12	1.95
Other Expenditure		
Economic Explosives Limited-Transportation	1.08	0.81
Solar Mining Services Pty Ltd, Australia	-	0.09
Solar Synthetics Private Limited (Rent)	0.04	0.03
Raghav Nuwal	-	0.03
Total	1.12	0.96
Investment		
Solar Explochem Limited	0.05	-
Total	0.05	wWW -
Loans given/ (repaid) during the year		
Given		
Economic Explosives Limited	180.16	740.00
Solar Explochem Limited	8.28	-
Solar Overseas Mauritius Limited - Loan	154.59	176.51

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2023	March 31, 2022
Emul Tek Private Limited	147.50	28.38
	490.53	944.89
Repaid		
Economic Explosives Limited	(220.04)	(711.84)
Solar Overseas Mauritius Limited	(47.80)	(56.68)
Emul Tek Private Limited	(138.96)	(24.94)
	(406.80)	(793.46)
Total (net)	83.73	151.43
Interest income		
Economic Explosives Limited	1.40	2.81
Solar Explochem Limited	0.32	-
Emul Tek Private Limited	2.90	1.86
Solar Overseas Mauritius Limited	20.02	10.41
Total	24.64	15.08
Interest Paid		
Economic Explosives Limited	2.94	-
Total	2.94	-
Remuneration to KMP**		
Short-term employee benefits ***		
Shri Satyanarayan Nuwal	0.35	13.20
Shri Manish Nuwal	11.70	6.50
Shri Suresh Menon	0.82	0.60
Shri Milind Deshmukh	0.85	0.28
Shri Anil Kumar Jain	-	0.25
Shri Moneesh Agrawal	0.43	0.30
Smt. Shalinee Mandhana	0.34	0.22
Smt. Khushboo Pasari	0.23	0.18
Shri Nilesh Panpaliya (Resigned from the position of Chief Financial Officer (CFO) w.e.f. May 14, 2021)	-	0.04
Total	14.72	21.57
Sitting fees		
Shri Amrendra Verma	0.11	0.09
Smt Sujitha Karnad	0.10	0.06
Shri Natrajan Ramkrishna	0.04	-
Shri Jagdish C Belwal	0.01	-
Shri Dilip Patel	0.07	0.06
Shri Ajai Nigam (Ceased to be a Non-Executive Independent Director w.e.f. March 3, 2023)	0.07	0.06
Shri Sanjay Sinha (resolution of his appointment, could not passed in 27th Annual General Meeting)	0.02	-
Shri Sunil Shrivastav (Resigned as Non-Executive Independent Director on Jan 13, 2022)	-	0.04
Total	0.42	0.31
Guarantee given/(extinguished) on behalf of subsidiary		
Solar Overseas Mauritius Limited (Net)	36.52	84.96
Solar Mining Services Pty Limited, South Africa	(84.32)	-
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	41.15	-
Nigachem Nigeria Limited	-	16.90
Solar Nitro Ghana Limited	-	11.37
Solar Mining Services Pty Limited, Australia	99.22	-
Total	92.57	113.23

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash (except of Rs. 4.52 with Nigachem Nigeria Limited relating to March 31, 2022). There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

* Amount is less than ₹ 0.01 as at March 31, 2023 and March 31, 2022

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

*** The aforesaid amounts are inclusive of reimbursement made to KMP's

D. Balance outstanding at the year end are as follows:

Nature of Transaction	March 31, 2023	March 31, 2022
Loans Given		
Economic Explosives Limited	-	39.88
Solar Explochem Limited	8.28	-
Solar Overseas Mauritius Limited	351.26	223.58
Emul Tek Private Limited	32.01	23.46
Total	391.54	286.92
Other Financial Assets (Accrued Interest)		
Economic Explosives Limited	-	1.01
Solar Explochem Limited	0.29	-
Emul Tek Private Limited	0.61	0.46
Solar Overseas Mauritius Limited	-	3.42
Total	0.90	4.89
Trade receivables		
Nigachem Nigeria Limited	51.83	20.53
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	40.40	12.78
Solar Mining Services Pty Limited, South Africa	73.99	93.13
Solar Explochem Zambia Limited	21.54	0.72
Emul Tek Private Limited*	2.47	0.00
Economic Explosives Limited	28.05	3.84
Solar Mining Services Pty Limited, Australia	30.68	13.84
Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	5.42	1.78
P.T. Solar Mining Services	0.35	0.34
Solar Nitro Chemicals Limited	15.12	-
Solar Nitro Ghana Limited	4.90	2.65
Total	274.75	149.61
Contract Liabilities		
Economic Explosive Limited	1.55	-
Total	1.55	-
Trade payables/ Other payables		
Economic Explosives Limited	183.59	2.83
Emul Tek Private Limited	0.10	-
Solar Overseas Mauritius Limited	-	0.06
Solar Mining Services Pty Limited, Australia*	0.01	0.09

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 29. Related Party Information (Contd..)

Nature of Transaction	March 31, 2023	March 31, 2022
Solar Synthetics (P) Limited	0.10	0.08
Shri Satyanarayan Nuwal	0.21	5.40
Shri Manish Nuwal	4.58	2.10
Shri Kailashchandra Nuwal (Note 29 E)	0.13	0.13
Total	188.72	10.69
Capital creditors		
Emul Tek Private Limited	0.04	-
Economic Explosives Limited	0.41	-
Total	0.45	-
Loan Taken		
Economic Explosives Limited	39.10	-
Total	39.10	-
Interest Payable		
Economic Explosives Limited	1.90	-
Total	1.90	-

E. Balance of guarantees outstanding at the year end are as follows:

	March 31, 2023	March 31, 2022
Guarantees (including SBLC's) given on behalf of subsidiary*		
Solar Overseas Mauritius Limited	472.12	400.92
Solar Mining Services Pty Limited, South Africa	85.01	155.93
Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	123.25	75.79
Nigachem Nigeria Limited	18.32	16.90
Solar Nitro Ghana Limited	12.32	11.37
Solar Mining Services Pty Limited, Australia	98.60	-
Total	809.62	660.91

Note : Balance of guarantees outstanding as at the end of the year in foreign currency have been converted at the prevailing rate of exchange as at the year end.

F. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Company and AG Technologies Private Limited, which was related party. Based on legal opinions obtained, the Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Company'. The Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director. The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee. Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

* Amount is less than ₹ 0.01 as at March 31, 2023 and March 31, 2022.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 30. Segment Information

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

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

Note 31. Fair value measurements

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

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

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

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

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

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

- The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances, other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
- The fair values of the quoted investments/ units of mutual fund schemes are based on market price/ net asset value at the reporting date.
- The Company holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing, Option contracts and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- The fair values for loans given are calculated based on discounted cash flows using current lending rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments are not materially different from their carrying values.
- Fair values of the Company's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 31. Fair value measurements

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2023 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost -					
Loans	391.54	5	-	-	-
Other financial assets (except derivatives)	114.20	6	-	-	-
Trade receivables	539.46	7	-	-	-
Cash and cash equivalents	58.16	8	-	-	-
Bank balances other than cash and cash equivalents	2.79	8	-	-	-
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	49.92	4	-	-	49.92
Fair value through profit and loss					
Investment in Venture Capital Fund (unquoted)	0.61	4	-	0.61	-
Investment in equity instruments of others (unquoted)	0.43	4	-	-	0.43
Investment in SBI Overnight Fund (Direct Growth)	20.00	4	20.00	-	-
Fair value through profit and loss					
Derivative Instruments designated as hedge	-	6	-	-	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	182.47	12	-	-	-
Current	238.45	13	-	-	-
Trade payables (including Acceptances)	393.91	15	-	-	-
Lease liabilities	3.52	3C	-	-	-
Other financial liabilities (except derivatives)	38.27	16	-	-	-
Derivative Instruments not designated as hedge	0.18	16	-	0.18	-

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

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2022 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost -					
Loans	286.92	5	-	-	-
Other financial assets (except derivatives)	143.20	6	-	-	-
Trade receivables	297.75	7	-	-	-
Cash and cash equivalents					
Bank balances other than cash and cash equivalents	2.11	8	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 31. Fair value measurements (Contd..)

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Investment carried at Fair Value through Other Comprehensive Income					
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	17.50	4	-	-	17.50
	-	-	-	-	-
Fair value through profit & loss					
Investment in Venture Capital Fund (unquoted)	0.53	4	-	0.53	-
Investment in equity instruments of others (unquoted)	0.11	4	-	-	0.11
Fair value through profit and loss					
Derivative Instruments designated as hedge	0.82	6	-	0.82	-
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	118.56	12	-	-	-
Current	36.09	13	-	-	-
Trade payables (including Acceptances)	335.35	15	-	-	-
Lease liabilities	1.33	3C	-	-	-
Other financial liabilities (except derivatives)	33.93	16	-	-	-

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

Note 32. Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

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

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 32. Financial risk management objectives and policies (Contd..)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

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

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company borrows funds from domestic and international markets to meet its long-term and short-term funding requirements. It is subject to risks arising from fluctuations in interest rates. To manage this, the Company enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 1.39 Cr (Pre-tax).

0.5% changes in LIBOR will increase/ decrease the borrowing cost by ₹ Nil.

The Company has investment in Bank Deposits and hence is exposed to interest rate sensitivity. 0.5% changes in interest rate will increase/ decrease interest income by ₹ 0.02.

Foreign Currency Risk

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

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency. The Company hedges its exposure to fluctuations on the translation into INR of its foreign operations by holding net borrowings in foreign currencies and by using foreign currency swaps. In order to hedge the foreign currency risk on foreign payables, the Company has taken foreign exchange forward / call spread contracts, which are as follows.

a) Derivative outstanding as at the reporting date

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

Name of the instrument	Currency	March 31, 2023	March 31, 2022
Derivatives not designated as hedge			
Forward contract	USD	0.94	2.18

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows :

	March 31, 2023					March 31, 2022				
	USD	SEK	ZAR	GBP	AUD	USD	SEK	ZAR	GBP	AUD
Trade Receivable	203.89	-	73.35	-	30.62	100.44	-	92.18	-	-
Loans	351.26	-	-	-	-	223.57	-	-	-	-
Other Financial Assets	-	-	-	-	-	3.42	-	-	-	-
Capital Creditors	-	-	-	0.66	-	-	0.02	-	-	-
Trade Payables (including Acceptances)*	77.09	-	-	-	0.00	200.45	0.11	-	-	-

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 32. Financial risk management objectives and policies (Contd..)

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

	March 31, 2023	March 31, 2022
USD	4.78	1.27
SEK *	-	(0.00)
ZAR	0.73	0.92
GBP*	0.00	-
AUD	0.31	-

* Amount is less than ₹ 0.01

Equity price risk

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

	March 31, 2023	March 31, 2022
Investment in mutual funds	20.00	-

The impact of increases/ decreases of the BSE/ NSE index on the Company's equity shares and gain/ loss for the year would be ₹ 0.20 (March 31, 2022: ₹ 0.00*) (Pre-tax). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Company's investments having price risk moved in line with the index.

*Amount is less than ₹ 0.01

Credit risk

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

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

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

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

Loans: The Company has given loans to subsidiaries. However there is no counter party risk. (refer note 5)

Trade and other receivables:

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

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2023	409.45	47.14	89.92	546.51
As at March 31, 2022	193.22	27.50	91.44	312.16

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 32. Financial risk management objectives and policies (Contd..)

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

	March 31, 2023	March 31, 2022
Opening balance	14.41	29.77
Provided/(Reversed) during the year	(7.36)	(15.36)
Closing balance	7.05	14.41

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, 2023						
Borrowings						
From Banks (net of interest accrued but not due)	-	122.28	57.07	147.47	-	326.82
From related party	-	39.10	-	-	-	39.10
Non Convertible Debenture	-	5.00	15.00	35.00	-	55.00
Trade payables (including Acceptances)	-	316.86	77.05	-	-	393.91
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	25.70	12.52	-	-	38.27
Lease liabilities (Gross)	-	0.34	0.91	2.76	0.01	4.02
Derivative Instruments	-	-	0.18	-	-	0.18
March 31, 2022						
Borrowings						
From Banks (net of interest accrued but not due)	-	6.52	29.57	118.56	-	154.65
Trade payables (including Acceptances)	-	205.73	129.62	-	-	335.35
Other financial liabilities (excluding derivatives and lease liabilities)	0.05	21.89	11.99	-	-	33.93
Lease liabilities (Gross)	-	0.25	0.56	0.57	0.05	1.43
Derivative Instruments	-	-	-	-	-	-

Note 33. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents and bank balances.

	March 31, 2023	March 31, 2022
Net Debt (see note below)	342.76	131.52
Equity	1,767.45	1,365.59
Capital Employed	2,110.21	1,497.11
Net Gearing ratio	16.24%	8.79%

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 33. Capital management (Contd..)

Note:-

Calculation of net debt is as follows :

	March 31, 2023	March 31, 2022
Borrowings		
Non-Current	182.47	118.56
Current	238.45	36.09
	420.92	154.65
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	58.16	23.13
Current Investments	20.00	-
	78.16	23.13
Net Debt	342.76	131.52

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

Note 34. Research & Development Expenditure:

Nature	March 31, 2023	March 31, 2022
Revenue Expenditure	0.58	1.47
Total	0.58	1.47

Note:-

Revenue expenditure incurred on R&D has been included in the respective account heads in the Statement of Profit and Loss.

Note 35. Revenue from operations

a. Principal revenue generation activity

The Company is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

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.

b. Disaggregated Revenue information

The Company's disaggregate revenue by geographical location.

	March 31, 2023	March 31, 2022
India	3,367.06	2,193.52
Rest of the World	719.87	259.06
Total	4,086.93	2,452.58

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 35. Revenue from operations (Contd..)

c. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2023.

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

	March 31, 2023	March 31, 2022
Trade Receivables	539.46	297.75
Contract Liabilities	28.69	28.69

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

	March 31, 2023	March 31, 2022
Revenue as per contracted price	4,155.44	2,487.69
Adjustments for:		
Rebates, Discounts, Powder Factor and other deductions	(68.51)	(35.11)
Revenue from contract with customers	4,086.93	2,452.58

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Company has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2023, the aggregate amount of the transaction price allocated to order backlog was ₹ 2,201.56 The Company expects to recognise revenue within two years.

Note 36. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Current Ratio	Current Asset	Current Liabilities	1.80	1.71	5.26%	
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.24	0.11	118.18%	Ratio has increased on account of New Long term loan taken.
Debt Service Coverage Ratio	Earning available for Debt Service#	Debt Service^	8.05	10.23	-21.31%	
Return on Equity Ratio	Net Profit after taxes	Average Shareholder's Equity	28.43%	20.74%	37.08%	There is positive movement of 37 % on return on equity since last year due to increase in the net profit.
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	40.03	29.88	33.97%	Ratio is improved on account of decrease in holding period of inventory.
Trade Receivable Turnover Ratio	Net Sales	Average Trade Receivable	9.52	7.70	23.62%	
Trade Payable Turnover Ratio	Net Purchases	Average Trade Payable	8.75	7.28	20.18%	
Net Capital Turnover Ratio	Net Sales	Average Working Capital	8.10	7.24	11.88%	

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 36. Financial Ratios

Particulars	Numerator	Demominator	March 31, 2023	March 31, 2022	% change	Reason for variance
Net Profit Ratio	Net Profit after Tax	Revenue from operation	10.70%	10.34%	3.48%	
Return on Capital Employed Ratio	Earning Before Interest and Taxes	Average Capital Employed*	32.19%	24.45%	31.65%	Ratio is improved on account of increase in EBIT.
Return on Investment Ratio	Non operating income from investment	Average Investment**	12.40%	5.28%	134.81%	Return on Investment ratio improved due to enhanced gains during the period.

Net Profit before Taxes+ Depreciation and Amortization+ Finance cost excluding Interest on Lease

* Tangible Net Worth + Total Debt + Deferred Tax Liabilities

**Investments includes Fixed Deposit

^ Finance cost + Interest on leases + Borrowing cost capitalised + Repayment made

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

	March 31, 2023	March 31, 2022
Principal amount outstanding (whether due or not) to micro and small enterprises	8.04	8.35
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 interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

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

Notes to Standalone Financial Statements

for the year ended March 31, 2023

Note 38. Other Statutory Information:

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

Note 39. The financial statements were approved for issue by the Board of Directors on May 03, 2023

As per our report of even date attached

For **Gandhi Rathi & Co.**

Chartered Accountants

ICAI Firm Registration Number:103031W

per **C.N. Rathi**

Partner

Membership No.- 39895

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration

Number: 324982E/E300003

per **Pramod Kumar Bapna**

Partner

Membership No.- 105497

For and on behalf of the Board of Directors of

Solar Industries India Limited

Manish Nuwal

Managing Director &

CEO

DIN: 00164388

Moneesh Agrawal

(Joint CFO)

Khushboo Pasari

Company Secretary

Membership No.- F7347

Place : Nagpur

Date: May 03, 2023

Milind Deshmukh

Executive Director

DIN: 09256690

Shalinee Mandhana

(Joint CFO)

Place : Nagpur

Date : May 03, 2023

Place : Mumbai

Date: May 03, 2023

Independent Auditor's Report

To

The Members of

Solar Industries India Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Solar Industries India Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and a jointly controlled entity comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and jointly controlled entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entity as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those

Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, associate, jointly controlled entity 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 Act 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 audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Revenue Recognition (as described in note 2.2(j) of the consolidated financial statements)</p> <p>Revenue from sale of goods is recognized as outlined in note 20 of the consolidated financial statements.</p> <p>The Holding Company estimates the provision for powder factor on sales made to certain customers which is generally the percentage of blast output achieved at the time of blasting of the products at the customer's 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 which is reduced from the sales for the period.</p>	<p>Our audit procedures included, amongst others the following:</p> <ul style="list-style-type: none"> Evaluated the Holding Company's accounting policies pertaining to revenue recognition and assessed compliance with those policies in terms of Ind AS 115 (Revenue from contract with customers). Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over the estimation of powder factor provision. We obtained an understanding of the key controls management has in place to monitor the powder factor provision.

Key audit matters	How our audit addressed the key audit matter
<p>As at March 31, 2023, the Holding Company is carrying a powder factor provision of Rs. 38.81 crore.</p> <p>This is a key audit matter as significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.</p>	<ul style="list-style-type: none"> Read the agreement with customers for validating terms relating to powder factor. Assessed the key management assumptions/ judgement relating to various parameters for measuring / estimating the amount of such powder factor provisions. We tested on sample basis, the accuracy of the underlying data used for computation of powder factor provisions and verified the arithmetical accuracy of powder factor provision. Evaluated the historical trend against the actual powder factor deduction. Assessed and read the disclosures made by the company in the consolidated financial statements.
Carrying value of trade receivables (as described in note 2.2 (i)(4) of the consolidated financial statements)	
<p>As at March 31, 2023, trade receivables constitutes approximately 16% of total assets of the Group. The Holding Company is required to regularly assess the recoverability of its trade receivables.</p> <p>The Holding Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on trade receivables. The Holding Company uses a provision matrix to determine impairment loss allowance. The provision matrix is based on its historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.</p> <p>This is a key audit matter as significant judgement is involved to establish the provision matrix.</p> <p>The trade receivables balance, credit terms and aging as well as the Group's policy on impairment of receivables have been disclosed in note 7 to the consolidated financial statements.</p> <p>We, as the auditors of Economic Explosives Limited ('EEL') as well as the auditors of Solar Overseas Mauritius Limited ('SOML'), subsidiaries of the Holding Company have also reported key audit matter on the aforesaid topic.</p>	<p>Our audit procedures included, amongst others the following:</p> <ul style="list-style-type: none"> Evaluated the Holding Company's accounting policies pertaining to impairment of financial assets and assessed compliance with those policies in terms of Ind AS 109 (Financial Instruments). Assessed and tested the design and operating effectiveness of the Holding Company's internal financial controls over provision for expected credit loss. Evaluated management's assumption and judgment relating to various parameters which includes the historical default rates and business environment in which the entity operates for estimating the amount of such provision. Evaluated management's assessment of recoverability of the outstanding receivables and recoverability of the overdue / aged receivables through inquiry with management, and analysis of collection trends in respect of receivables. Assessed and read the disclosures made by the Company in the consolidated financial statements. <p>In respect of the key audit matter reported to us by the auditors of SOML, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the component auditor, the audit procedures performed include the audit procedures mentioned above.</p>
Deferred Tax Asset (as described in note 2.2(o) of the consolidated financial statements)	
<p>The auditors of Solar Overseas Mauritius Limited ('SOML'), a subsidiary of the Holding Company have reported recoverability of deferred tax asset in subsidiary in South Africa as key audit matter.</p> <p>The subsidiary company has recently started operations in South Africa. Being in the initial years of operation, the entity has incurred significant losses. The management has recognised deferred tax assets on these losses amounting to Rs. 72.16 crore as at March 31, 2023 based on the source of such losses, forecasts based on market expectations, its experience with respect to recoverability of losses from operations in the other territories and period over which these losses can be carried forward.</p> <p>The ultimate recoverability of the deferred tax asset depends on continued improvements in the profitability of the businesses.</p>	<p>Our audit procedures included, amongst others the following:</p> <ul style="list-style-type: none"> In respect of the key audit matter reported to us by the auditors of SOML, we performed inquiry of the audit procedures performed by them to address the key audit matter. As reported to us by the subsidiary auditor, the following procedures have been performed by them:- <ul style="list-style-type: none"> Evaluated management's assessment of source of losses; a major amount of which pertains to non-operating losses i.e., finance cost and currency restatement loss. Evaluated the progress made by the company in improving the profitability of the business in recent periods. Assessed the credibility of the business plans used in the deferred tax asset recoverability assessment. These were based on a 5 year plan.

Key audit matters	How our audit addressed the key audit matter
<p>We considered this a key audit matter because deferred tax assets constitute a material balance in the financial statements and significant judgement is required by the company in determining the recoverability of deferred tax assets arising from past tax losses due to inherent uncertainties involved in forecasting such profits.</p>	<ul style="list-style-type: none"> Assessed the tax rate applied (27%) to the forecast future taxable profits and also the time period over which tax losses can be carried forward. Assessed the performance of the company and the recoverability of losses in the other territories.
Fair Valuation of Non-current Investments (as described in note 2.2 (i)(1) of the standalone financial statements)	
<p>The Holding Company has classified certain investment amounting to Rs. 49.92 crore in Equity Shares and Compulsory Convertible Preference Shares as held at fair value through Other Comprehensive Income (FVTOCI) in accordance with Ind AS 109.</p> <p>These investments are Level 3 investments as per the fair value hierarchy in Ind AS 113 and accordingly determination of fair value is based on a high degree of judgement and input from data that is not directly observable in the market.</p> <p>The determination of the fair value of financial assets is considered to be a significant area in view of the materiality of amounts involved, judgements involved in selecting the valuation basis, and use of unobservable inputs.</p> <p>Given the inherent subjectivity in the valuation of the above investments, relative significance of these investments to the financial statements and the nature and extent of audit procedures involved, we determined this to be a key audit matter.</p>	<p>Our audit procedures included and were not limited to the following:</p> <ul style="list-style-type: none"> Obtained and read the fair valuation reports provided by the management by involvement of external valuation experts. Assessed the assumptions around the cash flow forecasts including discount rates, expected growth rates and its effect on business and terminal growth rates used through involvement of the internal experts. Involved internal experts to assess the Company's valuation methodology and assumptions, applied in determining the fair value. Discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the cash flow forecasts. Assessed the objectivity and competence of our internal expert and Company's external specialists involved in the process. Assessed and read the disclosures made by the Company in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated 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 for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial

statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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 consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements 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 ability of the Group and its associate and jointly controlled entity 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 consolidated 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 Group and its associate and jointly controlled entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and jointly controlled entity of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- The accompanying consolidated financial statements include the financial statements and other financial information, in respect of 4 subsidiaries, whose financial statements include total assets of Rs.88.96 crore as at March 31, 2023, and total revenues of Rs. 199.27 crore and net cash inflows of Rs. 3.37 crore for the year ended on that date which have been audited

by one of the joint auditors, whose report has been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such joint auditor.

- We did not audit the financial statements and other financial information, in respect of 11 subsidiaries, whose financial statements include total assets of Rs 3,009.41 crore as at March 31, 2023, and total revenues of Rs 2,857.31crore and net cash inflows of Rs 106.72 for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.
- The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 10 subsidiaries, whose financial statements and other financial information reflect total assets of Rs. 828.64 crore as at March 31, 2023, and total revenues of Rs 4.27 crore and net cash outflows of Rs 0.25 crore for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of Rs. 0.27 crore for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of an associate and a jointly controlled entity, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates amounts and disclosures included in respect of these subsidiaries, associate and jointly controlled entity, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, associate and jointly controlled entity, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based

on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.

- As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
 - We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
 - With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and jointly controlled entity in its consolidated financial statements – Refer Note 29 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer (a) Note 24 to the consolidated financial statements in respect of such items as it relates to the Group, its associate and jointly controlled entity and (b) the Group's share of net profit/loss in respect of its associate and jointly controlled entity;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associate and jointly controlled entity, incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best

of its knowledge and belief no funds have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The final dividend paid by the Holding Company, its subsidiaries, associate and jointly controlled entity companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 12B to the consolidated financial statements, the respective Board of Directors of the Holding Company, its subsidiaries, associate jointly controlled entity companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company, its subsidiaries, associate jointly controlled entity companies, incorporated in India only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For Gandhi Rathi & Co
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 23039895BGXQPJ5526

Place: Nagpur
Date: May 03, 2023

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 23105497BGXBNR5960

Place: Nagpur
Date: May 03, 2023

Annexure 1 to the Independent Auditor's Report of Even Date on the Consolidated Indas Financial Statements of Solar Industries India Limited

(Referred to in paragraph 1, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

In Terms of the information and explanations sought by us and given by the company and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

Sr. No.	Name	CIN	Holding company/ subsidiary/ associate/ joint venture	Clause number of the CARO report which is qualified or is adverse
1	Solar Industries India Limited	L74999MH1995PLC085878	Holding company	3(i)(c)
3	Economic Explosives Limited	U24292MH1995PLC091808	Subsidiary	3(viii)(a)

For Gandhi Rathi & Co
Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi
Partner
Membership No.: 39895
UDIN: 23039895BGXQPJ5526

Place: Nagpur
Date: May 03, 2023

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

per Pramod Kumar Bapna
Partner
Membership No.: 105497
UDIN: 23105497BGXBNR5960

Place: Nagpur
Date: May 03, 2023

Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of Solar Industries India Limited

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

In conjunction with our audit of the consolidated financial statements of Solar Industries India Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and its jointly controlled entity which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associate and its jointly controlled entity which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls,

both, issued by ICAI. 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 with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to

consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these 6 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India.

For Gandhi Rathi & Co.

Chartered Accountants
ICAI Firm Reg. number: 103031W

per C.N. Rathi

Partner
Membership No.: 39895
UDIN: 23039895BGXQPJ5526

Place: Nagpur
Date: May 03, 2023

For S R B C & CO LLP

Chartered Accountants
ICAI Firm Reg. number:
324982E/E300003

per Pramod Kumar Bapna

Partner
Membership No.: 105497
UDIN: 23105497BGXBNR5960

Place: Nagpur
Date: May 03, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	3A	1,614.04	1,416.40
Capital work-in-progress	3A	279.40	221.13
Goodwill	3B	10.66	9.89
Other Intangible assets	3C	48.12	40.96
Intangible assets under development	3C	2.63	9.24
Right-of-use assets	3D	29.01	25.48
Financial assets			
Investments	4	78.51	18.22
Loans	5	17.14	15.80
Other financial assets	6	159.41	134.68
Deferred tax assets (net)	9A	127.51	94.88
Current tax assets (net)		29.34	30.45
Other non-current assets	11	139.13	43.31
Total non-current assets		2,534.90	2,060.44
Current assets			
Inventories	10	1,097.99	718.87
Financial assets			
Investments	4	20.00	-
Trade receivables	7	825.28	541.10
Cash and cash equivalents	8	245.04	84.67
Bank balances other than cash and cash equivalents	8	15.05	14.08
Loans	5	11.76	8.23
Other financial assets	6	36.68	93.14
Other current assets	11	249.55	200.86
Total current assets		2,501.35	1,660.95
Non-current assets classified as held for sale	3E	-	2.91
Total assets		5,036.25	3,724.30
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	18.10	18.10
Other equity	12A	2,592.24	1,896.18
Equity attributable to shareholders		2,610.34	1,914.28
Non-controlling interests		140.36	100.63
Total equity		2,750.70	2,014.91
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	13	472.71	435.86
Lease Liabilities	3D	18.95	17.51
Deferred tax liabilities (net)	19	158.93	137.14
Provisions	18	2.64	1.00
Total Non-current liabilities		653.23	591.51
Current liabilities			
Financial liabilities			
Borrowings	14	696.52	430.25
Trade payables	15	488.48	464.94
Other financial liabilities	16	68.60	52.61
Lease Liabilities	3D	6.50	4.38
Current tax Liabilities (net)		62.85	21.91
Other current liabilities	17	295.21	132.33
Provisions	18	14.16	11.46
Total current liabilities		1,632.32	1,117.88
Total liabilities		2,285.55	1,709.39
Total equity and liabilities		5,036.25	3,724.30
Summary of significant accounting policies	2.2 and 2.3		

The accompanying notes form an integral part of the consolidated financial statements
As per our report of even date attached

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

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

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

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)
Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 03, 2023

Milind Deshmukh
Executive Director

DIN: 09256690
Shalinee Mandhana
(Joint CFO)

Consolidated Statements of Profit and Loss

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Revenue from operations	20	6,922.53	3,947.61
Other income	21	31.52	19.66
Total income		6,954.05	3,967.27
Expenses			
Cost of materials consumed	22A	3,819.54	2,301.13
Purchases of stock-in-trade		560.22	66.25
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22B	(37.39)	(40.05)
Employee benefit expense	23	352.72	289.63
Depreciation and amortization expense	26	128.21	109.25
Other expenses	24	938.52	583.39
Finance costs	25	90.38	50.25
Total expenses		5,852.20	3,359.85
Profit before tax		1,101.85	607.42
Share of Profit/(Loss) of associates and jointly controlled entity (net of tax)		(0.27)	-
Tax expense			
- Current tax		312.83	163.30
- Adjustment of tax relating to earlier periods		1.20	0.35
- Deferred tax		(23.62)	(11.70)
Total tax expense	19	290.41	151.95
Profit for the year		811.17	455.47
Other comprehensive income/(loss)			
<i>Items that will not be reclassified to Profit or Loss</i>			
Remeasurement gain/ (loss) on defined benefit plans		(0.44)	(0.20)
Income tax effect		0.11	0.05
Remeasurement gain/ (loss) on Investment in Equity instruments		32.42	-
Income tax effect		(7.55)	-
		24.54	(0.15)
<i>Items that may be reclassified to Profit or Loss</i>			
Net movement on Cash Flow Hedge Reserve		3.30	5.51
Income tax effect		(0.10)	(0.19)
Exchange difference on translation of foreign operations		(71.65)	(34.61)
Income tax effect		12.28	1.09
		(56.17)	(28.20)
Total other comprehensive income/(loss) for the year, net of tax		(31.63)	(28.35)
Total comprehensive income for the year		779.54	427.12
Net profit attributable to			
a) Owners of the company		757.19	441.28
b) Non-controlling interest		53.98	14.19
		811.17	455.47
Other comprehensive income attributable to			
a) Owners of the company		(12.91)	(43.42)
b) Non-controlling interest		(18.72)	15.07
		(31.63)	(28.35)
Total comprehensive income attributable to			
a) Owners of the company		744.27	397.86
b) Non-controlling interest		35.27	29.26
		779.54	427.12
Earnings per equity share			
Basic and Diluted earnings per share	27	83.68	48.77
Summary of significant accounting policies	2.2 and 2.3		

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

As per our report of even date attached

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

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

Place : Nagpur
Date : May 03, 2023

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

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Nagpur
Date : May 03, 2023

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)
Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date : May 03, 2023

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from operating activities		
Profit before tax	1,101.85	607.42
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	128.21	109.25
Discard of property, plant and equipment (net)	3.73	3.64
Profit on sale of non current assets held for sale	(0.57)	-
Net (gain) /loss on disposal of property, plant and equipment	(2.61)	0.86
Net (gain)/loss on financial assets measured at fair value through profit or loss	(0.40)	0.24
Loss relating to Company's subsidiaries operating in hyperinflationary economy	47.80	-
Profit on sale of financial assets carried at fair value through profit or loss	(1.73)	(0.41)
Dividend and interest income	(16.31)	(12.76)
Impairment of inventory	10.07	0.22
Impairment (gain)/loss on financial asset	21.86	(12.70)
Provision written back	(0.49)	-
Finance costs	90.38	50.25
Bad debts written off	17.67	1.19
Impairment (gain)/loss on non current assets	-	6.80
Sales tax mega project (PF Incentive) written off	4.12	-
Advances/others written off	9.68	-
Effect of exchange rate change	24.35	15.69
Operating profit before working capital changes	1,437.61	769.69
Working capital adjustments :		
(Increase)/Decrease in trade receivables	(323.34)	(72.96)
(Increase)/Decrease in inventories	(389.19)	(278.60)
Increase/(Decrease) in trade payables	23.98	177.98
(Increase) /Decrease in other assets	(18.35)	(171.85)
Increase /(Decrease) in other liabilities	180.18	33.14
Cash generated from operations	910.89	457.40
Less : Income taxes paid	254.41	159.60
Net cash flows from operating activities	656.48	297.80
Cash flows from investing activities		
Purchase of property, plant and equipment, including capital work in progress and capital advances	(479.11)	(287.44)
Proceeds from sale of property, plant and equipment	6.02	6.65
Advance received against land	-	3.48
Purchase of additional stake in subsidiary	-	(1.77)
Loans (given) to/ repaid by others-current/non-current	(4.87)	(4.90)
Proceeds/ (Purchase) from sale of non-current investments	(27.74)	(17.50)
Proceeds/ (Purchase) from sale of current investments	(18.27)	0.41
(Investment)/Redemption in fixed deposits	(0.98)	(2.81)
Dividend and interest income received	5.97	0.83
Net cash flows used in investing activities	(518.98)	(303.05)

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts in ₹ Crores, unless otherwise stated)

	Year ended March 31, 2023	Year ended March 31, 2022
Cash flows from financing activities		
Proceeds from non-current borrowings	408.87	197.70
Repayment of non-current borrowings	(224.92)	(174.68)
Proceeds from/ (Repayment) of current borrowings	94.76	42.92
Lease Liabilities	(6.13)	(5.20)
Interest paid	(86.55)	(51.85)
Dividend paid to non controlling interest	(67.87)	(54.29)
Net cash flows from /(used in) financing activities	118.16	(45.40)
Exchange difference arising on conversion debited to foreign currency translation reserve	(71.65)	(34.61)
Net loss on account of Company's subsidiaries operating in hyperinflationary economy	(23.65)	-
Net increase in cash and cash equivalents	160.37	(85.26)
Add:-Cash and cash equivalents at the beginning of the year	84.67	169.93
Cash and cash equivalents at end of the year	245.04	84.67

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

Change in liabilities arising from financing activities

	March 31, 2022	Cash flows	Foreign exchange impact	March 31, 2023
Current borrowings (excluding current maturities long term borrowing)	236.94	94.76	-	331.70
Non-current borrowings (including current maturities long term borrowing)	629.14	183.95	24.40	837.49
Total liabilities from financing activities	866.08	278.71	24.40	1,169.19

	March 31, 2021	Cash flows	Foreign exchange impact	March 31, 2022
Current borrowings (excluding current maturities long term borrowing)	194.02	42.92	-	236.94
Non-current borrowings (including current maturities long term borrowing)	592.12	23.02	14.00	629.14
Total liabilities from financing activities	786.14	65.94	14.00	866.08

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

As per our report of even date attached

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

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

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

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)
Khushboo Pasari
Company Secretary
Membership No.- F7347

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Place : Nagpur
Date: May 03, 2023

Place : Nagpur
Date: May 03, 2023

Place : Nagpur
Date: May 03, 2023

Consolidated Statement of Changes in Equity

(All amounts in ₹ Crores, unless otherwise stated)

for the year ended March 31, 2023

A. Equity Share Capital

	No of Shares	Amount
At April 01, 2021 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2022 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10
At March 31, 2023 (Equity Shares of ₹ 2 each issued, subscribed and fully paid)	9,04,90,055	18.10

B. Other Equity

	Reserves and surplus			Other Comprehensive Income			Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	Cash flow hedge reserve (Note 12A)	Equity Instrument (Note 12A)	Foreign currency translation reserve (Note 12A)		
Balance as at April 01, 2021	149.13	820.35	16.54	0.47	-	(152.23)	62.69	1,624.00
Total profit for the year	-	441.28	-	-	-	-	14.19	455.47
Transfer from retained earnings	-	-	104.01	-	-	-	-	104.01
Transfer to General reserve	-	(104.01)	-	-	-	-	-	(104.01)
Change in non controlling interest on acquisition of additional stake in Solar Mining Services Pty Limited - Australia	-	(8.68)	-	-	-	-	10.45	1.77
Other comprehensive income	-	-	-	-	-	-	-	-
Remeasurement loss on defined benefit plans (net of tax)	-	(0.15)	-	-	-	-	-	(0.15)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	5.32	-	-	-	5.32
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	(48.61)	15.07	(33.54)
Dividend paid	-	(54.29)	-	-	-	-	-	(54.29)
Non Controlling interest acquired during the year	-	-	-	-	-	-	(1.77)	(1.77)
Balance as at March 31, 2022	149.13	1,094.50	16.54	5.79	-	(200.84)	100.63	1,996.81

Consolidated Statement of Changes in Equity

(All amounts in ₹ Crores, unless otherwise stated)

for the year ended March 31, 2023

B. Other Equity

	Reserves and surplus			Other Comprehensive Income			Non-controlling interest	Total
	Securities premium (Note 12A)	Retained earnings (Note 12A)	Capital reserve (Note 12A)	Cash flow hedge reserve (Note 12A)	Equity Instrument (Note 12A)	Foreign currency translation reserve (Note 12A)		
Balance as at April 01, 2022	149.13	1,094.50	16.54	5.79	-	(200.84)	100.63	1,996.81
Total profit for the year	-	757.19	-	-	-	-	53.98	811.17
Transfer from retained earnings	-	-	119.76	-	-	-	-	119.76
Transfer to General reserve	-	(119.76)	-	-	-	-	-	(119.76)
Other comprehensive income	-	-	-	-	-	-	-	-
Remeasurement loss on defined benefit plans (net of tax)	-	(0.33)	-	-	-	-	-	(0.33)
Net movement in Cash Flow Hedges (net of tax)	-	-	-	3.20	-	-	-	3.20
Remeasurement gain/(loss) on Investment in Equity Instrument	-	-	-	-	24.87	-	-	24.87
Exchange differences on translation of foreign operations (net of tax)	-	-	-	-	-	(40.68)	(18.72)	(59.40)
Dividend paid	-	(67.87)	-	-	-	-	-	(67.87)
Opening reserve transferred from NCI to Owners upon change in NCI holding	-	(4.47)	-	-	-	-	4.47	(0.00)
Net gain on account of Company's subsidiaries operating in hyperinflationary economy	-	24.15	-	-	-	-	-	24.15
Balance as at March 31, 2023	149.13	1,683.41	16.54	8.99	24.87	(241.52)	140.36	2,732.60

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

As per our report of even date attached

For Gandhi Rathi & Co.

Chartered Accountants
ICAI Firm Registration Number: 103031W

per **C.N. Rathi**

Partner
Membership No. - 39895

For S R B C & COLLP

Chartered Accountants
ICAI Firm Registration Number: 324982/E300003

per **Pramod Kumar Bapna**

Partner
Membership No. - 105497

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Milind Deshmukh
Executive Director

DIN: 09256690

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No. - F7347

Place : Nagpur
Date: May 03, 2023

Place : Nagpur
Date: May 03, 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 1: Corporate Information

Solar Industries India Limited (the 'Holding Company') is a Group domiciled in India, with its registered office at "Solar" House 14, Kachimet, Amravati Road, Nagpur - 440023 (Maharashtra). The Holding Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Holding Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in jointly controlled entity and associates. The Group is primarily involved in manufacturing of complete range of industrial explosives and explosive initiating devices. It manufactures various types of packaged emulsion explosives, bulk explosives and explosive initiating systems.

Note 2: Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments (including derivative instruments) and defined benefit plans which have been measured at fair value. The accounting policies are consistently applied by the Group to all the period as mentioned in the financial statements.

These Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended).

Current and non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading

- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

Basis of consolidation

The Consolidated Financial Statements comprise the financial statements of the Holding Company and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- The financial statements of Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi and Solar Madencilik Hizmetleri A.S., Turkey, step-down subsidiaries, whose functional currency is the currency of a hyperinflationary economy

are stated in terms of the measuring unit current at the end of the reporting period in accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies.

Several factors are considered when evaluating whether an economy is hyperinflationary, including the cumulative three-year inflation and the degree to which the population's behaviours and government policies are consistent with such conditions.

The index used to apply hyperinflation accounting is the Consumer Price Index published by Turkish Statistical Institute (TurkStat) which is an independent public institution organised under the Ministry of Development, Turkey.

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Details of group companies included in Consolidated Financial Statements are as under:

	Name	Country	% Equity Interest	
			March 31, 2023	March 31, 2022
A	Subsidiaries			
1	Indian subsidiaries			
A	Economic Explosives Limited	India	100.00%	100.00%
B	Emul Tek Private Limited	India	100.00%	100.00%
C	Solar Defence Limited (Note i)	India	100.00%	100.00%
D	Solar Defence Systems Limited (Note - i)	India	100.00%	100.00%
E	Solar Avionics Limited (note i)	India	100.00%	100.00%
F	Solar Explochem Limited (Note i & iv)	India	100.00%	-
2	Overseas subsidiary			
A	Solar Overseas Mauritius Limited	Mauritius	100.00%	100.00%
3	Overseas step-down subsidiaries			
A	Solar Mining Services Pty Limited, South Africa	South Africa	87.58%	86.74%
B	Nigachem Nigeria Limited	Nigeria	55.00%	55.00%
C	Solar Overseas Netherlands B.V.	Netherlands	100.00%	100.00%
D	Solar Explochem Zambia Limited	Zambia	65.00%	65.00%
E	Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	Turkey	100.00%	100.00%
F	P.T. Solar Mining Services	Indonesia	100.00%	100.00%
G	PATSAN Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi (Note - ii)	Turkey	53.00%	53.00%
H	Solar Nitro Ghana Limited	Ghana	90.00%	90.00%
I	Solar Madencilik Hizmetleri A.S	Turkey	100.00%	100.00%
J	Solar Overseas Netherlands Cooperative U.A	Netherlands	99.99%	99.99%
K	Solar Overseas Singapore Pte Ltd	Singapore	100.00%	100.00%
L	Solar Industries Africa Limited	Mauritius	100.00%	100.00%
M	Solar Nitro Zimbabwe (Private) Limited	Zimbabwe	100.00%	100.00%
N	Solar Nitro chemicals Limited	Tanzania	65.00%	65.00%
O	Solar Mining Services Pty Ltd, Australia	Australia	100.00%	76.00%
P	Solar Mining Services Cote d'Ivoire Limited SARL (Note- i)	Ivory Coast	100.00%	100.00%
Q	Solar Venture Company Limited	Tanzania	55.00%	55.00%
R	Solar Mining Services Burkina Faso SARL	Burkina Faso	100.00%	
S	Solar Mining Services Albania	Albania	100.00%	
T	Solar Nitro SARL (Note-i & iii)	Ivory Coast	85%	-
B	Associates			
A	Zmotion Autonomous Private Limited (Note v)	India	45%	-
C	Entities with joint control or significant influence over the entity			
A	ASTRA Resources Pty Limited	South Africa	49.00%	49.00%

- Note i: The entity has not commenced its business operations
- Note ii: The entity is under liquidation.
- Note iii: The entity was incorporated on December 5, 2022
- Note iv: The entity was incorporated on April 29, 2022
- Note v: Associate Company w.e.f. April 6, 2022

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

2.2 Summary of significant accounting policies

a. Use of estimates

The preparation of the financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. 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

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. 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 for their intended 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. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

c. Intangible assets

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

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

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

Research and development

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

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

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

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

The estimated useful life for Product related intangibles is 5 years once the development is complete.

Intangible assets relating to products in development are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when

there are indications that the carrying value may not be recoverable. All impairment losses are recognized immediately in the statement of profit and loss.

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

d. Depreciation and amortization

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

Assets	Group's estimate of useful life (in years)	Useful life as prescribed under Schedule II to the Companies Act 2013 (in years)
Property, Plant and Equipment		
Buildings:		
Factory buildings	10 to 30	30
Other buildings	10 to 60	60
Roads (RCC and WBM)	15 to 30	5 to 10
Plant and Machinery:		
Factory Plant and Machinery	5 to 25	15 to 20
Electrical installation and Lab equipment	10	10
Bulk Deliver System (BDS)	12	8
Furniture and Fixtures	5 to 10	10
Vehicles	4 to 12	8 to 10
Office equipment and Computers	3 to 6	3 to 6

Assets	Group's estimate of useful life (in years)
Intangible Assets	
Software and Licenses	6
Other (Transfer of Technology, Technical know-how)	5 to 10
Product Development	5

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

e. Impairment of Property, Plant and Equipment, Intangible assets, Goodwill and Right-of-use assets

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

f. Borrowing costs

Borrowing costs that are directly attributable to acquisition, construction or production 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. All other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Business combinations and goodwill

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

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

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

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

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

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

h. Leases

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

Group as a Lessee:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

i. Right-of-use assets:

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office Building Assets	2 to 10 years
Leasehold Land	30 to 99 years
Warehouse	1 to 5 years
Vehicle	30 to 99 years

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

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

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

ii. Lease Liabilities:

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments

(e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

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

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

i) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1. Financial assets

Classification

Financial assets are classified, at initial recognition in the following categories

- as subsequently measured at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- measured at amortized cost

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the profit and loss are expensed in the statement of profit and loss.

A. Debt instruments:

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

A.1 Amortized cost:

Assets that are held for collection of contractual cash flows where those

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cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using effective interest rate method.

A.2 Fair value through profit and loss:

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

B.1 Fair value through OCI:

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

B.2 Fair value through profit and loss:

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

C. De-recognition

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

- The rights to receive cash flows from the asset have expired, or

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

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

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

2. Financial liabilities

Classification

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

- those to be measured subsequently at fair value through the statement of profit and loss, and
- those measured at amortised cost

Measurement

A. Financial liabilities at amortised cost

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

B. Financial liabilities at fair value through profit and loss

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

C. Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

3. Derivative financial instruments and hedge accounting

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

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised

asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of a net investment in a foreign operation

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

4. Impairment of financial assets

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

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

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/

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expense in the statement of profit and loss. This amount is reflected under the head 'Other expenses' in the statement of profit and loss.

j. Revenue Recognition

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 Group expects to be entitled in exchange for those goods or services. The Group 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 36.

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

a. 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 30-120 days from shipment or delivery as the case may be.

The Group 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 goods or rendering of services, the Group considers the effects of variable consideration and provisional pricing, considering contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

1. Variable consideration

If the consideration in a contract includes a variable amount, the Group 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 Group 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's 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.

• Other Deductions:

The Group accounts for deduction of contract amounts wherein certain conditions are not complied with in accordance with the arrangement with the customer i.e. mismatch in specification of products, failure of the product to blast at the customer's site etc. The aforesaid charges are deducted by the customer, and are deducted from consideration from sale of product.

2. Significant financing component

In many cases, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group 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 goods or services will be one year or less.

Hence, there is no financing component which needs to be separated.

b. Sale of projects:

Revenue from sale of project is recognised at the point in time when control of the project is transferred to the customer, generally on completion of installation. Revenue from sale of projects is measured at the fair value of the consideration received or receivable. The normal credit term is 90 days after installation is completed.

c. Interest Income:

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

d. Dividend:

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group 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 Group's right to an amount of consideration that is unconditional. Refer to accounting policies of financial assets in note no. 2.2 i (1) 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 Group has received consideration (or an amount of consideration is due) from the customer. If a

customer pays consideration before the Group 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 Group performs under the contract.

k. Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Government grant received in the form of State Government GST/Sales Tax subsidy/Reimbursement of Provident Fund has been considered as revenue grant and the same has been recognized in the statement of profit and loss under the head 'Other operating revenues'.

l. Foreign currencies transactions and translations

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

i) Functional and presentation currency

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

ii) Transactions and balances

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in statement of profit and loss except for exchange differences on foreign currency borrowings relating to assets under construction for productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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

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

- Exchange differences arising on monetary items that forms part of a reporting entity's

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net investment in a foreign operation are recognised in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognised initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.

- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Group companies

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

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after

April 1, 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

m. Inventories

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

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

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

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

n. Retirement and other employee benefits

(i) Provident Fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Holding Group and its Indian Subsidiaries for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting

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date. The scheme is funded with an insurance Group in the form of qualifying insurance policy. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

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

(iii) Leave encashment

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

The Holding Company and its Indian subsidiaries treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

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

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

o. Tax Expense

Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or

loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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, 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 to allow all or part of the deferred tax asset to be utilised

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.

Sales/ value added taxes / GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales / value added taxes / GST paid, except:

- a) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- b) When receivables and payables are stated with the amount of tax included

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet

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

Provision for uncertain income tax positions/treatments are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. This requires the application of judgement as to the ultimate outcome. Judgements mainly relates to treatment of incentives (e.g. sales tax incentive), expenditure deductible / disallowances for tax purposes.

p. Segment reporting

(i) Identification of segment

Operating segments are reported in the manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group.

(ii) Segment accounting policies

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

q. Earnings per share (EPS)

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

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

r. Provisions

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

s. Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

t. Cash and cash equivalents

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

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

u. Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or

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liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

v. Non-current assets held for sale

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

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sale of such assets, its sale is highly probable; and it will

genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

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

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

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

w. Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the Group for the period, the nature and amount of such items is disclosed separately under the head exceptional item.

x. Significant accounting estimates and assumptions

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions

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about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 34
- Financial risk management objectives and policies Note 33
- Sensitivity analyses disclosures Notes 33

Useful Lives of Property, Plant & Equipment

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

Impairment of non-financial assets

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

Taxes

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

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination

of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

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

Fair value measurement of financial instruments

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

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

Impairment of financial assets

The impairment provisions for financial assets depending on their classification are based on assumptions about risk of default, expected cash loss rates, discounting rates applied to these forecasted future cash flows, recent transactions. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Powder factor deductions

The Group estimate provision for powder factor on sales made to certain customers which is generally the

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

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 which is reduced from the sales of the period.

A significant estimate is involved to establish the percentage of blast output achieved, the settlement of which happens in future as per the terms of contract and mutual agreement.

Receivables under Package Scheme of Incentives 2007 and 2013 (PSI)

The Group is eligible to claim benefits under Package Scheme of Incentives 2007 and 2013, in the form of State Government GST / Sales tax subsidy / reimbursement of provident fund. The eligibility of the benefits are subject to the Group confirming the terms and conditions mentioned in the eligibility certificate. The Group uses judgement to establish the recoverability and the timings of the receipts.

Lease

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available such as for subsidiaries that do not enter into financing transactions or when they need to be adjusted to reflect the terms and conditions of the lease for example, when leases are not in the subsidiary's functional currency. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

2.3 Changes in accounting standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022.

- Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37
- Reference to the Conceptual Framework - Amendments to Ind AS 103
- Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16
- Ind AS 101 First-time Adoption of Indian Accounting Standards - Subsidiary as a first-time adopter
- Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- Ind AS 41 Agriculture - Taxation in fair value measurements

These amendments had no impact on the accounting policies and disclosures made in the consolidated financial statements of the Company.

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for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A : Property, Plant and Equipment

	Land	Buildings	Furniture and Fixture	Plant and Machinery	Vehicles	Office Equipment and Computers	Total
Year ended March 31, 2022							
Opening gross carrying amount as at April 01, 2021 ¹	151.11	687.55	21.02	595.04	54.36	19.25	1,528.33
Exchange differences	0.03	(4.40)	(0.76)	(5.30)	0.28	0.07	(10.08)
Additions	5.24	109.19	2.09	181.72	18.06	6.30	322.60
Asset held for sale (refer note 3D)	(2.91)	-	-	-	-	-	(2.91)
Other Adjustment	-	-	-	(0.04)	-	-	(0.04)
Disposals	-	(0.07)	-	(7.27)	(3.18)	(0.37)	(10.89)
Assets written off*	-	(4.63)	(0.28)	(1.77)	-	0.27	(6.41)
Closing gross carrying amount as at March 31, 2022	153.47	787.64	22.07	762.38	69.52	25.52	1,820.60
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2021 ¹	-	101.26	7.95	170.47	21.78	10.39	311.85
Depreciation charge for the year	-	32.44	2.00	50.11	8.30	3.22	96.07
Disposals	-	-	-	(1.44)	(1.88)	(0.08)	(3.40)
Assets written off**	-	(2.16)	(0.24)	(1.02)	-	0.00	(3.42)
Exchange differences	-	1.10	0.13	1.33	0.46	0.08	3.10
Closing accumulated depreciation as at March 31, 2022	-	132.64	9.84	219.45	28.66	13.61	404.20
Net carrying amount as at March 31, 2022	153.47	655.00	12.23	542.93	40.86	11.91	1,416.40
Year ended March 31, 2023							
Opening Gross carrying amount as at April 01, 2022	153.47	787.64	22.07	762.38	69.52	25.52	1,820.60
Exchange differences	(0.38)	(26.17)	(0.49)	(4.08)	(0.41)	0.32	(31.21)
Additions	47.63	95.89	5.30	126.15	28.38	9.29	312.64
Disposals	(0.23)	(0.26)	-	(4.00)	(3.05)	(1.36)	(8.90)
Assets written off*	-	(1.71)	(0.03)	(5.77)	-	(0.13)	(7.64)
Closing gross carrying amount as at March 31, 2023	200.49	855.39	26.85	874.68	94.44	33.64	2085.49
Accumulated depreciation							
Opening accumulated depreciation as at April 01, 2022	-	132.64	9.84	219.45	28.66	13.61	404.20
Depreciation charge for the year	-	36.34	2.65	58.92	9.67	4.25	111.83
Disposals	-	-	-	(2.33)	(1.86)	(1.29)	(5.48)
Assets written off*	-	(0.67)	(0.03)	(4.10)	-	(0.11)	(4.91)
Exchange differences	-	(36.99)	(1.57)	3.96	0.20	0.21	(34.19)
Closing accumulated depreciation as at March 31, 2023	-	131.32	10.89	275.90	36.67	16.68	471.45
Net carrying amount as at March 31, 2023	200.49	724.07	15.96	598.78	57.77	16.96	1,614.04

* Amount is less than ₹ 0.01

¹ Gross carrying amount and accumulated depreciation have been regrouped and netted in line with deemed cost exemption opted out by the Group as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Group.

The above property, plant and equipments are subject to first pari passu charge on the non current loans from banks and second Pari Passu charge on the working capital loans, both present and future (refer note 14A).

The amount of borrowing costs capitalised during the year ended March 31, 2023 was ₹ 3.28 (March 31, 2022: ₹ 1.88). The rate used to determine the amount of borrowing costs eligible for capitalisation is 7.14% - 7.63%, which is the effective interest rate of the borrowing made specifically to acquire/constructing the qualifying assets (refer note 25).

* The Group has discarded certain assets based on the physical verification conducted. During the year ended on March 31, 2023, the loss on such assets is ₹ 2.73 (net) (March 31, 2022: ₹ 2.99) in Building, Furniture and Fixture, Office Equipment and Plant & Machinery due to wear and tear over a period of time.

Land includes Rs. 10.36 crore located in Chakdoh, Taluka - Katol, and Bazargaon, Taluka - Nagpur (Rural) District - Nagpur pertaining to protected forest land which is held in the name of Revenue and Forest Department - Government of Maharashtra since 01.01.2020.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 3A: Capital Work in Progress

	Freehold Land	Buildings	Furniture, fittings and Equipment	Plant and Machinery	Vehicles	Office Equipments	Total
Year Ended March 31, 2022							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2021 ¹	1.07	76.67	0.43	197.64	5.84	2.70	284.35
Additions	8.61	101.48	1.30	114.30	2.95	9.43	238.07
Addition in Exchange differences	0.23	1.39	0.01	1.88	0.01	0.44	3.95
Less:- Capitalisation	(5.36)	(108.18)	(1.56)	(171.13)	(8.64)	(10.36)	(305.24)
Closing gross carrying amount as at March 31, 2022	4.54	71.36	0.18	142.69	0.16	2.20	221.13
Year Ended March 31, 2023							
Gross carrying amount							
Opening gross carrying amount as at April 1, 2022 ¹	4.54	71.36	0.18	142.69	0.16	2.20	221.13
Additions	56.15	111.04	4.22	152.71	26.81	8.63	359.56
Addition in Exchange differences	(4.81)	1.75	0.05	(1.43)	(0.33)	(0.08)	(4.85)
Less:- Capitalisation	(47.63)	(97.05)	(3.83)	(113.60)	(24.12)	(8.77)	(295.00)
Asset Written off/Provision*	-	(0.98)	-	(0.46)	-	-	(1.44)
Closing gross carrying amount as at March 31, 2023	8.25	86.12	0.62	179.91	2.52	1.98	279.40

The Group has written off/ provided for certain assets based on management assessment. During the year ended on March 31, 2023, the loss is ₹ 1.44 (net) (March 31, 2022: Nil)

Note 3 A.1 : Capital Work in Progress (CWIP) ageing schedule

A. CWIP ageing as on March 31, 2023

(a) CWIP ageing schedule

	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	151.02	38.75	29.85	59.52	279.15
- Projects temporarily suspended	-	-	-	0.25	0.25
Total	151.02	38.75	29.85	59.77	279.40

(b) CWIP overdue completion schedule

	To be completed in				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Bulk Project at Badsoda	0.25	-	-	-	0.25

B. CWIP ageing as on March 31, 2022

(a) CWIP ageing schedule

	Amount in CWIP for a period of				
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
- Projects in Progress	113.08	43.63	31.85	31.40	219.96
- Projects temporarily suspended	0.01	-	-	1.16	1.17
Total	113.09	43.63	31.85	32.56	221.13

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

(b) CWIP overdue completion schedule

	To be completed in				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
Bulk Project at Badsoda	1.17	-	-	-	1.17

Note 3B: Goodwill

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	9.89	9.56
Foreign currency exchange gain/(loss)	0.77	0.33
Balance at the end of the year	10.66	9.89

Impairment test for goodwill

Goodwill acquired through business combination has been considered for impairment testing."

The recoverable value of goodwill relating to Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi ("SPMS") ₹ 5.38, Solar Mining Services Pty Ltd -Australia ('SMS-Aus') ₹ 4.03 and Solar Venture Company Limited ('SVC') ₹ 0.54 as at March 31, 2023, for impairment assessment has been calculated based on value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a four-year period.

Long-term growth rate for cash flows beyond three years have been considered in the range of 1% - 2%.

As a result of this analysis, management has concluded the recoverable value of CGUs exceed the carrying value of CGU (including goodwill).

Key assumptions used for value in use calculation and their sensitivity to changes

- Sales growth rate
- Discount rates

Sales growth rate: Sales growth rate has been considered at an average annual growth rate over the four-year forecast period; based on past performance and management's expectation of market development.

Discount rates - Discount rates represent the current market assessment of the risks specific to SPMS, SMS-Aus and SVC, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in cash flow estimates. The discount rate calculation is based on specific circumstances of the Group, SPMS and SMS-Aus and SVC is derived from its weighted average cost of capital (WACC) of each of the entities. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the entity's investors. The cost of debt is based on the interest bearing borrowings the entity is obliged to service. Adjustments to discount rates are made to factor to specific amount and timing of the future tax flows in order to reflect a post-tax discount rate.

The Management has considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of SPMS and SMS-Aus and SVC CGUs to exceed its recoverable amount.

The remaining amount of goodwill of ₹ 0.71 (March 31, 2022 ₹ 0.71) (relating to different CGUs individually immaterial) have been evaluated based on the cash flow forecasts of the related CGUs and the recoverable amounts of the CGUs exceeded their carrying amounts.

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Note 3C : Other Intangible Asset and Intangible assets under development

	Software & License	Product Development Cost	Others ²	Total
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2021 ¹	5.56	15.98	33.54	55.08
Addition	2.87	-	9.64	12.51
Gross carrying amount as at March 31, 2022	8.43	15.98	43.18	67.59
Accumulated amortisation				
Opening accumulated depreciation as at April 01, 2021 ¹	1.95	5.88	10.76	18.59
Amortisation for the year	1.17	3.19	3.68	8.04
Accumulated amortization as at March 31, 2022	3.12	9.07	14.44	26.63
Net carrying amount as at March 31, 2022	5.31	6.91	28.74	40.96
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount as at April 01, 2022	8.43	15.98	43.18	67.59
Addition	2.37	14.44	0.64	17.45
Gross carrying amount as at March 31, 2023	10.80	30.42	43.82	85.04
Accumulated amortisation				
Opening accumulated amortisation as at April 01, 2022	3.12	9.07	14.44	26.63
Amortisation for the year	1.77	3.90	4.62	10.29
Accumulated amortization as at March 31, 2023	4.89	12.97	19.06	36.92
Net carrying amount as at March 31, 2023	5.91	17.45	24.76	48.12

Note 3C: Intangible Assets under development

	Transfer of Technology (ToT)	Software & Licence	Product development Cost	Total
Gross carrying amount				
Opening carrying amount as at April 1,2021	3.78	1.87	4.89	10.54
Additions	5.97	1.13	4.11	11.21
Less:- Capitalisation	(9.64)	(2.87)	-	(12.51)
Closing Carrying amount as at March 31, 2022	0.11	0.13	9.00	9.24
Year Ended March 31, 2023				
Gross carrying amount				
Opening Carrying Amount as at April 1, 2022	0.11	0.13	9.00	9.24
Additions	0.54	4.87	5.44	10.85
Less:- Capitalisation	(0.64)	(2.38)	(14.44)	(17.46)
Closing Carrying amount as at March 31, 2023	0.01	2.62	-	2.63

¹ Gross carrying amount and accumulated amortisation have been regrouped and netted in line with deemed cost exemption opted out by the Group as per Ind AS, with effect from April 1, 2015 i.e. date of transition to Ind AS for the Group.

² Others represents Cast Booster Technical know-how for limited period of 5 Years, Transfer of Technology (TOT) by the Defence Research and Development Organisation (DRDO) to the Company for manufacturing of products for Indian Armed Forces for limited period of 10 years and Transfer of Technology of Multi Role Precision Kill Systems by Godavri Explosives Limited for a limited period of 5 years .

** The Company has discarded an asset based on the technical evaluation. During the year ended on March 31, 2023, the loss on such assets is ₹ Nil (March 31 2022 ₹ 0.38) on software and license.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

3CA. Intangible Asset Under Development(IAUD) ageing Schedule

A. IAUD ageing as on March 31, 2023

(a) IAUD ageing schedule

	Amount in IAUD for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	2.63	-	-	-	2.63
- Projects temporarily suspended	-	-	-	-	-
Total	2.63	-	-	-	2.63

(b) IAUD overdue completion schedule

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

B. IAUD ageing as on March 31, 2022

(a) IAUD ageing schedule

	Amount in IAUD for a period of				Total
	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
- Projects in Progress	4.34	3.38	0.70	0.82	9.24
- Projects temporarily suspended	-	-	-	-	-
Total	4.34	3.38	0.70	0.82	9.24

(b) IAUD overdue completion schedule

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

Note 3D Leases

Group as Lessee

The Group has lease contracts for Office buildings, Leasehold land, Warehouse and Vehicles. Leases of office building generally have lease terms between 2 and 10 years, leasehold land generally have lease terms between 30 and 99 years, warehouse generally have lease terms between 2 and 5 years, vehicles generally have lease terms between 2 and 4 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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

A. Right-of-use assets

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

	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2022						
As at April 01, 2021	2.67	16.28	4.02	0.02	2.01	25.00
Additions	4.30	1.19	1.31	-	1.92	8.72
Foreign exchange adjustments	(0.24)	0.37	(0.79)	(0.01)	(0.43)	(1.09)
Disposals	-	-	-	-	(1.95)	(1.95)
Depreciation*	(2.14)	(0.96)	(1.19)	(0.00)	(0.91)	(5.20)
As at March 31, 2022	4.59	16.88	3.35	0.01	0.64	25.48

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

A. Right-of-use assets (Contd..)

	Office Buildings	Leasehold land	Warehouse	Residential premises	Vehicle	Total
Year ended March 31, 2023						
As at April 01, 2022	4.59	16.88	3.35	0.01	0.64	25.48
Additions	4.42	0.51	1.40	-	2.13	8.46
Foreign exchange adjustments	0.74	(0.50)	0.83	0.01	1.79	2.87
Disposals	(0.33)	(0.62)	(0.71)	-	-	(1.66)
Depreciation *	(2.39)	(0.99)	(1.92)	(0.00)	(0.83)	(6.14)
As at March 31, 2023	7.03	15.28	2.95	0.02	3.73	29.01

* Amount is less than ₹ 0.01 in case of residential premises

B. Lease Liabilities-Other financial liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	March 31, 2023	March 31, 2022
As at April 01, 2022	21.89	21.42
Additions	8.42	3.69
Accretion of interest	1.99	1.76
Foreign exchange adjustments	(0.17)	2.03
Payments	(6.69)	(7.01)
As at March 31, 2023	25.45	21.89
Current	6.50	4.38
Non-current	18.95	17.51

The maturity analysis of lease liabilities are disclosed in Note 33.

The effective interest rate for lease liabilities is 6.24 % to 24 %, with maturity between 2023-2099.

The following are the amounts recognised in profit or loss:

	March 31, 2023	March 31, 2022
Depreciation expense of right-of-use assets	6.14	5.20
Interest expense on lease liabilities	1.99	1.76
Expense relating to short-term leases (included in other expenses)	9.71	11.96
Total amount recognised in profit or loss	17.84	18.92

The Group had total cash outflows for leases of ₹ 18.06 in March 31, 2023 (₹ 20.53 in March 31, 2022).

Note 3E: Non Current Assets classified as held for sale

	March 31, 2023	March 31, 2022
Freehold Land	-	2.91
Total	-	2.91

During the year, the Group has disposed off the freehold land which was previously held for setting up manufacturing plant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 4 : Investments

Non-current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unquoted					
Investment carried at Fair Value through Profit and Loss					
Investment in Equity instruments of Others					
Ganga Care Hospital Limited	₹ 10	1,10,000	1,10,000	0.43	0.11
Bravo Business Agency SARL	USD 100	20	20	0.01	0.01
Investment in Venture Capital Fund (Unquoted)					
Kotak India Growth Fund II	₹ 1,00,000	500	500	0.61	0.53
Quoted					
Investment in Mutual Fund (Quoted)					
ICICI Prudential Short Term Fund Direct Plan		10,440.14	13,059.21	0.06	0.07
				1.11	0.72
Investment carried at Fair Value through Other Comprehensive Income					
Series A1 Compulsorily Convertible Preference Shares of Skyroot Aerospace Private Limited	₹ 1	19,300	19,300	49.91	17.50
Equity Shares of Skyroot Aerospace Private Limited*	₹ 1	5	5	0.01	0.00
(refer note below)					
		19,305	19,305	49.92	17.50
Investment carried at cost					
Investment in Equity Instruments of Associate :					
Equity shares of Zmotion Autonomous System Private Limited	₹ 1	8,75,880	-	27.48	-
				78.51	18.22
				78.51	18.22
Aggregate amount of Investments					
Aggregate amount of impairment in value of investments				-	-

* Amount is less than ₹ 0.01

Current investments

	Face value	Number of Shares/Units		Amount	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Unquoted					
Investment carried at fair value through profit & loss					
Investment in equity instruments (fully paid-up) :					
Edserv Soft System Ltd.**	₹ 10	3,500	3,500	-	-
Shree Ashtavinayak Cine Vision Ltd.**	₹ 1	5,000	5,000	-	-
(**Under liquidation)					
Investment in Mutual Funds (fully paid-up)					
SBI Overnight Fund (Direct Growth)	₹ 10	54,814.26	-	20.00	-
Aggregate amount of unquoted investments and market value thereof (refer note 33)				20.00	-

Note :- Investment in Skyroot Aerospace Private Limited has been classified as fair value through other comprehensive income as it is a strategic investment for the Company and is not held for trading purpose. Accordingly fair value gain amounting to Rs. 32.42 Cr has been accounted in other comprehensive income for the year ended March 31, 2023.

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for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 5 : Loans

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loans to				
- Related parties (refer note 30C)	-	17.14	-	15.80
- Employees	-	-	0.95	-
- Others	11.76	-	7.28	-
Total loans	11.76	17.14	8.23	15.80

Notes:

- Loans are non derivative financial assets which generate a fixed or variable interest income for the group. The carrying value may be affected by changes in the credit risk of the counterparties.
- No Loans receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any Loans receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Note 6 : Other financial assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Derivative Instruments at fair value through profit or loss				
Fair valuation of derivative contracts (refer note 32)	-	-	0.82	-
	-	-	0.82	-
Derivative Instruments at fair value through OCI				
Interest rate swaps (refer note 32)	9.21	-	5.92	-
	9.21	-	5.92	-
Others				
State Government Incentive Receivables	15.20	149.97	64.71	124.33
Other receivables	0.98	-	7.99	-
Other deposits	1.42	-	-	0.38
Security Deposits and Earnest Money Deposits	9.58	9.44	13.49	5.94
Interest accrued from Others	-	-	0.03	-
Interest accrued from related party (refer note 30C)	-	-	-	4.03
Interest accrued but not due on fixed deposit	0.29	-	0.18	-
	27.47	159.41	86.40	134.68
	36.68	159.41	93.14	134.68

Note:

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 7 : Trade receivables

	March 31, 2023	March 31, 2022
Trade receivables	898.20	599.32
Less: Impairment allowance	(72.92)	(58.22)
	825.28	541.10

Break-up of security details

	March 31, 2023	March 31, 2022
Secured, considered good	10.56	36.76
Unsecured, considered good	874.00	535.83
Trade Receivables which have significant increase in credit risk	-	6.56
Trade Receivables - credit impaired	13.64	20.17
	898.20	599.32
Impairment allowance		
Unsecured, considered good	(59.28)	(31.49)
Trade Receivables which have significant increase in credit risk	-	(6.56)
Trade Receivables - credit impaired	(13.64)	(20.17)
	(72.92)	(58.22)
	825.28	541.10

Trade receivable Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment - March 31, 2023					Total
		<6 months	6 months -1 Year	1-2 Years	2 - 3 Years	>3 years	
(i) Undisputed Trade receivables - considered good	452.28	359.88	39.26	27.57	5.59	-	884.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	0.26	-	-	3.68	2.66	6.61
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	3.76	3.27	7.03
Total	452.28	360.14	39.26	27.57	13.03	5.93	898.20

	Not Due	Outstanding for following periods from due date of payment - March 31, 2022					Total
		<6 months	6 months -1 Year	1-2 Years	2 - 3 Years	>3 years	
(i) Undisputed Trade receivables - considered good	366.72	152.68	37.16	5.82	8.93	0.79	572.10
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	6.56	6.56
(iii) Undisputed Trade Receivables – credit impaired*	-	0.00	-	2.55	4.36	9.57	16.48
(iv) Disputed Trade receivables - considered good	-	-	-	0.27	0.22	-	0.49
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	3.69	-	3.69
Total	366.72	152.68	37.16	8.64	17.20	16.92	599.32

* Amount is less than ₹ 0.01

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Trade receivable Ageing Schedule (Contd..)

Notes:

- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person, nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 0 to 180 days.
- There are no "unbilled" trade receivables, hence the same are not disclosed in the ageing schedule.

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

	March 31, 2023	March 31, 2022
As at April 01	58.22	69.58
Provision for expected credit losses	21.86	(12.70)
Currency translation difference	(7.16)	1.34
As at March 31	72.92	58.22

Note 8. Cash and Bank balances

	March 31, 2023	March 31, 2022
Cash and cash equivalents		
Balances with banks		
in current accounts	241.68	82.37
Deposit with Bank	2.95	0.91
Funds in transit #	-	1.00
Cash in hand	0.41	0.39
	245.04	84.67

Bank balances other than cash and cash equivalents

	March 31, 2023	March 31, 2022
Balances with Banks with original maturity of more than three months but less than 12 months	4.76	4.65
Balances with Bank held as margin money against bank guarantee & other commitments	10.24	9.38
Earmarked balances with banks*	0.05	0.05
	15.05	14.08
Total cash and bank balances	260.09	98.75

*The Holding company can utilise this balance only towards settlement of unclaimed dividend.

#Amount remitted by one bank account of the Holding Company credited in other bank account of the Holding Company subsequently

Note 9A: Deferred tax Assets

The balance comprises temporary differences attributable to:

	March 31, 2023	March 31, 2022
Allowance for doubtful debts - trade receivables	0.20	2.01
MAT credit	1.67	0.46
Property, plant and equipments	(5.18)	(0.34)
Tax Losses	86.62	81.35
Right to use of assets and Lease liabilities	(0.72)	(0.81)
Employee benefit obligations	1.27	(0.05)
Other *	43.65	12.26
	127.51	94.88

* Includes deferred tax on stock reserve

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Reconciliation of deferred tax assets:

	March 31, 2023	March 31, 2022
Opening balance	94.88	70.29
Tax income/(expense) during the period recognised in statement of profit or loss	43.23	19.87
Effect of foreign exchange gain/(loss)	(10.60)	4.72
Closing balance	127.51	94.88

Note 10: Inventories

	March 31, 2023	March 31, 2022
Raw materials and packing materials (Includes stock in transit of ₹ 132.93 (March 31, 2022 : ₹ 91.48))	787.98	461.39
Work-in-progress (includes in transit of ₹ Nil (March 31, 2022 : ₹ 2.91))	57.12	45.57
Finished goods (Includes stock in transit of ₹ 6.99 (March 31, 2022 : ₹ 6.19))	132.15	60.35
Stock-in-trade (Includes stock in transit of ₹ 18.63 (March 31, 2022 : ₹ 29.10))	89.40	121.50
Stores and spares (Includes stock in transit of ₹ 0.38 (March 31, 2022 : ₹ 0.42))	26.13	23.93
Project inventory-in-progress	5.21	6.13
	1097.99	718.87

Value of inventories above is stated after provision of ₹ 12.63 (previous year ₹ 5.79) for write down to net realisable value and provision for old / slow moving and obsolete items.

Note 11: Other assets

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Capital advances	-	138.53	-	43.11
Prepayments	20.40	-	19.89	-
Deposit with insurance company*	0.00	-	-	-
Advances to suppliers for goods & services	115.93	-	123.42	-
Advances to staff	2.06	-	1.73	-
Balances with revenue authorities	110.71	0.60	55.41	0.20
Other receivables	0.45	-	0.41	-
	249.55	139.13	200.86	43.31

* Amount is less than ₹ 0.01

Note 12: Equity share capital

	Number of Shares		Amount	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Authorised equity share capital (face value ₹ 2 each)	13,50,00,000	13,50,00,000	27.00	27.00
	13,50,00,000	13,50,00,000	27.00	27.00
Issued, Subscribed and fully paid equity share capital (face value ₹ 2 each)	9,04,90,055	9,04,90,055	18.10	18.10
	9,04,90,055	9,04,90,055	18.10	18.10

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

(a) Movements in equity share capital

	Number of Shares	Amount
As at March 31, 2021	9,04,90,055	18.10
As at March 31, 2022	9,04,90,055	18.10
As at March 31, 2023	9,04,90,055	18.10

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

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

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

Name of the shareholder	% holding		No of shares	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Shri Manish Nuwal	38.93%	38.93%	3,52,32,069	3,52,32,069
Shri Kailashchandra Nuwal	23.08%	23.08%	2,08,82,963	2,08,82,963
Sbi Focused Equity Fund	7.05%	7.05%	63,83,835	63,75,788
Smt. Indira Devi Nuwal	6.15%	6.15%	55,68,230	55,68,230

As per records of the Holding 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.

(e) Details of Shares held by promoters :-

As at March 31, 2023

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	3,52,32,069	-	3,52,32,069	38.93%	0.00%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	32,38,254	-	32,38,254	3.58%	0.00%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
	Total	6,61,91,271	-	6,61,91,271		

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

As at March 31, 2022

Equity shares of ₹ 2 each fully paid

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
1	Shri Manish Nuwal	2,52,32,069	1,00,00,000	3,52,32,069	38.93%	11.05%
2	Shri Kailashchandra Nuwal	2,08,82,963	-	2,08,82,963	23.08%	0.00%
3	Shri Satyanarayan Nuwal	1,32,38,254	(1,00,00,000)	32,38,254	3.58%	-11.05%
4	Smt Indira Kailashchandra Nuwal	55,68,230	-	55,68,230	6.15%	0.00%
5	Smt Seema Manish Nuwal	12,43,440	-	12,43,440	1.37%	0.00%
6	Shri Rahul Kailashchandra Nuwal	25,315	-	25,315	0.03%	0.00%
7	Smt Leeladevi Satyanarayan Nuwal	1,000	-	1,000	0.00%	0.00%
	Total	6,61,91,271	-	6,61,91,271		

Note 12A. Other equity

Securities premium	
As at April 01, 2021	149.13
Movement for the year 2021-22	-
As at March 31, 2022	149.13
Movement for the year 2022-23	-
As at March 31, 2023	149.13

Retained earnings	
As at April 01, 2021	820.35
Add : Profit for the year	441.28
Less : Transfer to general reserve	(104.01)
Less : Remeasurement loss on defined benefit plans	(0.15)
Less: Change in non controlling interest on acquisition of additional stake in Solar Mining Services Pty Limited - Australia	(8.68)
Less : Final Dividend	(54.29)
As at March 31, 2022	1,094.50
Add : Profit for the year	757.19
Less : Transfer to general Reserve	(119.76)
Less : Remeasurement loss on defined benefit plans	(0.33)
Less : Opening reserve transferred from NCI to Owners upon change in NCI holding	(4.47)
Add: Impact of restatement of subsidiaries in Hyper-inflationary economy (refer note 38)	24.15
Less : Final Dividend	(67.87)
As at March 31, 2023	1,683.41

Capital reserve	
As at April 01, 2021	16.54
Movement for the year 2021-22	-
As at March 31, 2022	16.54
Movement for the year 2022-23	-
As at March 31, 2023	16.54

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 12A. Other equity (Contd..)

General reserve	
As at April 01, 2021	727.05
Add : Transfer from retained earnings	104.01
As at March 31, 2022	831.06
Add : Transfer from retained earnings	119.76
As at March 31, 2023	950.82

Cash flow hedge reserve	
As at April 01, 2021	0.47
Add : Net movement in Cash Flow Hedges	5.32
As at March 31, 2022	5.79
Add : Net movement in Cash Flow Hedges	3.20
As at March 31, 2023	8.99

Investment in Equity Instrument recognised as fair value through OCI	
As at April 01, 2021	-
Movement for the year 2021-22	-
As at March 31, 2022	-
Movement for the year 2022-23	24.87
As at March 31, 2023	24.87

Foreign currency translation reserve	
As at April 01, 2021	(152.23)
Add : Exchange differences on translation of foreign operations	(48.61)
As at March 31, 2022	(200.84)
Add : Exchange differences on translation of foreign operations	(40.68)
As at March 31, 2023	(241.52)

Total other equity	
As at April 01, 2021	1,561.31
Movement for the year 2021-22	334.87
As at March 31, 2022	1,896.18
Movement for the year 2022-23	696.06
As at March 31, 2023	2,592.24

Nature and purpose of reserves

1 Securities premium

Securities premium is used to record the premium on issue of shares. This can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

2 Capital reserve

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

3 General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

4 Cash flow hedge reserve

The Group uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated with borrowings. For hedging foreign currency and interest rate risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit and loss when the hedged item affects profit and loss (e.g. interest payments).

5 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

6 Retained Earnings

Retained earnings are the profits that the Group has earned till date, less transfers to General Reserve and payment of dividend.

7 Investment in Equity Instruments recognised as fair value through OCI

The Group has classified certain non-current investments as fair value through other comprehensive income as it is a strategic investment and is not held for trading purpose. The cumulative amount is classified to retained earnings when the investment is disposed off.

12B. Distribution made and proposed

	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared:		
Final dividend for the year ended on March 31, 2022: ₹ 7.50 per share (March 31, 2021 ₹ 6 per share)	67.87	54.29
	67.87	54.29
Proposed dividends on Equity shares *		
Final cash dividend for the year ended on March 31, 2023: ₹ 8.00 per share (March 31, 2022: ₹ 7.50 per share)	72.39	67.87
	72.39	67.87

* Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability.

Note 13. Non-current borrowings

	March 31, 2023	March 31, 2022
Secured Borrowings carried at amortised cost		
Term loans from banks		
Term loan	759.10	594.85
Sales tax deferral loan	0.06	0.13
Unsecured Borrowings carried at amortised cost		
From Others		
Deferred Purchase Consideration	23.13	25.11
Foreign currency loan	7.69	12.86
Non-Convertible Debentures (NCD)	55.11	-
	845.09	632.95

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 13. Non-current borrowings (Contd..)

	March 31, 2023	March 31, 2022
Less:		
Current maturities of long-term debt (refer note 14)	(360.51)	(193.28)
Current maturities of Deferred Purchase Consideration (refer note 13)	(4.27)	-
Interest accrued but not due on non-current borrowings (refer note 16A)	(7.60)	(3.81)
	472.71	435.86

Note 14: Current borrowings

	March 31, 2023	March 31, 2022
Secured at amortised cost		
From banks		
Foreign currency working capital loan	-	34.97
Working capital loan	269.45	201.84
Current maturities of long-term debt (refer note 13)	340.51	193.44
Interest accrued but not due	0.04	-
Unsecured		
From banks		
Working capital loan	63.26	-
From others		
Current maturities of long term debt (NCD) (refer note 13)	20.00	-
Current maturities of Deferred Purchase Consideration (refer note 13)	4.27	-
Interest accrued but not due	1.27	-
Foreign currency loan	0.30	0.26
	699.10	430.51
Less:		
Interest accrued but not due on current borrowings (refer note 16A)	(2.58)	(0.26)
	696.52	430.25

The Indian rupee working capital loan from Bank carries rate of 6.92% to 7.80%

Loans taken by overseas subsidiaries are taken at interest rate of 3 months LIBOR+10% bps, 6 months SOFR+1.5%, and certain loans are from 6.62% to 30.25% and a loan is at South African prime lending rate compounded monthly.

Security

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

The loans taken by overseas subsidiaries are secured either by charge on local assets or corporate guarantee of ultimate holding company.

Loan covenants

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

The other loans do not carry any debt covenants. The Group has not defaulted on any loans payable.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of Non current Borrowing

	Maturity date	Terms of repayment	March 31, 2023	March 31, 2022
Secured				
Rupee Term Loan from Bank (Note i)	September 13, 2024	Repayable in twelve quarterly instalment starting after moratorium period of 24 months	25.00	41.67
Rupee Term Loan from Bank (Note iii)	September 26, 2026	Repayable in sixteen quarterly instalment starting after moratorium period of 12 months	175.00	80.00
Rupee Term Loan from Bank (Note ii)	August 31, 2025	Repayable in twenty quarterly instalment	23.56	32.98
Indian rupee term loan	December 17, 2024	Repayable in twelve equal quarterly instalment, starting after moratorium period of 24 months	29.17	45.83
Indian rupee term loan (Note ii)	December 21, 2023	Repayable in eight equal quarterly instalment after 1 year moratorium	15.00	35.01
Indian rupee term loan (Note iv)	May 31, 2026	Repayable in 48 equal monthly instalment after 1 year moratorium	19.79	25.00
Indian rupee term loan (Note v)	September 6, 2026	Repayable in twelve equal quarterly instalment after 1 year moratorium	100.00	-
Local currency loan (South African Rand) (Note vi)	March 3, 2025	12 Quarterly Payments commencing from the start of 9th quarter from the first disbursement	13.94	38.98
Local currency loan (USD) (Note vii)	June 9, 2024	3 Annual instalments (tranche wise) commencing from October 2021	47.75	81.59
Local currency loan (USD) (Note viii)	March 15, 2026	10 six monthly instalments commencing from September 15, 2021	172.56	212.45
USD equivalent Local currency loan (AUD)(Note ix)	December 31, 2027	Quarterly repayment after 1 year of loan disbursement	39.56	-
Local currency loan (USD) (Note x)	September 05, 2028	20 quarterly instalments commencing from September 5, 2023	92.44	-
Unsecured				
Non Convertible Debentures (Note xi)	December 23, 2025	Repayable in twelve quarterly instalments (subject to put call option exercisable after 2 years of allotment by debenture holders and Company respectively)	55.00	-
Sales tax deferral loan	April 30, 2024	Repayable as per Sales Tax Deferral Scheme.	0.06	0.13
Others	Mutual consent	Mutual consent	7.69	12.86
Deferred purchase consideration	November 01, 2027	10 quarterly payments commencing from April 2018 for 10 years	22.91	25.12
			839.43	631.62
Interest accrued but not due			5.66	1.33
			845.09	632.95

Note i. The Indian rupee long term loans from bank carries an interest rate of 1 year MCLR

Note ii. The Indian rupee long term loan from bank is linked to 3 month T bill rate with a spread of 164 bps.

Note iii. The Indian rupee long term loan from bank is linked to Repo rate with a spread of 140 bps.

Note iv. The above loans from Bank carry interest linked to repo + 150 bps

Note v. The above loans from Bank carry interest linked to 3 month Tbill +161 bps

Note vi. The above local currency loan carry interest linked to 3 months JIBAR + 340 b.p.s. pa

Note vii. The above local currency loan carry interest linked to 3 months LIBOR + 250 b.p.s. pa

Note viii. The above local currency loan carry interest linked to overnight SOFR + 250 b.p.s. pa

Note ix. The above local currency loan carry interest of 7.2% p.a.

Note x. The above local currency loan carry interest linked to overnight SOFR + 262 b.p.s. pa

Note xi. Non- Convertible Debentures have been issued at fixed rate of 8.20% p.a.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 15 : Trade payables

	March 31, 2023	March 31, 2022
Current		
Trade payables *	341.04	265.31
Acceptances #	147.34	199.55
Trade payables to related parties (refer note 30C)	0.10	0.08
Total Trade payables	488.48	464.94

Break up of trade payables

	March 31, 2023	March 31, 2022
Trade Payables other than related parties (including acceptances)	488.38	464.86
Trade payables to related parties (refer note 30C)	0.10	0.08
	488.48	464.94

	Unbilled	Not due	Outstanding for following periods from due date of payment for 31st March 2023				Total
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
Undisputed dues	0.58	385.94	101.77	0.18	0.02	-	488.48

	Unbilled	Not due	Outstanding for following periods from due date of payment for 31st March 2022				Total
			<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	
Undisputed dues	1.40	381.44	80.46	1.64	-	-	464.94

Notes:

- *Trade payables are non-interest bearing and are normally settled within 0 to 60 days term.
- For terms and conditions with related parties, refer note 30C
- For explanations on the Company's credit risk management processes, refer note 33
- # Acceptances represents credit availed by the Group from banks for payment to suppliers for raw materials purchased by the Group. The arrangements are generally interest-bearing and are payable within two months to one year.

Note 16A : Other current financial liabilities

	March 31, 2023	March 31, 2022
Derivative Instruments at fair value through profit or loss		
Fair valuation of derivative contracts (refer note 32)	0.18	-
	0.18	-
Other financial liabilities at amortised cost		
Interest accrued on non-current borrowings (refer note 13)	7.60	3.81
Interest accrued on current borrowings (refer note 14)	2.58	0.26
	10.18	4.07

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 16A : Other current financial liabilities (Contd..)

	March 31, 2023	March 31, 2022
Others		
Capital creditors	9.72	9.96
Employees related payable (including labour related)	44.08	32.94
Liabilities towards trade discounts	4.39	5.59
Unclaimed dividend	0.05	0.05
	58.24	48.54
	68.60	52.61

Note 17: Other current liabilities

	March 31, 2023	March 31, 2022
Statutory dues payables	63.85	39.17
Liabilities for employee benefit	0.01	-
Contract liabilities	229.60	87.74
Other current liabilities	1.75	1.94
Other advances	-	3.48
	295.21	132.33

Note 18 : Provisions

	March 31, 2023		March 31, 2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Provision for gratuity	2.73	2.64	2.57	1.00
Provision for leave encashment	11.43	-	8.89	-
	14.16	2.64	11.46	1.00

Note 19 : Tax Expenses

The major components of tax expense for the years ended March 31, 2023 and March 31, 2022 are :

Consolidated Statement of profit and loss:

Profit and loss section

	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	312.83	163.30
Adjustment of tax relating to earlier periods	1.20	0.35
Deferred tax:		
Relating to origination and reversal of temporary differences	(23.62)	(11.70)
Tax expense reported in the statement of profit and loss	290.41	151.95

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

OCI section

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

	March 31, 2023	March 31, 2022
Net gain/(loss) on cash flow hedges	0.10	0.19
Net (loss)/gain on remeasurements of defined benefit plans	(0.11)	(0.05)
Remeasurement gain/ (loss) on Investment in equity instruments	7.55	-
Exchange difference on translation of foreign operations	(12.28)	(1.09)
Income tax charged to OCI	(4.74)	(0.95)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023 and March 31, 2022:

	March 31, 2023	March 31, 2022
Accounting profit before tax	1,101.85	607.42
Computed expected tax expense @ standard tax rate in India	276.50	153.35
Effect of:		
Corporate social responsibility expenditure and donation	5.21	4.96
Tax incentives	-	2.40
Income tax for earlier years	1.20	0.35
Tax loss on which deferred tax not recognised	5.20	(2.12)
Effect of permanent differences between book base and tax base	0.48	(3.93)
Relating to Change in tax rate	-	(9.41)
Others	1.82	6.37
Total income tax expense	290.41	151.95

The balance comprises temporary differences attributable to:

Deferred tax relates to the following :

Balance sheet

	March 31, 2023	March 31, 2022
Deferred tax liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting	164.04	150.81
Cash Flow Hedges	0.28	0.03
Leases	0.16	0.20
Derivative Instruments at fair value through profit or loss	(0.05)	0.21
	164.43	151.25
Deferred tax Assets		
Unclaimed tax credit	-	-
Financial assets at fair value through profit or loss	0.23	(0.13)
Provision towards trade receivables	(2.00)	(4.39)
Provision for advances w/off	(1.08)	(0.04)
Provision for write down to net realizable value of inventory	-	(1.01)
Provision for discounting of Non current Asset	(6.03)	(4.98)
Provision on Custom Duty and Statutory Dues	(1.53)	(2.37)
Employee Benefits	(1.15)	(1.36)
Financial assets at fair value through OCI	7.55	-
Other	(1.49)	0.17
	(5.50)	(14.11)
Net deferred tax (assets)/liabilities	158.93	137.14

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Reconciliation of deferred tax liability:

	March 31, 2023	March 31, 2022
Opening balance	137.14	116.42
Tax (income)/expense during the period recognised in statement of profit or loss	19.61	13.16
Effect of foreign exchange gain/(loss)	6.92	(1.30)
Tax (income)/expense during the period recognised in statement of other comprehensive income	(4.74)	(0.95)
Utilisation of unused tax credit	-	9.81
Closing balance	158.93	137.14

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

Note 20 : Revenue from operations

	March 31, 2023	March 31, 2022
Sale of products (Refer note 36)	6,804.35	3,828.51
Other operating revenue*	118.18	119.10
	6,922.53	3,947.61

The Company collects GST on behalf of the Government, hence GST is not included in revenue from operations.

*Includes accrual of income under Package Scheme of Incentives of ₹ 98.63 (previous year ₹ 106.28)

Note 21 : Other income

	March 31, 2023	March 31, 2022
Interest income		
On financial assets carried at amortised cost		
from others	15.17	12.15
On deposits with bank	1.14	0.61
Income tax refund	2.15	-
Profit on sale of investments carried at fair value through profit or loss	1.73	0.41
Net gain on disposal of assets held for sale	0.57	-
Net gain on disposal of property, plant and equipment	2.61	-
Excess provision of impairment on financial assets written back	0.49	-
Net gain on sale of financial assets carried at fair value through profit and loss	0.40	-
Miscellaneous income	7.26	6.49
	31.52	19.66

Note 22A : Cost of materials consumed

	March 31, 2023	March 31, 2022
Raw materials and packing material at the beginning of the year	461.39	240.72
Add: Purchases during the year	4,146.13	2,521.80
Less: Raw material and packing material at the end of the year	(787.98)	(461.39)
	3,819.54	2,301.13

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

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

	March 31, 2023	March 31, 2022
Opening balance		
Work-in progress	45.57	31.47
Finished goods	60.35	62.25
Stock in trade	121.50	88.85
Effect of foreign exchange	(1.22)	3.58
	226.20	186.15
Closing balance		
Work-in progress	57.12	45.57
Finished goods	132.15	60.35
Stock in trade	89.40	121.50
Effect of foreign exchange	(15.08)	(1.22)
	263.59	226.20
	(37.39)	(40.05)

Note 23 : Employee benefit expense

	March 31, 2023	March 31, 2022
Salaries and wages (including bonus)	215.35	172.18
Remuneration to directors	22.12	22.16
Contribution to provident and other funds	14.60	13.01
Staff welfare expenses	7.94	7.17
Total - A	260.01	214.52
Labour charges (including bonus)	92.71	75.11
Total - B	92.71	75.11
Total expense (A+B)	352.72	289.63

Note 24 : Other expenses

	March 31, 2023	March 31, 2022
Consumption of stores and spares	24.76	17.20
Repairs and maintenance :		
Plant and machinery	18.16	11.56
Buildings	9.55	6.21
Others	14.23	12.15
Water and electricity charges	61.64	42.59
Rates and taxes	7.43	7.49
Legal and professional fees	27.17	32.26
Travelling and conveyance	19.39	14.98
Sales commission expenses	42.44	28.52
Freight and forwarding charges	233.68	160.21
Transportation charges	44.19	39.26
Pump truck expenses	21.15	16.31
Security service charges	12.52	11.03
Sales promotion expenses	81.13	31.97
Testing Charges	0.96	4.02
Donations	13.50	13.52
Insurance	17.64	14.60
Advertisement expenses	10.26	4.52

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 24 : Other expenses (Contd..)

	March 31, 2023	March 31, 2022
Impairment of Inventory	10.07	0.22
Directors' sitting fees	0.61	0.41
Exchange differences (net)	79.96	46.19
Impairment loss on property plant & equipment	3.73	3.64
Bad debts written-off	17.67	1.19
Net loss on financial assets mandatorily measured at fair value through profit or loss	-	0.24
Advance/ Investment written off	9.68	-
Sale tax mega project (PF Incentives) written off	4.12	-
Impairment loss/(gain) on financial assets	21.86	(12.70)
Corporate social responsibility expenditure	8.70	7.37
Loss relating to Company's subsidiaries operating in hyperinflationary economy (refer note 38)	47.80	-
Payment to Auditors	2.51	2.84
Net loss on disposal of property, plant and equipment	-	0.86
Miscellaneous expenses (mainly includes bank charges, information technology, insurance, factory, communication, office expenses etc.)	72.01	64.73
	938.52	583.39

Notes 25 : Finance costs

	March 31, 2023	March 31, 2022
Interest on borrowings*		
To banks#	83.39	43.88
Other Interest	5.00	4.61
Interest on lease liabilities	1.99	1.76
	90.38	50.25

*Net of borrowing cost capitalised (refer note 3A)

Includes relating hedge cost

Note 26 : Depreciation and amortization expense

	March 31, 2023	March 31, 2022
Depreciation of property, plant & equipments (refer note 3A)	111.82	96.07
Depreciation - Right-of-use Asset (refer note 3D)	6.14	5.20
Amortization of intangible assets (refer note 3C)	10.30	8.04
Less : Transfer to intangible asset under development	(0.05)	(0.06)
	128.21	109.25

Note 27 : Earnings per share (EPS)

	March 31, 2023	March 31, 2022
Basic and diluted EPS		
Profit attributable to the equity holders of the company for basic and diluted EPS	757.19	441.28
Weighted average number of equity shares for basic and diluted EPS	9,04,90,055	9,04,90,055
Basic and Diluted EPS attributable to the equity holders of the company (₹)	83.68	48.77
Nominal value of shares (₹)	2.00	2.00

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 28: Employee Benefit obligations

Post-employment obligations

Gratuity and other post-employment benefit plan

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

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

The following tables summarises the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the funded status and amount recognised 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, 2023	March 31, 2022
Net Service cost	2.39	2.20
Net interest cost	(0.16)	(0.03)
	2.23	2.17

Other Comprehensive Income

	March 31, 2023	March 31, 2022
Actuarial gain / (loss) on liabilities	(0.08)	(0.23)
Actuarial gain / (loss) on assets	(0.36)	0.03
Closing balance recognized in OCI	(0.44)	(0.20)

The amount recognized in Balance Sheet

	March 31, 2023	March 31, 2022
Present value of funded obligations	26.13	23.11
Fair value of plan assets	22.68	22.28
Net defined benefit liability / (assets) recognized in balance sheet	3.45	0.83

Change in Present Value of Obligations

	March 31, 2023	March 31, 2022
Opening of defined benefit obligations	23.11	20.22
Service cost	2.39	2.20
Interest Cost	1.37	1.09
Benefit Paid	(0.82)	(0.65)
Actuarial (Gain)/Loss on total liabilities	0.08	0.25
Closing of defined benefit obligation	26.13	23.11

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Change in Fair Value of Plan Assets

	March 31, 2023	March 31, 2022
Opening fair value of plan assets	22.28	17.65
Actual Return on Plan Assets	1.16	1.17
Employer Contribution	0.06	4.11
Benefit Paid	(0.82)	(0.65)
Closing fair value of plan assets	22.68	22.28

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

	March 31, 2023	March 31, 2022
Investments with insurer (LIC)	79%	78%
Investments with insurer (ICICI)	21%	22%

The significant actuarial assumptions were as follows :

	March 31, 2023	March 31, 2022
Discount Rate	7.35% to 7.40% p.a	6.81% to 6.92% p.a.
Rate of increase in Compensation levels	5.50% to 8.00% p.a	5.50% to 10.70% p.a
Rate of Return on Plan Assets	6.81% to 6.92% p.a	6.25% to 6.53% p.a.

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

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

Actuarial assumptions

The expected contribution for defined benefit plan for the next financial year will be in line with financial year 2022-23

Sensitivity Analysis

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

	March 31, 2023	Impact (Absolute)	Impact (%)
Base Liability	26.13		
Increase Discount Rate by 0.50%	25.56	(0.57)	-2.17%
Decrease Discount Rate by 0.50%	26.73	0.60	2.31%
Increase Salary Inflation by 1%	27.42	1.29	4.93%
Decrease Salary Inflation by 1%	24.98	(1.15)	-4.40%
Increase in Withdrawal Assumption by 5%	25.88	(0.25)	-0.97%
Decrease in Withdrawal Assumption by 5%	26.55	0.42	1.61%

Notes :

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 29 : Commitments and contingencies

Capital Commitments

	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances)	210.82	44.66

Contingent liabilities

	March 31, 2023	March 31, 2022
Claims against the Group not acknowledged as debts (refer note a)		
Excise related matters	6.24	6.95
Sales tax / VAT related matters	1.18	1.18
Advance License Import and Export obligation	0.50	0.29
Income Tax related matters	0.11	0.11

Note a :

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

Note b :

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

Lease Commitments

The group has taken certain assets on lease for a term generally ranging for a period of 1 year to 5 years.

Future minimum lease rental payables under non-cancellable operating leases are as follows:

	March 31, 2023	March 31, 2022
Lease payments recognised during the year	8.10	6.96
Within one year	6.84	4.61
Later than one year but not later than five years	19.42	17.83
More than five years	0.01	0.05

Note 30: Related Party Disclosures

A Names of related parties and related party relationship :

I Associates

Zmotion Automonus Private Limited

II Entities with joint control or significant influence over the entity

ASTRA Resources Pty Limited

III Key Management Personnel (KMP) (Holding Company)

Shri Satyanarayan Nuwal (Ceased to be Executive Director (KMP) w.e.f., May 04 2022 and currently he is designated as Non Executive Chairman of the Holding Company)

Shri Manish Nuwal (Managing Director and CEO)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 30: Related Party Disclosures (Contd..)

Shri Suresh Menon (Executive Director)

Shri Milind Deshmukh (Executive Director)

Shri Moneesh Agrawal (Joint Chief Financial Officer)

Mrs. Shalinee Mandhana (Joint Chief Financial Officer)

Smt Khushboo Pasari (Company Secretary and Compliance Officer)

III A Relatives of Key Management Personnel (KMP)

Shri Kailashchandra Nuwal

Smt Leeladevi Nuwal

Shri Raghav Nuwal

Smt Seemadevi Nuwal

IV Non Executive Independent Directors**

Shri Amrendra Verma

Smt. Sujitha Karnad

Shri Natrajan Ramakrishnan (Appointed as an Non-Executive Independent Director w.e.f. October 19, 2022)

Shri Jagdish Belwal (Appointed as an Non-Executive Independent Director w.e.f. December 5, 2022)

Shri Dilip Patel (Ceased to be a Non-Executive Independent Director w.e.f. October 19, 2022)

Shri Ajai Nigam (Ceased to be a Non-Executive Independent Director w.e.f. March 3, 2023)

Shri Sanjay Sinha (resolution of his appointment, could not passed in 27th Annual General Meeting)

**Non Executive Independent directors were only paid sitting fees for attending Board & Board Committee meetings for the year 2022-23

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

V Entities where Directors/ Close family members of Directors having control/significant influence (with whom transactions have taken place)

Solar Synthetics Private Limited

VI Other related parties

Post employment benefit plans

Solar Industries India Limited employee group gratuity assurance scheme

Economic Explosives Limited employee group gratuity assurance scheme

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

B. Transactions with related parties during the year

	March 31, 2023	March 31, 2022
Rent paid		
Solar Synthetics Private Limited	0.04	0.03
Total	0.04	0.03
Other Expenditure		
Shri Raghav Nuwal	-	0.03
Total	-	0.03
Interest Income		
ASTRA Resources Pty Limited	-	1.17
Total	-	1.17
Remuneration to KMP #		
Shri Satyanarayan Nuwal	10.65	13.20
Shri Kailashchandra Nuwal ((refer note 30D)	-	-
Shri Manish Nuwal	11.70	6.50
Shri Suresh Menon	1.58	1.09
Shri Anil Kumar Jain (Retired from the position of Director on Aug 21, 2021)	-	0.25
Shri Milind Deshmukh	1.55	0.55
Shri Moneesh Agrawal	0.43	0.30
Mrs. Shalinee Mandhana	0.34	0.22
Mrs. Khushboo Pasari	0.23	0.18
Shri Nilesh Panpaliya(Resigned from the position of Chief Finance Officer and Key Managerial Personnel(KMP) of the company w.e.f May 14,2021)	-	0.04
Total	26.48	22.33

Nature of Transaction	March 31, 2023	March 31, 2022
Sitting fees		
Shri Dilip Patel (Resigned as Non-Executive Independent Director on October 19, 2022)	0.12	0.09
Shri Ajai Nigam(Resigned as Non-Executive Independent Director on March 03, 2023)	0.10	0.08
Shri Amrendra Verma	0.16	0.12
Natrajan Ramkrishna (Appointed as an Non-Executive Independent Director w.e.f. October 19, 2022)	0.04	-
Jagdish C Belwal (Appointed as an Non-Executive Independent Director w.e.f. December 5, 2022)	0.01	-
Shri Sunil Shrivastav (Resigned as Non-Executive Independent Director on Jan 13, 2022)	-	0.04
Smt Sujitha Karnad	0.10	0.06
Shri Sanjay Sinha (resolution of his appointment, could not passed in 27th Annual General Meeting)	0.02	-
Total	0.55	0.39

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

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

	March 31, 2023	March 31, 2022
Loans Given		
ASTRA Resources Pty Limited	17.14	15.80
Total	17.14	15.80
Other financial assets (Accrued interest)		
ASTRA Resources Pty Limited	-	4.03
	-	4.03
Other payables		
Solar Synthetics Private Limited	0.10	0.08
Shri Satyanarayan Nuwal	4.47	5.40
Shri Manish Nuwal	4.58	2.10
Shri Kailashchandra Nuwal (Refer Note number 30D)	0.13	0.13
Shri Rahul Nuwal	-	-
Total	9.28	7.71

D. Mr. Kailash Chandra Nuwal, Executive Director and Vice Chairman of the Holding Company has vacated office of Director with effect from November 7, 2019 on account of failure to make disclosures of his shareholding and directorship in AG Technologies Private Limited in the correct / complete format, either on the date of becoming a director thereof or facilitating, without the prior approval of the Audit Committee, a Rent Agreement between the Holding Company and AG Technologies Private Limited, which was related party.

Based on legal opinions obtained, the Holding Company has concluded that the aforesaid act was a violation of section 184(1) and 184(2) of the Companies Act, 2013, Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 'Policy on Related Party Transactions of the Holding Company'. The Holding Company has intimated the Stock exchanges and filed necessary documents with the Registrar of Companies intimating vacation of office by the said Director.

The audit committee during its meeting held on July 31, 2020 noted that the said transaction was not pre-approved by the audit committee.

Hon'ble NCLT, Mumbai Bench had allowed two prayers of the Shri Kailashchandra Nuwal. The Holding Company had challenged the same before the Hon'ble NCLAT, Delhi Bench, wherein interim order was passed on February 25, 2021 staying the operations of the order passed by Hon'ble NCLT on February 9, 2021. On December 14, 2021, the Hon'ble NCLAT Delhi had dismissed the appeal. The Holding Company challenged the order before the Supreme Court of India by filing an Appeal, in which by way of interim order dated January 10, 2022, Hon'ble Supreme Court has stayed the operation of the impugned orders passed by the Hon'ble NCLT and the Hon'ble NCLAT.

Note 31: Segment Information

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

Geographical Information

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

Revenue from external customers

Location	March 31, 2023	March 31, 2022
India	3,875.79	2,387.42
Outside India	2,928.56	1,441.09
Total	6,804.35	3,828.51

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Revenue from external customers (Contd..)

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

Location	March 31, 2023	March 31, 2022
India	1,643.81	1,348.18
Outside India	479.18	418.22
Total	2,122.99	1,766.40

There is only one customer individually contributing more than 10% of Group's revenue, total amount of revenue from such customer for the year ended on March 31, 2023 is ₹ 1063.53 (March 31, 2022 is ₹ 678.02)

Note 32: Fair Value Measurements

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

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

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

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

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

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

- The Group has not disclosed the fair values of financial instruments such as cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other financial assets (except derivatives), trade payables and other financial liabilities (except derivatives) because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Group has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.
- The fair values of the quoted investments/units of mutual fund schemes are based on market price/net asset value at the reporting date.
- The Group holds derivative financial instruments to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in interest rates. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on inputs that are directly or indirectly observable in the marketplace. The valuation techniques used to value these derivatives include forward pricing and swap models, using present value calculations. These derivatives are marked to market as on the valuation date. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.
- Fair values of the Group's interest-bearing borrowings are determined by using discounted cash flow method using the current borrowing rates. Fair value of such instruments are not materially different from their carrying values. The own non-performance risk as at March 31, 2023 was assessed to be insignificant.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2023 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	28.90	5	-	-	-
Other financial assets (except derivatives)	186.88	6	-	-	-
Trade receivables	825.28	7	-	-	-
Cash and cash equivalents	245.04	8	-	-	-
Bank balances other than cash and cash equivalents	15.05	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.44	4	-	-	0.44
Investment in Venture Capital Fund (unquoted)	0.61	4	-	0.61	-
Investment in mutual funds	0.06	4	0.06	-	-
SBI Overnight Fund (Growth)	20.00	4	-	20.00	-
Fair Value through profit and loss					
Derivative Instruments	9.21	6	-	9.21	-
Fair value through other comprehensive income					
Investment in equity instruments of others (unquoted) (includes compulsory convertible preference shares)	49.92	4	-	-	49.92
Total Financial assets	1,381.39		0.06	29.82	50.36

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2023 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	472.71	13	-	-	-
Current	696.52	14	-	-	-
Trade Payables(including Acceptance)	488.48	15	-	-	-
Lease Liabilities	25.45	16B	-	-	-
Other financial liabilities (except derivatives)	68.42	16A	-	-	-
Derivative Instrument not designated as hedge	0.18	16A	-	0.18	-
Total Financial liabilities	1,751.76		-	0.18	-

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

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for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 32: Fair Value Measurements (Contd..)

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2022 is as follows:

	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Amortised cost					
Loans	24.03	5	-	-	-
Other financial assets (except derivatives)	221.08	6	-	-	-
Trade receivables	541.10	7	-	-	-
Cash and cash equivalents	84.67	8	-	-	-
Bank balances other than cash and cash equivalents	14.08	8	-	-	-
Fair value through profit and loss					
Investment in equity instruments of others (unquoted)	0.12	4	-	-	0.12
Investment in Venture Capital Fund (unquoted)	0.53	4	-	0.53	-
Investment in mutual funds (quoted)	0.07	4	0.07	-	-
Fair value through profit and loss					
Derivative Instruments	0.82	6	-	0.82	-
Fair value through other comprehensive income					
Derivative Instruments	5.92	6	-	5.92	-
Investment in equity instruments of others(unquoted) (includes compulsory convertible preference shares)	17.50	4	-	-	17.50
Total Financial assets	909.92		0.07	7.27	17.62
Financial Liabilities					
Amortised cost					
Borrowings					
Non-current	435.86	13	-	-	-
Current	430.25	14	-	-	-
Trade Payables(including Acceptance)	464.94	15	-	-	-
Lease Liabilities	21.89	16B	-	-	-
Other financial liabilities (except derivatives)	52.61	16	-	-	-
Total Financial liabilities	1,405.55		-	-	-

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

Note 33: Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTPL investments and enters into derivative transactions. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of various identified risks.

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

Notes to Consolidated Financial Statements

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Note 33: Financial risk management objectives and policies (Contd..)

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

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, FVTPL investments and derivative financial instruments. Market risk is attributable to all market risk sensitive financial instruments. The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

Interest Rate Risk

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

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

Name of the instrument	Currency	March 31, 2023	March 31, 2022
Derivatives designated as hedge			
Interest rate swap	USD	9.21	5.92

0.5% changes in interest rate will increase/ decrease the borrowing cost by ₹ 2.36 (Pre-tax)

The Group has investment in Bank deposits and hence is exposed to Interest rate sensitivity.

0.5% changes in interest rate will increase/decrease interest income by ₹ 0.09 .

Foreign Currency Risk

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

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

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

Notes to Consolidated Financial Statements

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Unhedged foreign currency exposures

a) Derivative outstanding as at the reporting date

The Group has borrowings in foreign currency amounting to ₹ 7.99 (March 31, 2022: ₹ 48.09). Accordingly, in order to hedge the foreign currency risk on these borrowings, the Group has taken foreign exchange forward /call spread contracts, which are as follows:

Nominal value of forward contracts & option contracts that hedge monetary liabilities in foreign currencies, and for which no hedge accounting is applied, are recognised in the Statement of profit and loss.

Name of the instrument	Currency	March 31, 2023	March 31, 2022
Derivatives not designated as hedge			
Forward contract	USD	0.94	2.18

Unhedged foreign currency exposure as at the reporting date expressed in INR are as follows:

	March 31, 2023				March 31, 2022			
	USD	SEK *	EURO	GBP	USD	SEK	EURO	GBP
Trade Receivable	247.39	-	-	-	313.05	-	-	-
Loans and other receivable	5.37	-	-	-	20.31	-	-	-
Cash and Cash equivalents	30.85	-	-	-	17.79	-	-	-
Borrowings	332.68	-	-	-	122.33	-	-	-
Capital Creditors	-	-	-	0.66	-	0.02	-	-
Other Financial Liabilities	0.36	-	-	-	-	-	-	-
Trade Payables (including Acceptance)	256.27	0.00	-	-	245.80	0.11	-	-

*Amount is less than 0.01 in March 31,2023

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

	March 31, 2023	March 31, 2022
USD	(3.05)	(0.17)
GBP	(0.01)	-
SEK*	(0.00)	(0.00)

* Amount is less than SEK 0.01 for March 31 2022 and March 31 2023

Equity price risk

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

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

	March 31, 2023	March 31, 2022
Investment in mutual funds	20.06	0.07

The impact of increases/ decreases of the BSE/ NSE index on the Group's equity shares and mutual funds and gain/ loss for the period would be ₹ 0.20 (March 31, 2022: ₹ 0.00*). The analysis is based on the assumption that the index has increased by 1% or decreased by 1% with all other variables held constant, and that all the Group's investments having price risk moved in line with the index.

* Amount is less than ₹ 0.01

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Credit risk (Contd..)

deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group only deals with parties which has good credit rating/ worthiness given by external rating agencies or based on Group's internal assessment.

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

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

Loans: The Group has given loans to certain unrelated parties. However there is no counter party risk. (refer Note 5 for details)

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

Trade and other receivables:

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

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

Period	Upto 60 days	61 to 120 days	More than 120 days	Total
As at March 31, 2023	691.89	100.48	105.83	898.20
As at March 31, 2022	487.68	37.88	73.76	599.32

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

	March 31, 2023	March 31, 2022
Opening balance	58.22	69.58
Provided/(reversal) during the year	21.86	(12.70)
Currency translation difference	(7.16)	1.34
Closing balance	72.92	58.22

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

Liquidity risk

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

Maturity profile of financial liabilities

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

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at March 31, 2023						
Borrowings						
From Banks	54.69	135.79	395.37	502.42	-	1,088.27
From Others	-	5.00	15.24	42.02	-	62.26
Deferred Purchase Consideration (Gross)	-	-	-	18.64	-	18.64
Sales Tax Deferral Loan	-	0.05	-	0.01	-	0.06
Trade Payables (including Acceptance)	-	345.16	143.32	-	-	488.48

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Maturity profile of financial liabilities (Contd..)

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Other financial liabilities (excluding derivatives and lease liabilities)	1.90	41.74	24.62	0.16	-	68.42
Derivative Instruments	-	-	0.18	-	-	0.18
Lease Liability(Gross)	-	0.53	6.31	19.42	0.01	26.27
As at March 31, 2022						
Borrowings						
From Banks	20.71	20.21	276.42	511.78	-	829.12
From Others	-	3.38	4.03	0.98	3.59	11.98
Deferred Purchase Consideration (Gross)	-	1.04	2.44	21.41	-	24.89
Sales Tax Deferral Loan	-	0.07	-	0.06	-	0.13
Trade Payables(including Acceptance)	-	299.85	163.19	1.90	-	464.94
Other financial liabilities (excluding derivatives and lease liabilities)	0.17	35.54	16.90	-	-	52.61
Lease Liability(Gross)	-	0.40	4.21	17.83	0.05	22.49

Note 34: Capital Management

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

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

	March 31, 2023	March 31, 2022
Net debt	899.43	776.79
Equity	2,610.34	1,914.28
Capital and net debt	3,509.77	2,691.07
Net Gearing ratio	25.63%	28.87%

Calculation of net debt is as follows:

	March 31, 2023	March 31, 2022
Borrowings		
Non-Current	472.71	435.86
Current	331.74	236.97
Current maturities of long-term debt	364.78	193.28
	1,169.23	866.11
Cash and cash equivalents and Bank balance (excluding earmarked balances with banks and margin money)	249.80	89.32
Current Investments	20.00	-
	269.80	89.32
Net Debt	899.43	776.79

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

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

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Note 35: Additional information, as required under schedule III to the companies act, 2013, of enterprises consolidated as subsidiaries/associates/joint ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Share in profit or loss (Other comprehensive Income)		Share in profit or loss (Total comprehensive Income)	
	As % of consolidated net assets	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount	As % of consolidated Total Comprehensive Income	Amount
1	2	3	3	4	5	6	7	8
(A) Solar Industries India Ltd.	43.47%	1,767.45	53.78%	445.38	2.94%	24.35	56.73%	469.74
		1,767.45		445.38		24.35		469.74
(B) Indian subsidiaries -								
1. Economic Explosives Limited	21.50%	874.33	21.27%	176.07	0.02%	0.17	21.29%	176.24
2. Solar Explochem India Limited	0.00%	(0.06)	-0.01%	(0.11)	0.00%	0.00	-0.01%	(0.11)
3. Emul Tek Private Limited	0.02%	0.72	1.04%	8.61	0.00%	0.03	1.04%	8.64
4. Solar Defence Limited	0.00%	0.03	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
5. Solar Defence Systems Limited	0.00%	0.03	0.00%	(0.01)	0.00%	0.00	0.00%	(0.01)
6. Solar Avionics Limited	0.00%	0.02	0.00%	(0.00)	0.00%	0.00	0.00%	(0.00)
		875.08		184.56		0.20		184.76
(C) Overseas subsidiaries								
1. Solar Mining Services Pty Limited, South Africa	0.57%	23.18	-4.13%	(34.20)	0.00%	-	-4.13%	(34.20)
2. Nigachem Nigeria Limited	4.76%	193.38	6.23%	51.58	0.00%	-	6.23%	51.58
3. Solar Overseas Netherlands B.V.	1.38%	56.15	-0.65%	(5.42)	0.00%	-	-0.65%	(5.42)
4. Solar Explochem Zambia Limited	3.70%	150.31	2.39%	19.80	0.00%	-	2.39%	19.80
5. Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi	3.65%	148.45	6.23%	51.60	0.00%	-	6.23%	51.60
6. P.T. Solar Mining Services	0.60%	24.44	-0.02%	(0.17)	0.00%	-	-0.02%	(0.17)
7. Solar Nitro Ghana Limited	0.25%	10.18	-1.34%	(11.12)	0.00%	-	-1.34%	(11.12)
8. Solar Madencilik Hizmetleri A.S	0.21%	8.62	0.45%	3.71	0.00%	-	0.45%	3.71
9. Solar Overseas Netherlands Cooperative U.A	3.69%	150.22	-1.61%	(13.36)	0.00%	-	-1.61%	(13.36)
10. Solar Overseas Singapore Pte Ltd	2.02%	82.08	-0.15%	(1.26)	0.00%	-	-0.15%	(1.26)
11. Solar Industries Africa Limited	-0.26%	(10.60)	-0.66%	(5.44)	0.00%	-	-0.66%	(5.44)
12. Solar Nitro Zimbabwe (Private) Limited	0.00%	0.04	0.01%	0.07	0.00%	-	0.01%	0.07
13. Solar Nitrochemicals Limited	0.58%	23.40	0.06%	0.46	0.00%	-	0.06%	0.46
14. Solar Mining Services Pty Ltd, Australia	1.04%	42.44	-0.70%	(5.80)	0.00%	-	-0.70%	(5.80)
15. Solar Mining Services CI SARL, Ivory Coast*	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
16. Solar Venture Company Limited	0.20%	8.10	0.15%	1.22	0.00%	-	0.15%	1.22
17. Solar Overseas Mauritius Limited (Standalone)	8.58%	348.83	8.42%	69.69	0.00%	-	8.42%	69.69
18. Solar Mining Services-Albania	0.01%	0.35	0.01%	0.04	0.00%	-	0.01%	0.04
19. Solar Mining Services-Burkina Faso	0.00%	0.01	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
		1,259.53		121.40		-		121.40
(D) Minority Interests in all subsidiaries	3.45%	140.36	6.21%	51.39	0.00%	-	6.21%	51.39
		140.36		51.39		-		51.39
(E) Associates, Entities with joint control or significant influence over the entity								
Astra Resources Pty Ltd	-0.09%	(3.86)	0.11%	0.94	0.00%	-	0.11%	0.94
Zmotion Autonomous System Private Limited	0.68%	27.48	-0.03%	(0.27)	0.00%	-	-0.03%	(0.27)
		23.62		0.67		-		0.67

Notes to Consolidated Financial Statements

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Note 36. Revenue from operations:

a. Principal revenue generation activity

The Group is engaged in the manufacturing of complete range of industrial explosives, explosive initiating devices and high energy materials for defence applications.

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 Group expects to be entitled in exchange for those goods or services. The Group 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.

b. Disaggregated Revenue information

The Group 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:

	March 31, 2023	March 31, 2022
India	3,875.79	2,387.42
Outside India	2,928.56	1,441.09
Total	6,804.35	3,828.51

c. Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2023.

The Group discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed.

	March 31, 2023	March 31, 2022
Trade Receivables	825.28	541.10
Contract Liabilities	229.60	87.74

d. Revenue from contract with customers amounting to ₹ 6,804.35 (March 31, 2022: ₹ 3,828.51) is net of rebate, discounts and powder factor charges.

e. Transaction price allocated to the remaining performance obligations

Remaining unsatisfied performance obligations represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the order backlog includes the base transaction price, variable consideration and changes in transaction price. The transaction price of order backlog related to unfilled, confirmed customer orders is estimated at each reporting date. As of March 31, 2023, the aggregate amount of the transaction price allocated to order backlog was ₹ 2,560.73. The Group expects to recognise revenue within two years.

Note 37 : Research & Development Expenditure

	March 31, 2023	March 31, 2022
Revenue Expenditure	1.74	6.70
Total	1.74	6.70

1. Capital Expenditure incurred on Research & Development is included in Property, Plant and Equipments and depreciation is provided on the same at the respective applicable rates.

2. Revenue expenditure incurred on Research & Development has been included in the respective account heads in the statement of profit and loss.

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Note 38 : Effects of Hyperinflation

Beginning July 1, 2022, Solar Patlayici Maddeler Sanayi Ve Ticaret Anonim Sirketi and Solar Madencilik Hizmetleri A.S., Turkey, step-down subsidiaries, became a hyperinflationary economy because, among some other economic factors, the last three years' cumulative inflation in Turkey exceeded 100% according to consumer price index in the country.

Summary of cumulative inflation year ending is:

Country	March 31, 2023	March 31, 2022	March 31, 2021
Turkey	1,269.75	843.64	523.53

In accordance with Ind AS 29 - Financial Reporting in Hyperinflationary Economies, the balance sheet i.e. the non-monetary assets, liabilities, owner's equity and profit & loss of the aforesaid subsidiaries operating in hyperinflationary economy are restated for the changes in the general purchasing power of the local currency, using official indices at the balance sheet date, before translation into India Rupees and, are stated in terms of the measuring unit current at the balance sheet date. The aforesaid restatement resulted in loss of ₹ 47.80 accounted in other expenses for the year ended 31 March 2023 (refer note 24).

Further, in accordance with para 42 and 43 of Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, the comparatives amounts in the Consolidated Financial Statements are not adjusted for subsequent changes in the price level i.e. consumer price index. Consequentially, the changes arising in the comparative period amounting to ₹ 24.15 has been credited to opening retained earnings as at April 01, 2022 (refer to note 12A).

Note 39: Subsequent Event

Emultek Private Limited (ETPL) one of the wholly owned Subsidiary of the Company has agreed to make investment in Rajasthan Explosives and Chemicals Limited ("RECL") by acquiring the entire business and undertaking of RECL through Business Acquisition Agreement dated April 10, 2023. The Transaction will take place by way of merger pursuant to the provisions of Sections 230 – 232 of the Companies Act 2013 and other applicable provisions of the Act and by Issuance of Redeemable Preference Shares by Acquirer as merged entity to the existing Shareholder of RECL.

Note 40 : Other Statutory Information:

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

Notes to Consolidated Financial Statements

for the year ended March 31, 2023 (All amounts in ₹ Crores, unless otherwise stated)

Note 40 : Other Statutory Information: (Contd..)

- The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- The Group has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders.

Note 41 : The financial statements were approved for issue by the Board of Directors on May 03, 2023

As per our report of even date attached

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

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

Place : Nagpur
Date: May 03, 2023

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

per **Pramod Kumar Bapna**
Partner
Membership No.- 105497

Place : Nagpur
Date: May 03, 2023

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

Manish Nuwal
Managing Director &
CEO
DIN: 00164388

Moneesh Agrawal
(Joint CFO)

Khushboo Pasari
Company Secretary
Membership No.- F7347

Place : Nagpur
Date: May 03, 2023

Milind Deshmukh
Executive Director
DIN: 09256690

Shalinee Mandhana
(Joint CFO)

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "A": Subsidiaries

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Name of Subsidiaries Particulars	Economic Explosives Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Explochem Limited	Solar Overseas Mauritius Ltd	Solar Overseas Netherlands Cooperative U.A.	Solar Overseas Singapore Pte Ltd	Solar Overseas Netherlands B.V.	Nigachem Nigeria Ltd	Solar Explochem Zambia Ltd	Solar Industries Africa Limited	PT Solar Mining Services	Solar Mining Services (South Africa)	Solar Mining Services (Formerly known as Australian Explosives Technologies Group Pty Ltd)	Solar Nitro Chemicals Limited	Solar Nitro Ghana Limited	Solar Nitro Madencilik Hizmetleri A.S	Solar Nitro Zimbabwe Private Limited	Solar Nitro Patayici Madde San. Ve Tic. Ano Sirketi	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Solar Mining Services Cote d'Ivoire	Solar Mining Services Albania	Solar Mining Services Burkina Faso	Solar Astra Resources Limited	Solar Nitro SARL	
The date since when subsidiary was acquired/ incorporated	16.08.1995	01.04.2015	16.11.2020	10.03.2016	21.03.2016	29.04.2022	21.08.2009	02.10.2009	05.01.2011	16.11.2009	31.07.1987	29.07.2009	04.06.2014	28.02.2008	09.02.2015	16.02.2010	09.01.2008	22.12.2017	25.01.2018	10.10.2018	05.06.2007	26.08.2016	04.11.2019	22.04.2021	06.04.2021	20.04.2015	05.12.2022	
Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
Exchange Rate																												
Capital	4.80	5.97	0.05	0.05	0.05	0.05	106.65	190.36	106.32	86.03	17.87	0.02	0.91	26.56	215.38	0.00	27.91	26.34	1.07	0.00	30.15	0.06	0.01	0.49	0.01	4.07	0	
Reserves	869.53	(5.24)	(0.03)	(0.02)	(0.02)	(0.11)	242.18	(40.14)	(60.17)	(3.95)	100.01	97.87	(11.51)	(2.13)	(167.85)	42.44	(2.93)	(14.54)	7.55	0.04	118.30	4.83	(0.03)	(0.14)	(0.00)	-16.01	0	
Total Assets	1,379.88	80.35	0.02	0.03	0.03	8.55	1,096.03	467.91	187.94	90.10	552.90	188.18	36.02	46.24	362.83	186.68	81.70	81.37	16.68	0.05	414.87	28.14	0.00	0.37	0.01	27.07	0	
Total Liabilities	505.55	79.62	0.00	0.00	0.00	8.61	747.20	317.69	131.78	8.02	435.03	90.30	46.63	21.80	315.31	144.24	56.72	69.58	8.06	0.01	266.42	23.25	0.02	0.02	0.00	39.01	0	
Details of Investments (Except Investment in subsidiaries)	Nil	Nil	Nil	0.03	0.03	Nil	Nil	Nil	Nil	Nil	Nil	0.01	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Turnover	859.04	199.27	Nil	Nil	Nil	Nil	152.21	-	-	-	879.45	237.08	-	3.90	333.36	127.04	44.60	122.08	61.49	-	826.48	76.23	-	0.28	-	0	0	
Profit before Taxation	239.20	10.70	(0.00)	(0.01)	(0.01)	(0.11)	78.05	(13.36)	(5.42)	(1.26)	140.66	39.34	(5.44)	(0.17)	(50.46)	(7.75)	1.09	(15.89)	5.01	0.10	70.03	2.93	(0.00)	0.04	(0.00)	(1.97)	0	

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "A": Subsidiaries (Contd..)

Sr No	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	
Name of Subsidiaries Particulars	Economic Explosives Limited	Emul Tek Private Limited	Solar Avionics Limited	Solar Defence Limited	Solar Defence Systems Limited	Solar Explochem Limited	Solar Overseas Mauritius Ltd	Solar Overseas Netherlands Cooperative U.A.	Solar Overseas Singapore Pte Ltd	Solar Overseas Netherlands B.V.	Nigachem Nigeria Ltd	Solar Explochem Zambia Ltd	Solar Industries Africa Limited	PT Solar Mining Services	Solar Mining Services (South Africa)	Solar Mining Services (Formerly known as Australian Explosives Technologies Group Pty Ltd)	Solar Nitro Chemicals Limited	Solar Nitro Ghana Limited	Solar Nitro Madencilik Hizmetleri A.S	Solar Nitro Zimbabwe Private Limited	Solar Nitro Patayici Madde San. Ve Tic. Ano Sirketi	Solar Venture Company Limited (Formerly known as Laghe Venture Company Limited)	Solar Mining Services Cote d'Ivoire	Solar Mining Services Albania	Solar Mining Services Burkina Faso	Solar Astra Resources Limited	Solar Nitro SARL	
Provision for Taxation	63.13	2.09	(0.00)	(0.01)	(0.01)	(0.11)	8.36	-	-	-	46.88	8.88	-	(13.56)	(1.95)	0.37	(3.54)	1.31	0.02	18.42	0.72	-	-	-	0	0		
Profit after Taxation	176.07	8.61	(0.00)	(0.01)	(0.01)	(0.11)	69.69	(13.36)	(5.42)	(1.26)	93.78	30.46	(5.44)	(0.17)	(6.90)	(5.80)	0.71	(12.35)	3.71	0.07	51.60	2.21	(0.00)	0.04	(0.00)	(1.97)	0	
Proposed Dividend																												
% of Shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Contribution to the overall performance of the Company	21.71%	1.06%	0.00%	0.00%	0.00%	-0.01%	8.59%	-1.65%	-0.67%	-0.16%	11.56%	3.76%	-0.67%	-0.02%	-4.55%	-0.72%	0.09%	-1.52%	0.46%	0.01%	6.36%	0.27%	0.00%	0.01%	0.00%	-0.24%	0.00%	

Notes:

- Names of subsidiaries which are yet to commence operations**
Solar Nitro SARL was incorporated on 05.12.2022 and has not commenced its business operation
- Names of subsidiaries which have been liquidated or sold during the year**
Nil
- Refer Note 2.1 of Consolidated Financial Statements to see relation with the subsidiary, equity holding and Country of incorporation for each subsidiary.
- Financial information is based on Audited Results of subsidiaries. The reporting period of the subsidiary is same as that of holding Company.

SAILENT FEATURES OF FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATES AS PER SECTION 129 (3) OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2015 IN THE PRESCRIBED FORM AOC-1

Part "B" Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and joint ventures

Sr. No.	Name of Associates	Latest audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	No. of Shares	Amount of Investment in Associates (in Crores)	Extent of Holding %	Networth attributable of Shareholding as per latest audited Balance Sheet (in Crores)	Considered in Consolidated (in Crores)	Not Considered in Consolidation	Description of how there is significant influence	Reason why the Associate is not consolidated
1	Zmotion Autonomous Systems Private Limited	31.03.2022	April 6, 2022	875880	27.75	45.99%	13.98	(0.27)	Note-A	-	-

Notes:

- There is no significant influence due to % of Share Capital.
- Zmotion Autonomous Systems Private Limited became Associate of the Company w.e.f. April 6, 2022.
- Name of associates or joint ventures which are yet to commence operations : NIL
- Name of the associates or joint ventures which have been sold during the year: NIL

For and on behalf of the Board
Solar Industries India Limited

Manish Nuwal
Managing Director &
Chief Executive Officer
DIN: 00164388

Milind Deshmukh
Executive Director
DIN: 09256690

Moneesh Agrawal
(Joint CFO)

Shalinee Mandhana
(Joint CFO)

Khushboo Pasari
Company Secretary
& Compliance Officer
Membership No. - F7347

Place : Nagpur
Date: May 03, 2023

Solar Industries India Limited

Registered Office: "Solar" House, 14, Kachimet, Amravati Road, Nagpur – 440023 (MH).
Email id: investor.relations@solargroup.com, Website: www.solargroup.com
Telephone: 0712- 6634555 **Fax:** 0712-6634578

Notice

Notice is hereby given that the **Twenty Eighth Annual General Meeting (AGM)** of the Members of Solar Industries India Limited (CIN: L74999MH1995PLC085878) ("**the Company**") will be held on **Wednesday, June 21, 2023 at 11:30 a.m.** through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue to transact the businesses mentioned below. The venue of the meeting shall be deemed to be the Registered Office of the Company i.e. "Solar" House, 14 Kachimet, Amravati road, Nagpur- 440023.

ORDINARY BUSINESS:

ITEM NO. 1

Adoption of Audited Financial Statements

To receive, consider and adopt (a) audited standalone financial statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statement of the Company for the financial year ended on March 31, 2023 together with the Report of the Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**.

- "RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended on March 31, 2023 and the Reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."
- "RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended on March 31, 2023 and the Report of the Auditors thereon laid before this meeting, be and are hereby considered and adopted."

ITEM NO. 2

Declaration of Dividend

To declare a Final Dividend on equity shares for the financial year ended on March 31, 2023 and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT a Dividend at the rate of ₹ 8/- (Rupees Eight Only) per equity share of ₹ 2/- (Rupees Two only) each fully paid up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2023 and the same be paid out of the profits of the Company.

ITEM NO. 3

Appointment of Director retiring by Rotation

To appoint a Director in place of Shri Milind Deshmukh (DIN: 09256690), who retires by rotation and being eligible offers himself for Re-appointment and in this regard, to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri Milind Deshmukh (DIN: 09256690), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

SPECIAL BUSINESS:

ITEM NO. 4

Re-appointment of Shri Suresh Menon (DIN: 07104090) as a Whole-time Director of the Company and revision in terms of his remuneration

To consider and if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, the approval of the members of the Company be and is hereby accorded to re-appoint Shri Suresh Menon (DIN: 07104090), as a Whole Time Director designated as an Executive Director of the Company, liable to retire by rotation for the period of 2 (two) years from the end of his present term of office, i.e., with effect from May 11, 2023 till May 10, 2025 on the terms and conditions of re-appointment including the remuneration, perquisites, allowances, benefits and amenities payable to Shri Suresh Menon (DIN: 07104090), as set out in the Explanatory Statement annexed to the Notice convening this Meeting.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Shri Suresh Menon (DIN: 07104090), remuneration, perquisites, allowances, benefits and amenities not exceeding the limits specified under Section 197 read with Schedule V of the Act, rules made thereunder and other applicable laws, regulations, as amended from time to time as may be decided by the Board of Directors, subject to necessary sanctions and approvals.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to alter and/or vary the terms and conditions of the said re-appointment and/or enhance, enlarge, widen, alter or vary the scope and quantum of remuneration, perquisites, allowances, benefits and amenities payable to Shri Suresh Menon (DIN: 07104090), in the light of further progress of the Company which shall be in accordance with the prescribed provisions of the Act and the Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force).

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 5

Re-appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Regulation 16(1)(b) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the company, Smt. Sujitha Karnad (DIN: 07787485), who was appointed as a Non-Executive Independent Director for the first term of 2 (Two) consecutive years up to the conclusion of 28th Annual General Meeting, who has submitted a declaration that she meets the criteria of independence under section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a Member proposing her candidature for the office of Director and who is eligible for re-appointment for the second term, be and is hereby re-appointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, to hold office for second term of 3 (Three) consecutive years commencing from June 21, 2023 upto the conclusion of 31st Annual General Meeting of the Company to be held in the financial year 2026.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 6

Alteration of Articles of Association ("AOA") of the Company

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), and such other rules and regulations, as may be applicable, the approval of the Members of the Company be and is hereby accorded for alteration of Articles of Association of the Company by inserting clause 92 after clause 91 in the Articles of Association with the following:

92.	Notwithstanding anything to the contrary contained in these Articles, so long as any money shall be owing by the Company to any financial institutions, corporations, banks or such other financing entities or through Debenture Trustees or so long as any of the aforesaid banks, financial institutions or such other financing entities hold any shares/debentures in the Company as a result of subscription or so long as any guarantee given by any of the aforesaid entities in respect of any financial obligation or commitment of the Company remains outstanding in terms of payment of interest or repayment of principal amount, then in that event any of the said financial institutions or Debenture Trustees or such other financing entities shall, subject to an agreement in that behalf between it and the Company, have a right but not an obligation, to appoint one or more persons as Director(s) on the Board of Director as their nominee on the Board of Company in accordance with the applicable laws. The aforesaid financial institutions or Debenture Trustees or such other financing entities may at any time and from time to time remove the Nominee Director appointed by it and may in the event of such removal and also in case of the Nominee Director ceasing to hold office for any reason whatsoever including resignation or death, appoint other or others to fill up the vacancy. Such appointment or removal shall be made in writing by the relevant institution and shall be delivered to the Company and the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all General Meetings, Board Meetings and meetings of the Committee of which he or she is a member and he or she and the financial institutions or such other financing entities appointing him shall also be entitled to receive notice of all such meetings in accordance with the applicable laws.	Appointment of Nominee Director
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RESOLVED FURTHER THAT Shareholders of the Company be and are hereby adopt a revised set of Articles of Association by considering the above-mentioned alteration and the subsequent clauses of Articles of Association to be re-numbered accordingly.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company, be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary desirable or expedient to give effect to this resolution."

ITEM NO. 7

Increase in Limits of Borrowings u/s 180 (1) (c) of the Companies Act, 2013.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** subject to the provisions of Section 180 (1) (c) and other applicable provisions if any, of the Companies Act, 2013 (including any statutory modifications or re-enactments thereof, for the time being in force), and the Articles of Association of the Company and further subject to approval of the shareholders of the Company and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, to borrow money for and on behalf of Company from time to time as deemed by it to be requisite and proper for the business of Company, but so that the moneys to be borrowed together with the moneys already borrowed by the Company, which will or may exceed the aggregate of its paid-up share capital, free reserves and securities premium of the Company as per the latest annual audited financial statements shall not exceed and may limit to ₹ 3000 Crores (Rupees Three Thousand Crores Only), apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and are hereby authorised to do all such acts deeds, matters and things to execute all such documents, instruments and writings as may be required and to delegate all or any of the power herein conferred to any Committee of Directors or the Managing Director or any other Director or any other officer(s) of the Company or any other person(s) to give effect to this Resolution"

ITEM NO. 8

Increase in limits of providing security u/s 180 (1) (a) of the Companies Act, 2013 in connection with the borrowing of the Company.

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013, including any statutory modifications or re-enactments thereof, the rules notified thereunder and the Articles of Association of the Company, and further subject to approval of the shareholders of the Company and in supersession of all the earlier resolutions passed in this regard, the consent of members of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them

by this resolution, to create mortgage and/or charge on all or any of the movable and/or immovable assets of the Company, both present and future and/or whole or any part of the Company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partly convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, up to an aggregate limit of ₹ 3000 Crores (Rupees Three Thousand Crores Only) together with interest as agreed, additional interest in Case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered /to be entered into between the Company and the lenders/ agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

RESOLVED FURTHER THAT the Board of Directors (including its Committee thereof) be and is hereby authorized to finalise, settle and execute such documents/deeds/writing/papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to Creation of Charge on Movable and immovable properties of the Company, both present and future as aforesaid."

ITEM NO. 9

Ratification of Cost Auditor's Remuneration for the financial year ending March 31, 2024.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and recommendation of the Audit Committee, the remuneration, as approved by the Board of Directors and set out in the statement annexed to the Notice convening this Meeting, to be paid to M/s. Khanuja Patra & Associates, Nagpur, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified.

RESOLVED FURTHER THAT The Board of Directors (including its Committee thereof) and/or Mrs. Khushboo Pasari, Company Secretary and Compliance Officer of the Company be and are hereby authorised to do all such acts deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By order of the Board of Directors
For **Solar Industries India Limited**

Sd/-

Khushboo A. Pasari

Company Secretary &

Compliance Officer

Membership No.- F7347

Date: May 03, 2023

Place: Nagpur

Notes:

1. The respective Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the business under Item Nos. 4 to 9 of the accompanying Notice are annexed hereto.

2. General instructions for accessing and participating in the 28th Annual General Meeting (AGM) through VC/OAVM Facility and voting through electronic means including remote e-Voting:

- The Ministry of Corporate Affairs (“MCA”) has vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 followed by Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 and all other relevant circulars issued from time to time (collectively referred to as “MCA Circulars”), permitted conveying Annual General Meeting through video conferencing (“VC”) or other audio visual means (“OAVM”) without physical presence of the members at a common venue. Hence, the members can attend and participate in the ensuing AGM through VC/OAVM.
- A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC/OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members (Member’s Logins) attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India (“ICSI”) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, January 13, 2021 and December 28, 2022 the Company is providing facility of e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- In line with the Ministry of Corporate Affairs Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.solargroup.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the e-Voting facility) i.e. www.evoting.nsdl.com.
- Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 11:59 p.m. IST on Wednesday, June 07, 2023. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading

at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Wednesday, June 07, 2023.

3. The instructions for members for remote e-voting and joining general meeting are as under:-

- The remote e-voting period begins on Sunday, June 18, 2023, at 10:00 A.M. and ends on Tuesday, June 20, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Wednesday, June 14, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, June 14, 2023.
- A Person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders

Individual Shareholders holding securities in demat mode with NSDL.

Login Method

- Existing **IDeAS** user can visit the e-Services website of NSDL Viz. <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “Register Online for IDeAS Portal” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

NSDL Mobile App is available on



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

- If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Your User ID is:

8 Character DP ID followed by 8 Digit Client ID
For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.

16 Digit Beneficiary ID
For example if your Beneficiary ID is 12***** then your user ID is 12*****

EVEN Number followed by Folio Number registered with the company
For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website

- will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on www.evoting.nsdl.com to reset the password.
- The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of Wednesday, June 14, 2023.
 - Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Wednesday, June 14, 2023 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password” or “Physical User Reset Password” option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Wednesday, June 14, 2023 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”
 - A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
 - Shri Tushar Pahade, Proprietor at M/s T. S. Pahade & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
 - Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to tusharpahade@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.
 - During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the AGM and

announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be closed with the formal announcement of closure of the AGM.

- The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him who shall then countersign and declare the result of the voting forthwith. The results shall be announced within two working days of conclusion of AGM.
- The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.solargroup.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to both the stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited, Mumbai.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Soni Singh, Assistant Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please send scan copy of a signed request letter mentioning your folio number, complete address, scanned copy of the share certificate (front and back) email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address investor.relations@solargroup.com or rnt.helpdesk@linkintime.co.in.
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.relations@solargroup.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

- Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE 28th AGM THROUGH VC/OAVM ARE AS UNDER:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under “**Join meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore

recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Members who would like to express their views/have questions need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/ folio number and mobile number, to reach the Company's email address investor.relations@solargroup.com at least 48 hours in advance before the start of the AGM i.e. by Monday, June 19, 2023 by 11:30 a.m. IST. The same will be replied by the company suitably. Those Members who have registered themselves as a speaker shall be allowed to ask questions during the AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers and time for each speaker depending upon the availability of time for the AGM.
- Institutional Investors, who are Members of the Company, are encouraged to attend and vote in the AGM through VC/OAVM Facility.
- In compliance with SEBI Circular dated May 12, 2020, January 5, 2023 and MCA Circulars, Notice of the AGM and the Annual Report for the financial year 2022-23 including therein the Audited Financial Statements for financial year 2022-23, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the financial year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhar card) supporting the registered address of the Member, by email to the Company's email address investor.relations@solargroup.com.
 - For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
- The Notice of the AGM and the Annual Report for the financial year 2022-23 including therein the Audited Financial Statements for the financial year 2022-23, will be available on the website of the Company at www.solargroup.com and the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com. The Notice of AGM will also be available on the website of NSDL at www.evoting.nsdl.com.
- The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, June 10, 2023 to Wednesday, June 21, 2023 both days inclusive, for annual closing and determining the entitlement of the Members to the final Dividend for financial year 2022-23.

7. The Board of Directors has recommended Final Dividend of ₹ 8/- per Equity Share of face value of ₹ 2.00 each for the year ended March 31, 2023 that is proposed to be paid on Friday June 30, 2023 subject to the approval of the shareholders at the AGM of the Company.
8. The Company has fixed Friday June 09, 2023 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2023, if approved at the AGM.
9. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Friday June 30, 2023 as under:
- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Friday, June 09, 2023.
 - To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, June 09, 2023.
10. The dividend/s, if any, approved by the Members or declared by the Board of Directors of the Company from time to time, will be paid as per the mandate registered with the Company or with their respective Depository Participants.
11. Further, in order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details/ documents by email to reach the Company's email address investor.relations@solargroup.com.
- signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - Name and Branch of Bank and Bank Account type;
 - Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - 11 digit IFSC Code;
 - self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - self-attested scanned copy of the PAN Card; and
 - self-attested scanned copy of any document (such as Aadhar Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as

registered with the Company. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

12. In the event the Company is unable to pay the dividend to any Member directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Member.
13. Pursuant to the provisions of Section 124 of the Act, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") read with the relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund ("IEPF"), constituted by the Central Government. Accordingly, Company has transferred ₹ 40,046/- (Rupees Forty thousand forty Six Only) relating to financial year 2014-15 (Final), ₹ 22,572/- (Rupees Twenty two thousand five hundred and seventy two only) relating to financial year 2015-16 (First interim) and ₹ 48,727/- (Rupees Forty eight thousand seven hundred and twenty seven only) relating to financial year 2015-16 (Second interim) during the financial year 2022-23, to IEPF.

During the current financial year 2023-24, Company will be required to transfer the unclaimed Interim Dividend for the year 2016-17. Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.solargroup.com. Members who have not encashed Interim Dividend for the year 2016-17 or any subsequent dividend declared by the Company, are advised to write to the Company immediately.

14. Pursuant to the provisions of IEPF Rules, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of thirty days of such shares becoming due to be transferred to the IEPF Account. During the financial year 2022-23, 450 shares were found, which were transferred to IEPF.

Further, Members who have not claimed / encashed their dividends in the last seven consecutive years from 2016-17 are advised to claim the same. In case valid claim is not received, the Company will proceed to transfer the respective shares to the IEPF Account in accordance with the procedure prescribed under the IEPF Rules.

15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in

electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.

17. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from April 1, 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.
18. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form or with the Share Transfer Agent of the Company in case the shares are held by them in physical form.

19. During the AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.
20. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking re-appointment at the AGM, forms integral part of the Notice of the AGM. Requisite declarations have been received from the Directors for seeking re-appointment.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER.

ITEM NO. 4

Re-Appointment of Shri Suresh Menon (DIN: 07104090) as a Whole-time Director of the Company and revision in terms of his remuneration

Shri Suresh Menon (DIN: 07104090) was appointed as a Whole-time Director of the Company for a period of 5 (five) years effective from May 11, 2018 to May 10, 2023.

Based on the Performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on May 03, 2023, have approved the re-appointment of Shri Suresh Menon as a Whole Time Director designated as Executive Director, liable to retire by rotation for a period of 2 (two) years from the expiry of his present term i.e from May 11, 2023 on the terms and conditions including remuneration in accordance with norms laid down in Schedule V and other applicable provisions of Companies act, 2013 and rules made thereunder, subject to approval of the Shareholders.

Broad Particulars of the terms of re-appointment and remuneration payable to Shri Suresh Menon are as under:

1. Period	May 11, 2023 to May 10, 2025
2. Remuneration	
Salary	₹ 5,50,000 to ₹ 10,00,000 per month
Perquisites: for this purpose perquisites are classified into three categories A,B and C	
Category 'A'	
a) Medical Reimbursement:	
Expenses incurred, including Medical Insurance for self and family subject to a ceiling of one month's basic salary in a year or subject to a maximum of three month's basic salary over period in three years.	
b) Bonus:	
As per policies and rules of the Company.	
c) Club:	
Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.	
d) Personal Accident Insurance/ Term Life Insurance	
Premium not exceeding ₹ 5000/- p.a	
Category 'B'	
a) Company's contribution towards Provident Fund, Superannuation Fund.	
b) Gratuity as may be applicable under Payment of Gratuity Act, 1972.	
c) Leave Entitlement: As per Company's Policy	
Category 'C'	
a) The Company shall provide a car with chauffeur. Provisions of the car for use in Company's business will not be considered as perquisites. Use of car for Private purpose shall be billed by the Company.	
Other allowances, benefits and perquisites admissible as per Rules of the Company, from time to time framed by Nomination and Remuneration Committee and approved by the Board.	

The above may be treated as a written memorandum setting out terms of re-appointment of Shri Suresh Menon under Section 190 of the Act.

The Nomination and Remuneration Committee of the Company currently comprises of only independent directors and the re-appointment and terms of remuneration are approved by the Committee after considering several factors including performance evaluation.

The brief resume of Shri Suresh Menon, nature of his expertise in specific functional areas and names of companies in which he hold directorships and memberships/ chairmanships of Board

Committees, shareholding and relationships between directors are provided in Annexure to the Notice pursuant to the provisions of (i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except the appointee Director and/or his relatives with regard to the resolution of his appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary resolution at item no. 4 of this Notice for approval by the members.

ITEM NO. 5

Re-appointment of Smt. Sujitha Karnad (DIN: 07787485) as a Non-Executive Independent Director of the Company

Smt. Sujitha Karnad (DIN: 07787485) was appointed as a Non- Executive Independent Director on the Board of the Company by the members at the 26th AGM of the Company for a period of 2 (two) consecutive years commencing from the conclusion of 26th AGM till the conclusion of 28th AGM of the Company.

Based on the Performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on May 03, 2023 have approved the re-appointment of Smt. Sujitha Karnad as a Non-Executive Independent Director of the Company, not liable to retire by rotation to hold office for a second term of 3 (Three) consecutive years commencing from June 21, 2023 upto the conclusion of 31st Annual General Meeting of the Company to be held in the financial year 2026, subject to approval of the Shareholders.

Smt. Sujitha Karnad has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149 (6) of the Act and Regulation 16(1) (b) of the SEBI Listing Regulations. Further, in terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

Section 149(10) of the Act provides that an Independent Director can hold office for a term of up to 5 (Five) consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the Company and disclosure of such appointment in its Board's report. Section 149(11) provides that an Independent Director may hold office for up to two consecutive terms.

Smt. Sujitha Karnad is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as a Director.

In the opinion of the Board, Smt. Sujitha Karnad continues to fulfil the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

She shall be paid remuneration by way of sitting fees for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings and profit related commission within the limits stipulated under Section 197 read with schedule V of the Act.

Copy of draft letter of appointment of Smt. Sujitha Karnad setting out the terms and conditions of appointment is available for inspection to the Members by sending a request along with their DP/Client ID or Folio No. from their registered e-mail address to the Company at investor.relations@solargroup.com.

The brief resume of Smt. Sujitha Karnad, nature of her expertise in specific functional areas and names of companies in which

she hold directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors are provided in Annexure to the Notice pursuant to the provisions of (i) Companies Act, 2013 (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Except the appointee Director and/or her relatives with regard to the resolution of her appointment, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution. Smt. Sujitha Karnad is not related to any other Director or Key Managerial Personnel of the Company.

Given her skills, integrity, expertise and experience, the Board considers it desirable and in the interest of the Company to continue Smt. Sujitha Karnad on the Board of the Company.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

ITEM NO. 6

Alteration of Articles of Association of the Company

On February 2, 2023 the Securities and Exchange Board of India ("SEBI") had notified Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2023. As per the said amendment, Company shall ensure that its Articles of Association require its Board of Directors to appoint the person nominated by the debenture trustee(s) in terms of clause (e) of sub-regulation (1) of regulation 15 of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 as a director on its Board of Directors.

In order to alter the Articles of Association of the Company to comply with the above-mentioned requirements, it is proposed insert new clause no. 92 w.r.t. the appointment of Nominee Director and the subsequent clauses of Articles of Association to be re-numbered accordingly. The consent of the members of the Company by way of a Special Resolution is required for adoption of a revised set of Articles of Association of the Company. Accordingly, this matter has been placed before the Shareholders for approval.

None of the directors, managers, key managerial personnel of the Company and their respective relatives are in any way concerned or interested, financially or otherwise in the special resolution except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set out at Item No. 6 of the Notice for approval of the shareholders.

ITEM NO. 7 & 8

Item No. 7: Increase in Limits of Borrowings u/s 180 (1) (c) of the Companies Act, 2013.

Item No. 8: Increase in limits of providing security u/s 180 (1) (a) of the Companies Act, 2013 in connection with the borrowing of the Company.

Pursuant to Section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, the Members of the Company had, at their Meeting dated

July 31, 2018, authorised the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money(ies) on behalf of the Company and for creation of charge on any assets or undertaking of the Company as security in favour of lending agencies for a sum not exceeding ₹ 1500 Crores (Rupees One Thousand Five Hundred Crores only), over and above the aggregate of the paid-up share capital and free reserves of the Company. The above limit is apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

In the year 2018, when the borrowing limits were increased to ₹ 1500 Crores the revenue achieved was ₹ 1305 Crores whereas in the current financial year, revenue of the company has reached to ₹ 4162 Crores which is a growth of around 219%. Based on our estimation we are targeting compounded growth in the next 3 to 4 years. Apart from this, the Company has to support its subsidiaries for their business operations hence we are proposing to increase our borrowing limits from ₹ 1500 Crores to ₹ 3000 Crores for our capex requirements, working capital and investments needs of the business. The Company may be further required to borrow money, either secured or unsecured, from the banks/ financial institutions/other body corporate, from time to time, and to pledge, mortgage, hypothecate and/or charge any or all of the movable and immovable properties of the Company and/or whole or part of the undertaking of the Company.

The Board of Directors of the Company proposes to increase the limits to borrow money and to secure such borrowings by pledging, mortgaging, hypothecating the movable or immovable properties of the Company amounting up to ₹ 3000 Crores (Rupees Three Thousand Crores only). The above limit is apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

It is, therefore, required to obtain fresh approval of members by Special Resolution under Sections 180(1) (a) and 180(1)(c) of the Companies Act, 2013, to enable the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money and to mortgage and / or create a charge on any of the movable and / or immovable properties and / or the whole or any part of the undertaking(s) of the Company to secure its borrowings up to a sum not exceeding ₹ 3000 Crores (Rupees Three Thousand Crores only), which may exceed the aggregate of the paid-up share capital, free reserves and Security Premium of the Company. The above limit is apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business.

None of the Directors or the Key Managerial Personnel of the Company including their relatives is in any way concerned or interested in the resolutions.

The Board recommends the Special Resolutions at Item no. 7 and 8 of this Notice for the approval of the members.

ITEM NO. 9

Ratification of Cost Auditor's Remuneration for the financial year ending March 31, 2024.

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Shri Deepak Khanuja Partner of M/s Khanuja Patra & Associates as Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2023-24 ending on March 31, 2024 at the Audit Fees of ₹ 2,25,000/- (Rupees Two Lakh Twenty Five Thousands only).

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

None of the Directors and Key Managerial personnel or their relatives of the Company are in anyway concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the shareholders.

By order of the Board of Directors
For **Solar Industries India Limited**

Sd/-

Khushboo A. Pasari

Company Secretary &

Compliance Officer

Membership No.- F7347

Date: May 03, 2023

Place: Nagpur

Annexure to Item No. 3, 4 and 5

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (SS-2), the particulars of Directors who are proposed to be appointed/reappointed and/or whose remuneration is proposed to be revised at this 28th Annual General Meeting, are given below:

Sr. No.	Particulars	Details/ Information	Details/ Information
1.	Name of the Director	Shri Milind Deshmukh (DIN: 09256690)	Shri Suresh Menon (DIN: 07104090)
2.	Date of Birth	13/07/1965	15/11/1960
3.	Age	57 years	62 years
4.	Nationality	Indian	Indian
5.	Qualification	1. Master's in Management studies. 2. Bachelor of Commerce. 3. WIPRO Management Program.	Bachelor of Technology (Hons) in Mining Engineering.
6.	Experience (including expertise in specific functional area/ Brief Resume	Shri Milind Deshmukh is the Managing Director of Nigachem Nigeria Limited and Director of other overseas Subsidiaries of Solar Industries India Limited. He has been associated with Solar Group since 2009 and was responsible for Company's expansion in African countries. His area of expertise is: <ul style="list-style-type: none"> Strategic Business Development Stakeholder and customer relationship Management Managing Business Operations Project Management Please refer Company's Website: www.solargroup.com for detailed profile.	Shri Suresh Menon has over 40 years of experience in the Coal, Mining- and Explosives industries. His area of expertise is: <ul style="list-style-type: none"> Overseeing the marketing operations of the Company at domestic and global levels. Delivering value to customers Expertise and deep understanding of the explosives market Please refer Company's Website: www.solargroup.com for detailed profile.
7.	Terms and Conditions of Appointment	As per the resolution of appointment.	As per the resolution No. 4 as set out in this Notice read with the Statement hereto.
8.	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance report.	As per Corporate Governance report.
9.	Remuneration proposed to be paid	As per existing approved terms of Appointment.	As per the resolution No.4 of the Notice convening this meeting read with explanatory statement thereto.
10.	Date of First appointment on the Board	July 29, 2021	May 11, 2018
11.	Shareholding in the Company as on date of notice	NIL	NIL
12.	Relationship with other Directors / Key Managerial Personnel	Not related to any other Director/ Key Managerial Personnel.	Not related to any other Director / Key Managerial Personnel.
13.	Number of meetings of the Board attended during the financial year (FY 2022-23)	5 (five) out of 5(five) board meetings during the financial year 2022-23.	5 (five) out of 5(five) board meetings during the financial year 2022-23.
14.	Directorships of other Boards	Solar Explochem Limited	Solar Explochem Limited Solar Defence Limited Solar Defence Systems Limited
15.	Chairman/ Member in the committees of Board of other Listed Companies in which he/she is the Director	NIL	NIL
16.	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	NIL	NIL

Sr. No.	Particulars	Details/ Information
1.	Name of the Director	Smt. Sujitha Karnad (DIN:-07787485)
2.	Date of Birth	14/10/1961
3.	Age	61 years
4.	Nationality	Indian
5.	Qualification	B.E. (Hons) in Electrical & Communication Engineering, M.E. in Applied Electronics, P.hd. in Organizational Behavior.
6.	Experience (including expertise in specific functional area/ Brief Resume	Smt. Sujitha Karnad is Doctorate in Organisation Behavior. She has rich experience in the areas of Telecom, Manufacturing, Semiconductor industry, Banking, and Healthcare IT solutions. Please refer Company's Website: www.solargroup.com for detailed profile.
7.	Terms and Conditions of Revision in terms of Remuneration	As per the resolution No. 6 as set out in this Notice read with the Statement hereto.
8.	Remuneration last drawn (including sitting fees, if any)	As per Corporate Governance report.
9.	Remuneration proposed to be paid	She shall be paid remuneration by way of Sitting fees for attending meetings of the Board or Committees thereof and reimbursement of expenses for participating in the Board and other meetings.
10.	Date of First appointment on the Board	December 15, 2020
11.	Shareholding in the Company as on date of notice	NIL
12.	Relationship with other Directors / Key Managerial Personnel	Not related to any other Director / Key Managerial Personnel.
13.	Number of meetings of the Board attended during the financial year (FY 2022-23)	5 (five) out of 5(five) board meetings during the FY 2022-23.
14.	Directorships of other Boards	Sekai Solutions Private Limited DTDC Express Limited Prudent Eco Systems Private Limited
15.	Chairman/ Member in the committees of Board of other Listed Companies in which he/she is the Director	NIL
16.	Name(s) of the listed entities from which the person has resigned from Directorship in the past three years	NIL



(CIN: L74999MH1995PLC085878)

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